Thomas A. Schweich
Missouri State Auditor

Year 2011

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Thomas A. Schweich

Missouri State Auditor

2011 ANNUAL REPORT

Office of The Missouri State Auditor

December 2011

Report No. 2011-123

http://auditor.mo.gov

A MESSAGE FROM THE STATE AUDITOR

The Citizens of Missouri
The Honorable Jay Nixon
The Missouri General Assembly

Following, please find the State Auditor's office annual report of the 123 reports issued, 166 bonds registered, and 117 initiative petitions received in 2011.

During 2011, this office helped identify more than a dozen instances of theft and misuse of public monies, totaling over $700,000 and leading to criminal charges against the individuals alleged to have embezzled the funds. We uncovered wasted resources and violations of law and policy in several state agencies, municipal courts and other political subdivisions.

We released the Fiscal Year 2010 Statewide Single Audit, which required over 27,000 hours to audit $13.46 billion in federal funds spent on major programs by state agencies. We activated this office's first ever rapid response team to address enrollment and attendance report tampering at a public elementary school and conducted audits of the Department of Revenue contract license offices for the first time in the history of this office.

The Auditor's Swift Assessment Program rapid response team and the Auditor's Follow-up Team to Effect Recommendations have, I believe, improved accountability in Missouri government.

As my first year in office concludes, I want to thank the professional and dedicated employees of the State Auditor's office who continue to serve the citizens of Missouri by improving government efficiency and accountability. I look forward to another productive year.

Very truly yours,

Thomas A. Schweich

OVERVIEW OF THE MISSOURI STATE AUDITOR'S OFFICE

Missouri State Auditor Thomas A. Schweich

DUTIES OF THE STATE AUDITOR

The Missouri Constitution and the Missouri Revised Statutes give the Missouri State Auditor the authority to establish appropriate systems of accounting for all public officials of the state and to audit all state agencies; boards and commissions; the state court system; school districts; counties that do not have a county auditor; and other political subdivisions, upon petition by the voters of those subdivisions.

All audits are conducted in an impartial, nonpartisan manner, in accordance with government auditing standards issued by the United States Government Accountability Office. State auditors adhere to the rigorous standards of the auditing profession and exercise the highest levels of integrity and ethics. Audit findings and recommendations are based upon reliable evidence, free from preconceived notions and the influence of personal opinions.

AUDITS PERFORMED

Audits of state and local government are performed by the State Auditor's office.

1) State Government Audits: The State Auditor conducts audits of state agencies, programs, and activities; boards and commissions; statewide elected officials; the General Assembly; the judiciary; the state's financial statements; and federal awards expended by the state. The State Auditor may also conduct audits of Department of Revenue contract license offices.

2) Local Government Audits: For counties that do not have a county auditor, the State Auditor is required to conduct an audit at least once every four years. The State Auditor also conducts an audit in a county collector's office after a vacancy occurs. In addition, the State Auditor conducts audits of Transportation Development Districts and may conduct audits of school districts.

   Qualified voters of a political subdivision, such as cities, school districts, water districts, etc., may request an audit through the petition process.[1]

For a complete listing of audits released in 2011, please see page 20.

[1] The number of verified signatures required for a petition audit is determined by the following table from RSMO §29.230:

No. of Votes in Last Election for Governor	The Greater of	
	Percent	Minimum
Below 1,000	25% of **registered** voters	-----
1,000 to 4,999	15% of actual votes	200
5,000 to 49,999	10% of actual votes	750
50,000 or more	5% of actual votes	5,000

FISCAL NOTES

The State Auditor's office is responsible for assessing the fiscal impact of initiative petitions proposing constitutional or statutory changes that citizens file with the Secretary of State. The fiscal note and fiscal note summary for each petition states the initiative's estimated costs or savings, if any, to state and local governmental entities. Once the Secretary of State certifies the official ballot title, summary statement of the measure, and the fiscal note summary, an initiative petition can be circulated publicly for signatures. Proposals that obtain the required number of signatures within statutory time limits will be voted on by the public at the next statewide General Election.[2]

The office is also responsible for assessing the fiscal impact for Missouri General Assembly adopted joint resolutions proposing constitutional amendments or bills without a fiscal note summary, which are to be referred to a public vote. The fiscal note and fiscal note summary for each joint resolution or bill states the measure's estimated costs or savings, if any, to state and local governmental entities.

During 2011, the State Auditor's office received notification to prepare fiscal notes and fiscal note summaries for 117 initiative petitions or joint resolutions. For a complete listing of initiative petitions received by the State Auditor's office in 2011, please see page 31.

BOND REGISTRATION

The State Auditor's office is responsible for reviewing and registering general obligation bonds issued by political subdivisions in Missouri to ensure those bonds comply with both state law and the conditions of the

[2] Petitions proposing amendments to the constitution require signatures of 8 percent of the legal voters in each of two-thirds of the congressional districts in the state, and petitions proposing laws must be signed by 5 percent of such voters.

contracts under which the bonds were issued. For a complete listing of bonds registered in 2011 with the State Auditor's office, please see page 25.

REVIEW OF PROPERTY TAX RATES

State law requires the Missouri State Auditor annually to certify all taxing jurisdictions throughout Missouri as to their compliance with state law and the tax limitation provisions of Missouri's Constitution, Article X, Sections 16-24, commonly known as the Hancock Amendment. The State Auditor's office property tax rate report states whether a taxing jurisdiction has met its obligation to set an overall tax rate at a level approved by voters and within the limits set by Missouri law. The Review of 2011 Property Tax Rates is Report No. 2011-118 and is available on our website.

NOTE: The State Auditor's office does not have the authority to reduce the tax rate of any taxing jurisdiction. Additionally, the State Auditor's office has no authority to determine or review individual tax assessments. Chapter 138, RSMo, governs the appeals process for assessed valuations as they pertain to individual taxpayers.

STATEMENTS AND TESTIMONY

The State Auditor is often called upon to advise the governor, legislature, and citizens on matters pertaining to state government operations.

Auditor Schweich frequently testifies before Missouri legislative committees regarding audits undertaken by his office. This year he testified before the House Appropriations Committee on Health, Mental Health, and Social Services regarding certain findings in the 2010 Statewide Single Audit.

NEW INITIATIVES WITHIN THE OFFICE

Shortly after taking office, Auditor Schweich started the Auditor's Swift Assessment Program (ASAP) to rapidly respond to credible allegations of waste, fraud, or abuse of public monies. ASAP is only activated if there is reason to believe evidence may be destroyed and the ASAP guidelines are met. This year, ASAP was activated to audit allegations of enrollment and attendance report tampering at a public elementary school, and its findings are contained in Report No. 2011-066.

Auditor Schweich also formed the Auditor's Follow-up Team to Effect Recommendations (AFTER). Every finding in an audit report is followed by a recommendation to bring the entity into compliance with the law and accepted accounting practices and to improve government accountability, transparency and efficiency. Ninety days after an audit with findings requiring immediate management attention is released, AFTER returns and reports on whether the entity has implemented the applicable audit recommendations.

In order to facilitate transparency and increase accountability, Auditor Schweich also instituted the Citizens Summary and a rating scale. The Citizens Summary provides readers with a short, plain language summary of each audit, and the rating scale rates the audited entity as Excellent, Good, Fair or Poor, so readers can tell at a glance how the entity is performing overall in the audited areas.

During 2011, we redesigned the State Auditor's office website at http://auditor.mo.gov. The website contains a wealth of information and many helpful links. All audit reports issued and bonds registered with the office from 1999 to present and all initiative petitions received by the office from 2003 to present are available on the website. Reports are searchable, listed chronologically, and categorized by subject and by region. The website also includes news releases, employment opportunities, and links for information on petition audits, federal stimulus monies tracking, political subdivision financial reporting, and various forms.

2011 AUDIT HIGHLIGHTS

ELECTED OFFICIALS

The State Auditor is required by state law to conduct audits of the offices of other statewide elected officials. In 2011, the State Auditor's office released reports related to the Office of the State Treasurer; the Office of Attorney General, Medicaid Fraud Control Unit; the Office of the Lieutenant Governor; and the Office of the Governor. Summaries of these reports follow.

Office of the State Treasurer

The audit of the Office of the State Treasurer discovered that a former employee was paid $15,791 for two months' work as a Transition Specialist after resigning his position as Deputy State Treasurer. The former employee reported eight hours per day of work on his timesheet during this time period, but minimal documentation existed to support the work for which he was compensated. This was the only audit finding, and, overall, the Office of the State Treasurer received a rating of **Good**.

(Report No. 2011-026)

Office of the Attorney General, Medicaid Fraud Control Unit

The audit of the Office of Attorney General, Medicaid Fraud Control Unit contained no audit findings. The Medicaid Fraud Control Unit received one of only two **Excellent** performance ratings given in 2011.

(Report No. 2011-037)

Office of the Lieutenant Governor, Lodging Reimbursement

The Deputy State Auditor released a report regarding the Lieutenant Governor's reimbursement of in-state lodging expenses. Lieutenant Governor Kinder reimbursed the state for in-state lodging expenses it had

incurred on his behalf. The State Auditor's office reviewed this amount and determined that another $1,888.63 was owed to meet the Lieutenant Governor's stated objective of reimbursing all in-state lodging expenses incurred on his behalf. Given the limited nature of this review, no rating was assigned.

(Report No. 2011-031)

Office of the Governor, Letter Report on Withholds

During the regularly-scheduled audit of the Office of the Governor, the State Auditor's office discovered that Governor Nixon's Office of Administration lacked any accounting support for its announced withholds of over $170 million in appropriated funds for fiscal year 2012. Moreover, the withholds were announced before the start of the fiscal year, which appeared to exceed the Governor's constitutional and statutory authority. The State Auditor issued a letter report recommending that the Governor work with the General Assembly to clarify and/or address the issues. The Governor declined to take such action, and the matter is currently pending before the court. Given the limited nature of this report, no rating was assigned.

(Report No. 2011-043)

EDUCATION

The State Auditor's office conducted various audits related to education during 2011. Some of these audits were based upon statutory authority or obligation, while others arose through the petition process. Summaries of several education-related audits follow.

Department of Higher Education, Separation and Retention Contracts of University Officials

The State Auditor released an audit of the Department of Higher Education, Separation and Retention Contracts of University Officials. The audit considered the employment contracts of the four chancellors of the University of Missouri campuses and the nine presidents of the other Missouri public 4 year universities. The audit identified five agreements which may not comply with state law and/or may not be in the best interest of the university. Missouri state law forbids public officials from receiving any compensation for work which has already been performed. Bonuses and severance packages are two examples of such prohibited payments.

Missouri Southern State University agreed to pay its then-president, Dr. Julio S. Leon, a lump sum of $168,518 upon his resignation after 38 years of employment, 25 of which were as president, and gave him the option to teach part-time as the highest paid professor. Northwest Missouri State University entered an employment agreement with its then-president, Dr. Dean L. Hubbard, who served as president for 25 years, which entitled him to a year's pay ($224,762) for the year after he resigned, and entitled him and his spouse to health and accident insurance for 2 years after he resigned. Harris Stowe State University entered a contract with its then-president, Dr. Henry Givens, Jr., who had served as president for 30 years, under which he would work as an advisor for two years at $70,000 per year and receive lifetime medical, dental, vision, long-term care and life insurance.

After 5 years of her presidency, Truman State University entered a separation agreement with its then-president, Dr. Barbara B. Dixon, which entitled her to receive a salary of $205,050 to serve as a consultant for 1 year after her resignation to document her thoughts and recommendations regarding cost-saving measures. She was entitled to receive an additional $10,000 at the end of the year if she performed satisfactorily and to receive an additional 6 months of insurance. After 5 years as president of Missouri State University, Dr. Michael T. Nietzel resigned and, in accordance with his contract, became the highest paid tenured professor in the Department of Psychology at an annual salary of $160,423. His contract also entitled him to be paid $80,211 for a semester of leave,

during which time he served as an unpaid advisor to Governor Nixon on higher education matters. Due to the limited objective of this audit, no overall rating was provided.

(Report No. 2011-055)

Northwest Missouri State University

An audit of Northwest Missouri State University (NWMSU) discovered it had not solicited competitive bids or proposals for auxiliary services for years and had extended and amended its existing contracts in exchange for approximately $1.5 million in donations or other payments to fund a stadium renovation. The university also failed to properly monitor its food services and facilities management contracts. The university and its foundation made substantial payments and provided other benefits to its former president for the year after his resignation, which may have been in violation of the Missouri Constitution's prohibition against additional compensation for public officials.

NWMSU subsidized over $3.3 million of the not-for-profit Northwest Foundation's operating costs, in apparent violation of the Missouri Constitution. The university also lacked documentation to support its room and board charges. In addition, the audit recommended that NWMSU assess the continued viability of programs which operate at a loss and its continued ownership of real property for which it has no current plans and the university's airplane. In addition, NWMSU should improve its internal controls over cash receipts, capital asset management, and computer security. The university received an overall rating of **Fair**.

(Report No. 2011-047)

St. Louis Public School District, Patrick Henry Downtown Academy, Enrollment and Attendance Recording and Reporting

The State Auditor activated the Auditor's Swift Assessment Program (ASAP) in 2011, for the first rapid audit response in the history of the office. In response to credible allegations of enrollment and attendance report tampering, and in light of a substantiated risk that potential evidence was

being destroyed, ASAP undertook an assessment of enrollment and attendance recording and reporting at Patrick Henry Downtown Academy (Patrick Henry). After ASAP conducted several interviews and took steps to preserve the available documentation, the State Auditor determined the allegations had merit and directed the audit staff to conduct a comprehensive audit of the issue.

The audit found numerous discrepancies between the manual attendance records completed by teachers and the official attendance records submitted to the state electronically by the school's office personnel. A school employee testified under oath that the school principal directed her to alter attendance data when entering it into the electronic system. The overwhelming impact of these discrepancies was to inflate attendance, thereby increasing funding and attendance percentages. The audit noted that district policy requires each teacher to enter attendance data in the electronic system personally, but this policy was not followed or enforced at Patrick Henry. The audit also noted that the district-wide Student Information System did not adequately limit or electronically track when or by whom changes are made in the system, leaving data subject to unauthorized or erroneous changes. Because of the nature of this rapid response audit, no overall rating was provided.

(Report No. 2011-066)

Lathrop R-II School District

The State Auditor's office audited the Lathrop R-II School District pursuant to a duly-executed petition request. The only audit finding was the school district failed to adequately monitor its diesel fuel usage. The school district's bus services contractor uses the school district's fuel tank, and the school district should track the fuel usage to ensure all of its fuel is used to benefit the school district. The overall rating was **Good**.

(Report No. 2011-025)

Kansas City 33 School District

The State Auditor released an audit of the Kansas City 33 School District (KCSD) which found that the school district did not always competitively bid or effectively monitor contracts and lacked adequate documentation to support nearly $4 million in expenditures for student incentives and food and meals. The audit recommended the KCSD maintain a complete list of surplus property and explore means to dispose of surplus property and reduce utility costs at closed schools.

The audit identified weaknesses in the KCSD's accounting controls which enabled the former principal of Lincoln College Preparatory Academy to make $58,000 in unauthorized disbursements and withdrawals, for which she is currently awaiting trial. The audit recommended the KCSD improve its compliance with the Sunshine law and establish formal written textbook policies and procedures. The audit also cautioned that the KCSD should continue to monitor its financial condition. Overall, the audit rated the KCSD **Fair**.

(Report No. 2011-082)

COURTS

In 2011, the State Auditor conducted several audits of various municipal courts and audited the Missouri Court of Appeals, Southern District. The State Auditor has the discretion to audit courts as he deems advisable and, generally, will audit the local municipal court when an audit petition is received. Below are summaries of several court audit reports.

Missouri Court of Appeals, Southern District

The State Auditor noted that the Missouri Court of Appeals, Southern District, has no supervisory review of payroll duties, most employees are not required to complete timesheets, and leave records are not adequately documented. One employee had been overpaid by more than $2,000, and another employee's leave balance was short eight days. The audit found that receipting and depositing procedures should be improved, and a

physical inventory of the law library's assets should be performed. Overall, in the areas audited, the performance was **Good**.

(Report No. 2011-007)

Seventh Judicial Circuit, City of North Kansas City Municipal Division

The State Auditor identified no findings during the audit of the Seventh Judicial Circuit, City of North Kansas City Municipal Division. The court received one of only two **Excellent** ratings given in 2011.

(Report No. 2011-033)

Fortieth Judicial Circuit, City of Lanagan Municipal Division

The State Auditor identified at least $521 in missing funds during the audit of the Fortieth Judicial Circuit, City of Lanagan Municipal Division, and, because certain records could not be located, it is possible additional monies are missing. City officials should work with law enforcement regarding the missing funds and records. The audit identified significant weaknesses in accounting controls and procedures, which increase the risk of theft or misuse of funds. The court lacked adequate procedures for collecting monies due on tickets and could be owed thousands of dollars in unpaid fines. The audit also found inadequate procedures related to case dispositions, license suspensions and ticket accountability. The overall performance of the court, in the areas audited, was **Poor**.

(Report No. 2011-012)

STATE AGENCIES

The State Auditor conducted various audits of state agencies in 2011, including audits of entire departments, audits of divisions within a department, and audits of certain functions, such as security controls or administrative functions, within a given department or

division. Summaries of a few such audits are provided below.

Department of Public Safety, Missouri State Water Patrol

The State Auditor released an audit of the Department of Public Safety, Missouri State Water Patrol (MSWP). Effective January 1, 2011, the MSWP was eliminated, and its powers and duties were transferred to the Missouri State Highway Patrol (MSHP), Water Patrol Division. The audit discovered over $3,000 in missing boater education fees, which weaknesses in internal controls allowed to go undetected, and a former MSWP clerk was charged with felony stealing. The audit also uncovered 28 boats worth $250,000 sitting unused in a warehouse with no clear plans for their future use or disposal. Finally, the audit revealed that, instead of the $3 million savings the transfer was promised to bring to the state, the transfer will actually cost the state an additional $900,000 per year, primarily due to increased retirement and health care costs. The MSWP received an audit rating of **Fair**.

(Report No. 2011-060)

Missouri Health and Educational Facilities Authority

An audit of the Missouri Health and Educational Facilities Authority (MOHEFA) found that MOHEFA did not have compliant travel policies and did not adequately control travel costs for its board members, employees, or contractors, and some reimbursed expenses exceeded state guidelines. Some expenditures did not appear prudent or necessary. MOHEFA had not modified its rate structure since 2007 and collected almost $1 million in annual service fees in fiscal year 2010, giving it a fund balance of over $10 million with limited plans for its use. The audit also recommended that MOHEFA adopt a procurement policy and solicit competitive bids or proposals for goods and services. Overall, MOHEFA was rated **Good**.

(Report No. 2011-054)

Department of Insurance, Financial Institutions and Professional Registrations, Division of Finance

Although the State Auditor was not given access to most financial institution examination records at the time of the Department of Insurance, Financial Institutions and Professional Registrations, Division of Finance (DOF) audit, a review of the records provided revealed several instances of noncompliance. The DOF was late performing association examinations 47% of the time. DOF employees failed to document that they completed all required procedures, had supervisors review completed examinations and used the most current version of the examination program when reviewing banks which closed between March 2008 and April 2010. In addition, the audit discovered that, in the 3 years ended June 30, 2010, the DOF collected $1,546,000 more from banks than necessary to cover actual costs. The DOF had no documentation that it had reviewed the overhead rates it charges associations and trusts to cover personnel costs. In the completed areas of the audit, the overall performance of the DOF was rated **Fair**.

(Report No. 2011-017)

Missouri Department of Conservation

An audit of the Missouri Department of Conservation (MDC) found that the MDC had spent over $1.23 million to reintroduce just 39 elk into Missouri, despite having budgeted only $411,185 to reintroduce 150 elk. The MDC spent three times more than planned to reintroduce less than a quarter of the number of elk planned. In addition, the MDC executive staff and commission discussed the elk restoration project in closed sessions, which was not allowed by the Sunshine Law. The audit also found the MDC lacked current area management plans for the majority of applicable conservation areas and accesses, a failing which was also noted in our prior audit of the MDC. The audit also recommended the MDC improve its internal controls over procurement cards and questioned the MDC's sole source procurement to a retired former employee whereby he will receive at least $155,000 to write a book about Missouri rivers and streams. The overall performance in the areas audited was rated **Good**.

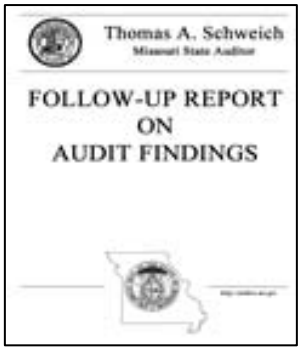
(Report No. 2011-120)

CONTRACT LICENSE OFFICES

The State Auditor conducted audits of ten contract license offices: Aurora; Columbia; Downtown (St. Louis); Imperial; Kansas City-Fletcher Daniels Building; Paris; Princeton; Raytown; South Fremont (Springfield); and Willow Springs. We rated nine of the offices **Good** and rated the Princeton office **Fair**. Several of the offices need to improve their accounting controls and procedures and their handling of prepayment void transactions.

(Report Nos. 2011-094 to 2011-103)

FOLLOW-UP



For the first time in the office's history, the State Auditor began dispatching a team, the Auditor's Follow-up Team to Effect Recommendations (AFTER), 90 days after an audit to assess whether recommendations for findings requiring immediate management attention have been implemented. The State Auditor issued five follow-up audit reports in 2011. Below is a summary of one such report.

City of Neosho, Follow-up

The State Auditor issued a petition audit report of the City of Neosho in July (Report No. 2011-036) and rated the city **Poor**. AFTER assessed the city's implementation of 13 findings requiring immediate management attention and found the city had made substantial progress. The city had either implemented or was in the process of implementing every one of these important recommendations.

(Report No. 2011-121)

STATEWIDE SINGLE AUDIT

Each year, the State Auditor's office is required to audit the state's financial statements and its use of federal awards, including American Recovery and Reinvestment Act of 2009 (ARRA) funds. The 2010 Statewide Single Audit required over 27,000 hours to audit the $13.46 billion in federal awards spent on major programs by the state. We found that the Department of Elementary and Secondary Education monitored its sub-recipients' ARRA spending one year in arrears, and the Department of Higher Education was initially unaware it had a duty to monitor how the $134 million of ARRA funds it disbursed to colleges and universities was spent.

In 74% of the cases we reviewed, the Department of Health and Senior Services had not conducted the mandatory annual reassessment of eligibility for a Medicaid Waiver program, and, in many cases, the Department of Social Services-Children's Division lacked adequate eligibility documentation and had insufficient supporting documentation for payments made. The Department of Social Services-Family Support Division lacks a formal and comprehensive system for evaluating whether costs charged to or counted toward the Temporary Assistance for Needy Families program were allowable. The Department of Health and Senior Services did not adequately control voided Women, Infants and Children program checks, and over 2,000 voided checks were later redeemed. No findings were made with respect to the Missouri Department of Transportation or Department of Economic Development. Given the compound nature of this audit report, no rating is assigned.

(Report No. 2011-011)

MISCELLANEOUS

In addition to elected officials, school districts and universities, courts, state agencies, contract license offices and federal awards, the State Auditor audits class three counties, boards and commissions, and transportation development districts, in addition to fulfilling other statutory obligations. Moreover, upon receipt of a petition bearing a sufficient number of valid signatures, the State Auditor will conduct an audit of any political subdivision, for which the political subdivision bears the cost. Below are summaries of some of the above-described audits released in 2011.

Schuyler County Collector and Property Tax System

While conducting a regularly-scheduled audit of Schuyler County, the State Auditor's office discovered evidence of theft in the County Collector's office. In total, at least $568,974 in property tax receipts is missing. Weak internal controls and procedures allowed the theft to continue undetected over several years. The former County Collector resigned and pled guilty to a federal charge of felony mail fraud. The State Auditor's office rated the performance of the Schuyler County Collector's office **Poor**.

(Report No. 2011-112)

Board of Election Commissioners, City of St. Louis

The State Auditor determined the Board of Election Commissioners (BEC), City of St. Louis, does not routinely review and update the database of registered voters. Although the BEC has made significant improvements since the prior audit, we still found that over 2,400 voters were registered in the city and elsewhere in the state. The BEC does not separately account for the additional five percent of election costs charged, so it is difficult to determine if the funds are used in compliance with state law. The audit

also found that the BEC does not adequately track candidate reports and may not always comply with the Sunshine Law and procurement policies. The BEC's overall performance in the areas audited was rated **Fair**.

(Report No. 2011-111)

Compilation of 2010 Criminal Activity Forfeiture Act Seizures

State law requires the State Auditor's office to issue an annual compilation of the Criminal Activity Forfeiture Act (CAFA) seizures for the year. The law requires the Attorney General, prosecuting attorneys, and law enforcement agencies participating in the federal forfeiture system to submit an annual report to the State Auditor; these reports are used to prepare the annual compilation. In February, the State Auditor's office released the 2010 report based upon the information it had received, but it was missing nine prosecuting attorneys' reports and all applicable law enforcement agencies' reports. Based upon the information provided, less than $26,000 in seizure proceeds went to Missouri public schools. Due to the nature of this compilation report, no rating is assigned.

(Report No. 2011-008)

City of Lanagan

During a petition audit of the City of Lanagan, the State Auditor identified over $13,500 in missing funds. Because city records disappeared from City Hall, auditors were unable to determine if additional monies were missing. In addition, auditors concluded that the city owes the state at least $36,000 in excess ticket revenues. The audit found the city is in poor financial condition and lacks adequate accounting controls and procedures. The audit recommended the city investigate large water losses, review its water rates, and enforce delinquent penalties. The City of Lanagan received a rating of **Poor**.

(Report No. 2011-105)

Audit Reports Released by the Missouri State Auditor's Office in 2011

Audit	Date Issued	Audit Number
2011 Annual Report	12-2011	2011-123
Village of Riverview	12-2011	2011-122
Follow-Up Report on Audit Findings / City of Neosho	12-2011	2011-121
Conversation / Department of Conservation	12-2011	2011-120
Grundy County - Financial Statements	12-2011	2011-119
Review of 2011 Property Tax Rates	12-2011	2011-118
Ozark County	12-2011	2011-117
Transportation Development Districts	12-2011	2011-116
Health and Senior Services / Monitoring of Long-Term Care Facilities and Handling of Complaint Investigations	12-2011	2011-115
Jackson County Sports Complex Authority	12-2011	2011-114
Administration / Children's Trust Fund Board	12-2011	2011-113
Schuyler County Collector and Property Tax System	12-2011	2011-112
Board of Election Commissioners, City of St. Louis	12-2011	2011-111
Pulaski County	12-2011	2011-110
Thirty-Eighth Judicial Circuit / City of Sparta / Municipal Division	12-2011	2011-109
Public Safety / Missouri State Highway Patrol's Use of Highway Funds	11-2011	2011-108
Social Services / MO HealthNet Division / Program Integrity Unit	11-2011	2011-107
City of Mountain Grove	11-2011	2011-106
City of Lanagan	11-2011	2011-105
City of Pacific	11-2011	2011-104
Revenue / Willow Springs Contract License Office	11-2011	2011-103
Revenue / South Fremont (Springfield) Contract License Office	11-2011	2011-102
Revenue / Raytown Contract License Office	11-2011	2011-101
Revenue / Princeton Contract License Office	11-2011	2011-100
Revenue / Paris Contract License Office	11-2011	2011-99
Revenue / Kansas City-Fletcher Daniels Building Contract License	11-2011	2011-98

Office		
Revenue / Imperial Contract License Office	11-2011	2011-97
Revenue / Downtown (St. Louis) Contract License Office	11-2011	2011-96
Revenue / Columbia Contract License Office	11-2011	2011-95
Revenue / Aurora Contract License Office	11-2011	2011-94
Phelps County	11-2011	2011-93
Village of Rayville	11-2011	2011-92
Dunklin County	10-2011	2011-91
City of Howardville	10-2011	2011-90
Follow-Up Report on Audit Findings / City of Pine Lawn	10-2011	2011-89
Henry County - Financial Statements	10-2011	2011-88
Lawrence County - Financial Statements	10-2011	2011-87
Ripley County - Financial Statements	10-2011	2011-86
Harrison County - Financial Statements	10-2011	2011-85
Twentieth Judicial Circuit / City of Pacific / Municipal Division	10-2011	2011-84
City of North Kansas City	10-2011	2011-83
Kansas City 33 School District	10-2011	2011-82
Dade County - Financial Statements	09-2011	2011-81
Dallas County - Financial Statements	09-2011	2011-80
Howard County - Financial Statements	09-2011	2011-79
Pulaski County - Financial Statements	09-2011	2011-78
Crawford County - Financial Statements	09-2011	2011-77
Madison County - Financial Statements	09-2011	2011-76
Butler County - Financial Statements	09-2011	2011-75
Barry County - Financial Statements	09-2011	2011-74
Marion County - Financial Statements	09-2011	2011-73
Warren County - Financial Statements	09-2011	2011-72
Nodaway County - Financial Statements	09-2011	2011-71
Holt County - Financial Statements	09-2011	2011-70
Clark County - Financial Statements	09-2011	2011-69
Monroe County	09-2011	2011-68

Harrison County	09-2011	2011-67
St. Louis Public School District, Patrick Henry Downtown Academy Enrollment and Attendance Recording and Reporting	09-2011	2011-66
Pemiscot County	09-2011	2011-65
Follow-Up Report On Audit Findings / Village of Indian Point	09-2011	2011-64
Ralls County - Financial Statements	09-2011	2011-63
Schuyler County - Financial Statements	09-2011	2011-62
Texas County - Financial Statements	09-2011	2011-61
Public Safety / Missouri State Water Patrol	09-2011	2011-60
Economic Development / Division of Tourism	09-2011	2011-59
Phelps County - Financial Statements	09-2011	2011-58
Stone County - Financial Statements	09-2011	2011-57
Revenue / Taxation Division Security Controls	09-2011	2011-56
Higher education / Separation and Retention Contracts of University Officials	09-2011	2011-55
Administration / Missouri Health and Educational Facilities Authority	09-2011	2011-54
Pemiscot County - Financial Statements	09-2011	2011-53
Dunklin County - Financial Statements	09-2011	2011-52
Carroll County - Financial Statements	09-2011	2011-51
Laclede County - Financial Statements	09-2011	2011-50
Ray County	09-2011	2011-49
Missouri Statewide Performance Indicators: A National Comparison	09-2011	2011-48
Higher Education / Northwest Missouri State University	09-2011	2011-47
Follow-Up Report on Audit Findings / City of University City	08-2011	2011-46
Douglas County	08-2011	2011-45
Office of Administration / Missouri Ethics Commission	08-2011	2011-44
Governor Withholding Report	08-2011	2011-43
Grundy County	08-2011	2011-42
Marion County	08-2011	2011-41
Howard County	08-2011	2011-40
Thirty-Fourth Judicial Circuit / City of Howardville / Municipal Division	08-2011	2011-39
Follow-Up Report on Audit Findings / Department of Mental Health / Office of Director	07-2011	2011-38

Office of Attorney General / Medicaid Fraud Control Unit	07-2011	2011-37
City of Neosho	07-2011	2011-36
Daviess County - Financial Statements	07-2011	2011-35
Natural Resources / Petroleum Storage Tank Insurance Fund Board Of Trustees	07-2011	2011-34
Seventh Judicial Circuit / City of North Kansas City / Municipal Division	07-2011	2011-33
City of Lowry City	07-2011	2011-32
Lieutenant Governor Reimbursement	07-2011	2011-31
Warren County	06-2011	2011-30
City of Pine Lawn	06-2011	2011-29
Gans Road and U.S. 63 Transportation Development District	06-2011	2011-28
Twenty-First Judicial Circuit / Village of Riverview / Municipal Division	06-2011	2011-27
Office of State Treasurer / Year Ended June 30, 2010	06-2011	2011-26
Lathrop R-II School District	05-2011	2011-25
Twenty-First Judicial Circuit / City of Pine Lawn / Municipal Division	05-2011	2011-24
Forty-Fourth Judicial Circuit / City of Mountain Grove / Municipal Division	05-2011	2011-23
Hanley Road and North of Folk Avenue / Transportation Development District	05-2011	2011-22
City of Chula	05-2011	2011-21
County Collector / Wayne County	05-2011	2011-20
Village of Bull Creek	05-2011	2011-19
Revenue / Department of Revenue / Administrative Functions	05-2011	2011-18
Insurance, Financial Institutions and Professional Registration / Division of Finance	05-2011	2011-17
Economic Development / Division of Workforce Development	04-2011	2011-16
Administration / Review of Article X, Sections 16 Through 24, Constitution of Missouri / Year Ended June 30, 2010	04-2011	2011-15
City of University City	04-2011	2011-14
Transportation Development Districts	03-2011	2011-13
Fortieth Judicial Circuit / City of Lanagan / Municipal Division	03-2011	2011-12
State of Missouri / Single Audit / Year Ended June 30, 2010	03-2011	2011-11
Caldwell County - Financial Statements	03-2011	2011-10
Village of Indian Point	03-2011	2011-09

Compilation of 2010 Criminal Activity Forfeiture Act Seizures	02-2011	2011-08
Judiciary / Missouri Court of Appeals / Southern District	02-2011	2011-07
Seventh Judicial Circuit / City of Holt Municipal Division	02-2011	2011-06
Fourth Judicial Circuit / City of Maryville Municipal Division	02-2011	2011-05
Shannon County - Financial Statements	02-2011	2011-04
Comprehensive Annual Financial Report	01-2011	2011-03
Shannon County	01-2011	2011-02
County Collector / Marion County	01-2011	2011-01

Bonds Registered with the Missouri State Auditor's Office in 2011

Date of Registration	Bonds Issued By	Amount of Issue
12-30-2011	Des Moines and Mississippi Levee District No. 1	$1,360,000.00
12-29-2011	Normandy School District	$8,500,000.00
12-29-2011	Wright City R-II School District	$1,000,000.00
12-29-2011	Lincoln County R-III School District	$6,015,000.00
12-16-2011	Maryville R-II School District	$7,420,000.00
12-16-2011	Palmyra R-I School District	$7,000,000.00
12-16-2011	Pettis County R-V School District	$790,000.00
12-16-2011	Paris R-II School District	$720,000.00
12-15-2011	Mt. Vernon R-V School District	$2,700,000.00
12-14-2011	Pleasant Hill R-III School District	$5,100,000.00
12-12-2011	Johnson County, Neighborhood Improvement District	$110,000.00
12-12-2011	Hartville R-II School District	$1,440,000.00
12-12-2011	Normandy School District	$3,000,000.00
12-08-2011	Grain Valley R-V School District	$1,275,000.00
12-08-2011	Fair Play R-II School District	$1,270,000.00
12-05-2011	North St. Francois County R-I School District	$6,205,000.00
12-02-2011	Cape Girardeau School District No. 63	$2,990,000.00
12-02-2011	Center School District No. 58	$2,885,000.00
11-29-2011	Black Jack Fire Protection District	$2,500,000.00
11-23-2011	City of Grain Valley	$5,234,676.40
11-23-2011	El Dorado Springs R-II School District	$1,850,000.00
11-23-2011	Osage County R-II School District	$2,300,000.00
11-23-2011	Mid County Fire Protection District	$3,635,000.00
11-23-2011	Spokane R-VII School District	$2,095,000.00

11-23-2011	**Scott City R-I School District**	$2,410,000.00
11-14-2011	**City of St. Charles, Neighborhood Improvement District**	$9,860,000.00
11-09-2011	**Maryville R-II School District**	$4,265,000.00
11-08-2011	**Lebanon R-III School District**	$6,490,000.00
11-08-2011	**Dexter R-XI School District**	$4,775,000.00
11-08-2011	**Central R-III School District**	$4,150,000.00
11-08-2011	**Boonville R-I School District**	$5,870,000.00
11-03-2011	**Pattonville Fire Protection Dist**	$3,000,000.00
11-02-2011	**Platte County, Neighborhood Improvement District**	$5,415,000.00
10-26-2011	**Boone County**	$71,000.00
10-26-2011	**School District of Riverview Gardens**	$9,349,920.75
10-26-2011	**Kirksville R-III School District**	$6,855,000.00
10-19-2011	**Hickman Mills C-1 School District**	$9,650,000.00
10-19-2011	**Blair Oaks R-II School District**	$4,975,000.00
10-18-2011	**Consolidated School District No. 2 (Raytown)**	$9,390,000.00
10-14-2011	**Butler R-V School District**	$6,145,000.00
10-14-2011	**Reorganized School District No. II**	$2,300,000.00
10-11-2011	**South Metropolitan Fire Protection District**	$5,690,000.00
10-11-2011	**Kingston K-14 School District**	$900,000.00
10-11-2011	**Kingston K-14 School District**	$690,000.00
10-05-2011	**Otterville R-VI School District**	$410,000.00
10-05-2011	**Wentzville R-IV School District**	$6,960,000.00
10-05-2011	**Wentzville R-IV School District**	$42,535,000.00
09-30-2011	**Ozark Reorganized School District No. 6**	$2,175,000.00
09-30-2011	**Purdy R-II School District**	$1,600,000.00
09-28-2011	**Parkway C-2 School District**	$27,120,000.00
09-28-2011	**School District of Maplewood Richmond Heights**	$6,999,981.40
09-28-2011	**Ralls County R-II School District**	$2,650,000.00

09-27-2011	**City of Ferguson**	$8,000,000.00
09-27-2011	**Reorganized School District No. R-III**	$5,475,000.00
09-27-2011	**Northwest R-I School District**	$4,333,000.00
09-27-2011	**Lakeland R-III School District**	$1,460,000.00
09-20-2011	**Grandview R-II School District**	$3,925,000.00
09-14-2011	**Southern Boone County R-I School District**	$4,200,000.00
09-14-2011	**Meramec Valley R-III School District**	$8,195,000.00
09-13-2011	**Verona R-VII School District**	$2,450,000.00
09-06-2011	**North Kansas City Levee District**	$6,250,000.00
09-01-2011	**Reorganized School District No. IX**	$4,350,000.00
08-31-2011	**North Kansas City School District 74**	$13,620,000.00
08-30-2011	**School District of the City of Independence**	$10,020,000.00
08-30-2011	**The Community College District of Mineral Area**	$8,000,000.00
08-24-2011	**Atherton Levee District**	$390,000.00
08-23-2011	**Southwest R-V School District**	$2,375,000.00
08-22-2011	**School District of the City of St. Charles**	$8,355,000.00
08-22-2011	**City of Pacific, Missouri Neighborhood Improvement District**	$3,765,000.00
08-10-2011	**City of St. Peters**	$5,150,000.00
08-04-2011	**Oak Grove R-VI School District**	$10,000,000.00
07-29-2011	**City of Owensville**	$1,185,000.00
07-29-2011	**Liberty Public School District No. 53**	$16,290,000.00
07-27-2011	**City of Warrensburg, Missouri Neighborhood Improvement District**	$3,115,000.00
07-27-2011	**Rockwood R-6 School District**	$9,905,000.00
07-21-2011	**City of Richmond**	$2,355,000.00
07-21-2011	**Kirkwood School District R-7**	$4,980,000.00
07-21-2011	**Osborn R-0 School District**	$510,000.00
07-08-2011	**Sikeston R-6 School District**	$3,190,000.00
07-05-2011	**City of Rock Hill**	$3,500,000.00

07-05-2011	**Jackson Township**	$100,000.00
07-05-2011	**Brookfield R-III School District**	$525,000.00
06-30-2011	**Cooper County Fire Protection District**	$1,280,000.00
06-28-2011	**Ozark Reorganized School District No. 6**	$6,500,000.00
06-28-2011	**Fort Osage School District R-I**	$7,800,000.00
06-28-2011	**Independence Township**	$100,000.00
06-28-2011	**Reorganized School District No. R-II**	$9,675,000.00
06-24-2011	**Palmyra R-I School District**	$610,000.00
06-24-2011	**West Platte R-II School District**	$775,000.00
06-24-2011	**Moberly School District No. 81**	$16,200,000.00
06-24-2011	**Meadow Heights R-II School District**	$300,000.00
06-24-2011	**Meadow Heights R-II School District**	$300,000.00
06-22-2011	**Park Hill School District**	$10,000,000.00
06-22-2011	**Nodaway Township**	$200,000.00
06-20-2011	**Branson Reorganized School District No. 4**	$9,150,000.00
06-20-2011	**The School District of Jennings**	$5,600,000.00
06-20-2011	**City of Oak Grove**	$5,470,000.00
06-14-2011	**White Cloud Township**	$150,000.00
06-13-2011	**Pierce City R-VI School District**	$3,100,000.00
06-08-2011	**Hancock Place School District**	$3,000,000.00
06-08-2011	**City of Lake Winnebago**	$250,000.00
06-01-2011	**The School District of Columbia**	$48,275,000.00
05-27-2011	**Community R-VI School District**	$1,325,000.00
05-25-2011	**City of Lee's Summit**	$12,000,000.00
05-24-2011	**Rich Hill R-IV School District**	$1,000,000.00
05-23-2011	**City of Lilbourn**	$175,000.00
05-23-2011	**Mansfield R-IV School District**	$2,225,000.00
05-23-2011	**Hancock Place School District**	$7,000,000.00
05-17-2011	**Stockton R-I School District**	$8,015,000.00

05-17-2011	**Ritenour School District**	$10,000,000.00
05-11-2011	**Francis Howell R-III School District**	$9,940,000.00
05-06-2011	**Windsor C-1 School District**	$9,650,000.00
05-04-2011	**Pleasant Hope R-VI School District**	$900,000.00
05-03-2011	**Worth Co R-III School District**	$520,000.00
05-03-2011	**Newburg R-II School District**	$990,000.00
05-03-2011	**Brookfield R-III School District**	$1,775,000.00
04-27-2011	**Brookfield R-III School District**	$905,000.00
04-27-2011	**Valley Park School District**	$2,655,000.00
04-27-2011	**City of Belton**	$14,885,000.00
04-26-2011	**Boone County**	$450,000.00
04-11-2011	**Reorganized School District No. R-IV**	$3,400,000.00
04-08-2011	**Reorganized School District No. 2 (Willard)**	$5,120,000.00
04-08-2011	**Logan-Rogersville R-VIII School District**	$2,435,000.00
04-06-2011	**Pike County R-III School District**	$1,250,000.00
03-28-2011	**Chadwick R-I School District**	$825,000.00
03-24-2011	**Wentzville R-IV School District**	$7,950,000.00
03-21-2011	**Bloomfield R-XIV School District**	$839,168.00
03-17-2011	**Grain Valley R-V School District**	$3,000,000.00
03-08-2011	**Mexico School District No. 59**	$1,250,000.00
03-04-2011	**Wright City R-II School District**	$5,250,000.00
02-28-2011	**Chadwick R-I School District**	$350,000.00
02-28-2011	**City of Webster Groves**	$13,000,000.00
02-28-2011	**The School District of Springfield R-12**	$9,000,000.00
02-25-2011	**New Bloomfield R-III School District**	$600,000.00
02-24-2011	**The School District of the City of Independence**	$30,000,000.00
02-23-2011	**Slater School District**	$800,000.00
02-23-2011	**DeSoto School District #73**	$900,000.00
02-22-2011	**West Peculiar Fire Protection District**	$2,000,000.00
02-22-2011	**Reorganized School District No. II**	$1,885,000.00

02-17-2011	**Reorganized School District R-II**	$4,785,000.00
02-17-2011	**Harrisburg R-VIII School District**	$1,300,000.00
02-16-2011	**Spanish Lake Fire Protection District**	$790,000.00
02-16-2011	**Carl Junction R-I School District**	$9,610,000.00
02-16-2011	**Advance R-IV School District**	$1,500,000.00
02-16-2011	**Maries County R-I School District**	$2,200,000.00
02-14-2011	**Lincoln County R-III School District**	$2,950,000.00
02-14-2011	**Mexico School District No. 59**	$5,130,000.00
02-14-2011	**Avenue City R-IX School District**	$925,000.00
02-08-2011	**Oran R-III School District**	$1,690,000.00
02-07-2011	**Orrick R-XI School District**	$2,400,000.00
02-03-2011	**Lincoln County R-III School District**	$6,140,000.00
01-28-2011	**Wright City R-II School District**	$3,730,000.00
01-27-2011	**Mid-County Fire Protection District**	$2,405,000.00
01-27-2011	**Meadow Heights R-II School District**	$1,025,000.00
01-27-2011	**Cass County**	$10,000,000.00
01-25-2011	**Pierce City R-VI School District**	$1,275,000.00
01-21-2011	**City of St. James**	$6,700,000.00
01-14-2011	**Northeast Randolph County R-IV School District**	$970,000.00
01-14-2011	**Crystal City School District No. 47**	$1,130,000.00
01-14-2011	**Puxico R-VIII School District**	$2,160,000.00
01-13-2011	**Mid-County Fire Protection District**	$1,000,000.00
01-13-2011	**Robertson Fire Protection District**	$1,000,000.00
01-13-2011	**Princeton R-V School District**	$1,510,000.00
01-12-2011	**Kingsville R-I School District**	$1,475,000.00
01-11-2011	**West St. Francois County R-IV School District**	$2,310,000.00
01-10-2011	**Rich Hill R-IV School District**	$1,695,000.00
01-04-2011	**Union R-XI School District**	$9,275,000.00

Initiative Petitions Received by the Missouri State Auditor's Office in 2011[3]

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
11-01	01/06/11	**Proposed Constitutional Amendment - Article III, version 1, (Purvis)** - Reduction in the number of House of Representative members	02/07/11
11-02	01/06/11	**Proposed Constitutional Amendment - Article III, version 2, (Purvis)** - Reduction in the number of House of Representative members	02/07/11
11-03	01/06/11	**Proposed Constitutional Amendment - Article VIII, version 3, (Cologna)** - Early voting	02/07/11
11-04	01/06/11	**Proposed Constitutional Amendment - Article VIII, version 4, (Cologna)** - Early voting	02/07/11
11-05	01/06/11	**Proposal Related to Chapter 115, RSMo, version 2, (Cologna)** - Early voting	02/07/11
11-06	01/07/11	Proposed Constitutional Amendment - Article X, version 1 (Ellinger) - Taxation	Withdrawn by Petitioner
11-07	01/07/11	Proposed Constitutional Amendment - Article X, version 2 (Ellinger) - Taxation	Withdrawn by Petitioner
11-08	01/07/11	Proposed Constitutional Amendment - Article X, version 3 (Ellinger) - Taxation	Withdrawn by Petitioner
11-09	01/07/11	Proposed Constitutional Amendment - Article X, version 4 (Ellinger) - Taxation	Withdrawn by Petitioner
11-10	01/07/11	Proposed Constitutional Amendment - Article X, version 5 (Ellinger) - Taxation	Withdrawn by Petitioner
11-11	01/07/11	Proposed Constitutional Amendment - Article X, version 6 (Ellinger) - Taxation	Withdrawn by Petitioner
11-12	01/07/11	Proposed Constitutional Amendment - Article X, version 7 (Ellinger) - Taxation	Withdrawn by Petitioner
11-13	01/07/11	Proposed Constitutional Amendment - Article X, version 8 (Ellinger) - Taxation	Withdrawn by Petitioner
11-14	01/07/11	Proposed Constitutional Amendment - Article X, version 9 (Ellinger) - Taxation	Withdrawn by Petitioner

[3] This list contains only those initiative petitions received in 2011 that had been certified, withdrawn, or rejected as of the date of this report.

11-15	01/18/11	**Proposed Constitutional Amendment - Article X, version 1a (Ellinger)** - Taxation	02/16/11 Withdrawn by Petitioner 09/08/11
11-16	01/18/11	**Proposed Constitutional Amendment - Article X, version 2a (Ellinger)** - Taxation	02/16/11 Withdrawn by Petitioner 09/08/11
11-17	01/18/11	**Proposed Constitutional Amendment - Article X, version 3a (Ellinger)** - Taxation	02/16/11 Withdrawn by Petitioner 09/08/11
11-18	01/18/11	**Proposed Constitutional Amendment - Article X, version 4a (Ellinger)** - Taxation	02/16/11 Withdrawn by Petitioner 09/08/11
11-19	01/18/11	**Proposed Constitutional Amendment - Article X, version 5a (Ellinger)** - Taxation	02/16/11 Withdrawn by Petitioner 09/08/11
11-20	01/18/11	**Proposed Constitutional Amendment - Article X, version 6a (Ellinger)** - Taxation	02/16/11 Withdrawn by Petitioner 09/08/11
11-21	01/18/11	**Proposed Constitutional Amendment - Article X, version 7a (Ellinger)** - Taxation	02/16/11 Withdrawn by Petitioner 09/08/11
11-22	01/18/11	**Proposed Constitutional Amendment - Article X, version 8a (Ellinger)** - Taxation	02/16/11 Withdrawn by Petitioner 09/08/11
11-23	01/18/11	**Proposed Constitutional Amendment - Article X, version 9a (Ellinger)** - Taxation	02/16/11 Withdrawn by Petitioner 09/08/11
11-24	01/24/11	**Proposal Related to Chapter 115, RSMo, version 3, (Cologna)** - Early voting	02/17/11
11-25	01/24/11	**Proposed Constitutional Amendment - Article III, version 3, (Purvis)** - Reduction in the number of House of Representative members	02/17/11
11-26	01/24/11	Proposed Constitutional Amendment - Article III, version 4, (Purvis) - Reduction in the number of House of Representative members	Withdrawn by Petitioner
11-27	01/24/11	Proposed Constitutional Amendment - Article VI, (Deutsch) - Local control of police departments	Withdrawn by Petitioner
11-28	02/07/11	**Proposed Constitutional Amendment - Article VI, version 2, (Deutsch)** - Local control of police departments	03/04/11

11-29	02/07/11	**Proposed Constitutional Amendment - Article VI, version 3, (Deutsch)** - Local control of police departments	03/04/11
11-30	02/07/11	**Proposed Constitutional Amendment - Article VI, version 4, (Deutsch)** - Local control of police departments	03/04/11
11-31	02/07/11	**Proposed Constitutional Amendment - Article VI, version 5, (Deutsch)** - Local control of police departments	03/04/11
11-32	02/07/11	**Proposed Constitutional Amendment - Article VI, version 6, (Deutsch)** - Local control of police departments	03/04/11
11-33	02/10/11	**Proposed Constitutional Amendment - Article III, version 5, (Purvis)** - Reduction in the number of House of Representative members	03/10/11
11-34	02/23/11	Proposal Related to Chapter 72.170, RSMo (Brown) - Consolidation of political subdivisions	Rejected by Sec of State
11-35	03/03/11	**Proposal Related to Chapter 130, RSMo, version 1, (Purvis)** - Campaign finance disclosure	03/31/11
11-36	04/12/11	**Proposal Related to Chapter 590, RSMo, (Moore)** - Racial Profiling Prevention Act	05/11/11
11-37	04/12/11	**Proposed Constitutional Amendment - Article III, version 1, (Adams)** - Voter Protection Act	05/11/11
11-38	04/12/11	**Proposed Constitutional Amendment - Article III, version 2, (Adams)** - Voter Protection Act	05/11/11
11-39	05/13/11	**Proposal Related to Chapter 149, RSMo, (Ellinger)** - Tobacco Tax	06/10/11
11-40	05/20/11	**Proposed Constitutional Amendment - Article III, version 3, (Adams)** - Your Vote Counts Act	06/17/11
11-41	05/20/11	**Proposed Constitutional Amendment - Article III, version 4, (Adams)** - Your Vote Counts Act	06/17/11
11-42	05/20/11	**Proposed Constitutional Amendment - Article III, version 5, (Adams)** - Will of the People Act	06/17/11
11-43	05/20/11	**Proposed Constitutional Amendment - Article III, version 6, (Adams)** - Will of the People Act	06/17/11
11-44	05/26/11	**Senate Joint Resolution No. 2** - Advance Voting and Voter Identification	06/23/11
11-45	05/26/11	**House Joint Resolution No. 2** - Right to Prayer	06/23/11
11-46	05/27/11	**Proposed Constitutional Amendment - Article III, version 7, (Adams)** - Your Vote Counts Amendment	06/24/11
11-47	05/27/11	**Proposed Constitutional Amendment - Article III, version 8, (Adams)** - Your Vote Counts Amendment	06/24/11
11-48	06/08/11	Proposal Related to Castlepoint Fire Protection District (Brown) - Shall Castlepoint Fire Protection District of Missouri be Incorporated?	Rejected by Sec of State
11-49	06/08/11	Proposal Related to Chapter 321, RSMo, Section 321.506 (Brown) - Contracting Fire Service to a Private Company	Rejected by Sec of State
11-50	06/24/11	Proposal Related to Chapters 408 and 367, RSMo, (Bryan) - Consumer Credit and Small Loan Interest Rates	Withdrawn by Petitioner

11-51	06/29/11	Proposal Related to Chapters 408 and 367, RSMo, version 2 (Bryan) - Consumer Credit and Small Loan Interest Rates	Withdrawn by Petitioner
11-52	07/07/11	Proposed Constitutional Amendment - Article XIV and Proposal Related to Chapters 192 and 195, RSMo (Viets) - Cannabis Legalization	Withdrawn by Petitioner
11-53	07/07/11	Proposal Related to Chapters 192, 195, and 196, RSMo (Viets) - Cannabis Legalization	Withdrawn by Petitioner
11-54	07/08/11	**Proposal Related to Chapters 367 and 408, RSMo, version 3 (Bryan) - Consumer Credit and Small Loan Interest Rates**	08/05/11
11-55	07/13/11	Proposal Related to Chapters 367 and 408, RSMo (Neale) - Eliminating Taxes and Fees for Certain Consumer Credit Lenders	Withdrawn by Petitioner
11-56	07/14/11	Proposal Related to Chapters 367 and 408, RSMo, version 2 (Neale) - Eliminating Taxes and Fees for Certain Consumer Credit Lenders	Withdrawn by Petitioner
11-57	08/01/11	Proposal to Dissolve the Board of Private Investigations Examiners (Brown)	Rejected by Sec of State
11-58	08/15/11	**Proposed Constitutional Amendment - Article X, version 10 (Ellinger)** - Taxation	09/12/11
11-59	08/15/11	**Proposed Constitutional Amendment - Article X, version 11 (Ellinger)** - Taxation	09/12/11
11-60	09/02/11	Proposed Constitutional Amendment - Article IV & Proposal Related to Chapters 105 and 195, RSMo (Viets) - Cannabis Legalization	Rejected by Sec of State
11-61	09/02/11	Proposal Related to Chapters 105 and 195, RSMo (Viets) - Cannabis Legalization	Rejected by Sec of State
11-62	09/02/11	Proposal to Dissolve the Metropolitan Sewer District in St. Louis (Brown)	Rejected by Sec of State
11-63	09/06/11	**Proposed Constitutional Amendment - Article X, version 12 (Ellinger) - Taxation**	10/05/11
11-64	09/06/11	**Proposed Constitutional Amendment - Article X, version 13 (Ellinger) - Taxation**	10/05/11
11-65	09/15/11	**Proposed Constitutional Amendment - Article X, (Kriegshauser) - Taxation**	10/14/11
11-66	09/20/11	**Proposal Related to Chapter 149, RSMo (Hess) - Tobacco Tax**	10/14/11
11-67	09/21/11	Proposal Related to Chapter 290, RSMo, version 1 (Grant) - Minimum Wage	Withdrawn by Petitioner
11-68	09/21/11	Proposal Related to Chapter 290, RSMo, version 2 (Grant) - Minimum Wage	Withdrawn by Petitioner
11-69	09/27/11	Proposal regarding Castlepoint Fire Protection Association Fund for the Purpose of Providing Voters Donation of County Funding's to Build a New Castlepoint Firehouse (Brown)	Rejected by Sec of State
11-70	10/03/11	**Proposed Constitutional Amendment - Article IV & Proposal Related to Chapters 105, 195, and 263, RSMo, version 3, (Viets) - Cannabis Legalization**	10/28/11

11-71	10/03/11	**Proposal Related to Chapters 105, 195, and 263, RSMo, version 3, (Viets) - Cannabis Legalization**	10/28/11
11-72	10/05/11	**Proposal Related to Chapter 290, RSMo, version 1, (Grant) - Minimum Wage**	11/04/11
11-73	10/05/11	**Proposal Related to Chapter 290, RSMo, version 2, (Grant) - Minimum Wage**	11/04/11
11-74	10/11/11	Proposal Related to Chapter 393, RSMo, (Wilson) - Renewable Energy Standard Act	Withdrawn by Petitioner
11-75	11/15/11	**Proposal Related to Chapters 84, 86, and 105, RSMo, version 7, (Ellinger) - Police Departments in St. Louis and Kansas, Police Relief and Pension Systems, and Public Officers and Employees - Miscellaneous Provisions**	12/12/11
11-76	11/15/11	Missourians Against the Protests and Pickets of Funerals, (Newhouse)	Rejected by Sec of State

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Thomas A. Schweich

Missouri State Auditor

Village of Riverview

December 2011

Report No. 2011-122

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Village of Riverview

Financial Condition, Reports, and Budgets	The General Fund is in poor financial condition, and the village's monthly financial reports and budgets need improvement. General Fund expenditures have exceeded receipts in each of the last 4 years, and the village has made transfers from restricted funds to cover shortages. During 2010, the village was charged overdraft fees 12 times. The Board of Trustees receives detailed financial reports each month, but some of these reports were not accurate, interfering with the Board's ability to make informed decisions about village operations. Village budgets did not contain all elements required by state law, and some were not accurate.
Expenditures	The village did not obtain bids for some purchases over $5,000 despite a village ordinance requiring it to do so. The village does not have adequate controls in place to ensure fuel purchases for law enforcement are reasonable. Officers use a fuel card to purchase fuel and note their odometer reading, but the village produced no documentation that fuel statements are reviewed or that discrepancies are investigated. The village awarded vehicle-repair work worth $2,900 to a business owned by two Board members, and the owner/Board members participated in the vote. The meeting minutes did not disclose the relationship, and simply referred to the business as a "private business." Although a state statute and a village ordinance both prohibit such a transaction unless the contract was competitively bid and the related entity was the lowest bidder, the village provided no documentation that it obtained bids for the work.
Restricted Funds	The village lacks adequate procedures to ensure restricted funds are spent only for intended purposes. The village allocated expenses to the Capital Improvements Fund without adequate supporting documentation or Board approval. The village transferred $240,905 from the Capital Improvements Fund to the General Fund to allocate expenses from 2008 and 2009, and began allocating some salaries and expenses to the Capital Improvements Fund each month. Under state law, these monies are only to be used for funding, operating, and maintaining capital improvements. In addition, the village does not separately account for motor vehicle-related fees and road and bridge taxes, so it cannot demonstrate compliance with constitutional and statutory restrictions on how these monies are spent. The village also made transfers from the Sewer Lateral Fund to the General Fund which appear excessive and lack supporting documentation.

Payroll Procedures and Personnel Policies	The village does not adequately segregate duties for payroll procedures, making it difficult to ensure payroll is processed accurately. If the village cannot segregate these duties, a supervisory or independent review should be conducted regularly. The Police Department submits time summaries based upon the work schedule rather than documentation of actual hours worked. Our review noted discrepancies between these time summaries and the computer aided dispatch reports which record the number of hours worked each day and are signed by the officers. The village allows employees to accumulate negative leave balances and take leave without submitting written leave requests, in violation of the village personnel policy. The village does not comply with its compensatory time policy, and neither its current practice nor its policy complies with the Fair Labor Standards Act. Village employees earn compensatory time for hours worked in excess of 8 hours per day and during weeks that they use compensatory time and leave, neither of which is required by federal law or village policy.
Sunshine Law	The village did not always document the reasons or votes for closing a meeting, and village policy does not clearly state how much citizens will be charged for duplication and research for a Sunshine request. Village personnel indicated that employee timecards and employee position status (full-time or part-time) are closed records, but these items are not addressed in the village policy and do not clearly qualify as closed records.

In the areas audited, the overall performance of this entity was **Poor**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The Village of Riverview was awarded a $17,890 Edward Byrne Memorial Justice Assistance Grant Program Local Solicitation grant, of which, $7,300 was received and spent during the year ended December 31, 2010, for software.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Village of Riverview
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THOMAS A. SCHWEICH
Missouri State Auditor

To the Honorable Chairperson
and
Members of the Board of Trustees
Village of Riverview, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Village of Riverview. The village engaged Hochschild, Bloom & Company LLP, Certified Public Accountants (CPAs), to audit the village's financial statements for the year ended December 31, 2010. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2010. The objectives of our audit were to:

1. Evaluate the village's internal controls over significant management and financial functions.

2. Evaluate the village's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the village, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the village's management and was not subjected to the procedures applied in our audit of the village.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures for the areas audited. The accompanying Management Advisory Report presents our findings arising from our audit of the Village of Riverview.

An additional report, *No. 2011-27, Twenty-First Judicial Circuit, Village of Riverview Municipal Division*, was issued in June 2011.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
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Village of Riverview
Management Advisory Report
State Auditor's Findings

1. Financial Condition, Reports, and Budgets

The financial condition of the General Fund is poor and needs to be addressed. In addition, village monthly financial reports and budgets need improvement.

1.1 Financial condition

The financial condition of the General Fund is weak and is not expected to improve during the year ended December 31, 2011, which could put citizens at risk of the reduction or loss of some services. The following table reflects the revenues, expenditures, and fund balance of the General Fund for 2010, 2009, and 2008, from prior CPA audit reports, and anticipated amounts for 2011 from the budget.

	2011 Budgeted	2010 Actual	2009 Actual	2008 Actual
Revenues	$ 993,800	972,311	992,160	1,027,258
Expenditures	(1,095,135)	(1,265,040)	(1,209,842)	(1,149,352)
Revenues over (under) expenditures	(101,335)	(292,729)	(217,682)	(122,094)
Transfers in (out)	109,000	158,904	255,705	(428)
Change in Fund Balance	7,665	(133,825)	38,023	(122,522)
Beginning Fund Balance	116,263	250,088	212,065	334,587
Ending Fund Balance	123,928	116,263	250,088	212,065
Less restricted balance *	143,406	141,571	137,417	148,861
Ending unrestricted balance	$ (17,478)	(25,308)	112,671	63,204

* The restricted balance is the combined ending balance of the Sewer Lateral Fund and the Police Training Fund.

Expenditures of the General Fund have exceeded receipts in each of the last 4 years (excluding transfers). To help improve the financial condition of the General Fund, several transfers from restricted funds were made to the General Fund in 2009. The village transferred in $240,905 from the Capital Improvements Fund to recoup capital improvement expenses paid from the General Fund during 2009 and 2008. In addition, $12,500 was transferred from the Sewer Lateral Fund to recoup the costs paid from the General Fund related to the administration of this fund for 2005 through 2009. Some of these transfers were not adequately supported or proper (see MAR finding number 3).

In addition to the transfers approved by the Board of Trustees to allocate General Fund expenses, the Village Clerk also transferred monies from the Capital Improvements Fund to the General Fund during 9 months in 2010, to cover cash flow shortages in the General Fund; however, the village was still charged 12 times with overdraft charges on the General Fund bank account during 2010. The Village Clerk transferred some monies back to the Capital Improvements Fund when the monies were no longer needed;

however, the General Fund owed the Capital Improvements Fund $70,000 as of December 31, 2010. The estimated 2011 ending fund balance of the General Fund after adjustment for the amount due to the Capital Improvements Fund would be ($87,478).

The Village also deposits motor vehicle-related fees and road and bridge tax monies into the General Fund. As a result, some of the General Fund balance may be restricted for the Street Fund; however, the amount cannot be estimated (see MAR finding number 3).

In November 2010, the Board laid off a part-time administrative employee and a full-time police officer. In addition, the Board reduced the hours of an additional police officer from 40 to 30 hours per week. The Financial Liaison Trustee indicated these reductions, totaling approximately $69,500 per year, were made to improve the financial condition of the village. However, in December 2010, the Board approved a 3 percent raise for all remaining village employees, increasing salaries approximately $18,000.

It is essential the Board of Trustees address the financial condition of the General Fund both in the immediate and long-term future. To improve the financial condition of the village, the Board should review expenditures and reduce discretionary spending as much as possible, evaluate controls and management practices to ensure efficient use of village resources, attempt to maximize all sources of revenue, and closely monitor budgets.

1.2 Treasurer's report

The Board of Trustees receives and reviews a detailed monthly financial report, but some portions of the reports are not correct. Without an accurate financial report, it is difficult for the Board to make informed financial decisions regarding the village. During our review of the November and December 2010 monthly financial reports, we noted the following issues:

- Transfers between the Capital Improvements Fund and the General Fund were not shown consistently, sometimes overstating receipts or expenditures of those funds (see MAR finding number 3).
- Duplicate expenditures were included on two monthly reports, totaling $5,955.
- Certificates of deposits are not identified to a specific fund.

The inaccurate financial reports may have contributed to the poor financial condition of the village.

1.3 Budgets

Village budgets are not complete and some were misstated. Without accurate budgets, it is difficult for the Board to evaluate operations and

project the anticipated needs of the village for the upcoming year. We noted the following concerns during our review of budgets:

- The 2010 budget did not contain beginning and ending cash balances. The 2011 budget included actual 2010 beginning and ending cash balances for funds; however, the balances shown did not agree with reconciled bank balances. The actual ending 2010 balance of the General Fund was understated by $39,654 and the Capital Improvement Fund was understated by $285,827 on the budgets.

- The 2011 budget did not contain a budget message.

- On the 2011 budget, some transfers between funds were only shown on the budget of only one of the funds. In 2009, the village budgeted to transfer $12,500 from the Sewer Lateral Fund to the General Fund; however; this was only reflected on the budget for the Sewer Lateral Fund.

Section 67.010, RSMo, requires the preparation of an annual budget with specific information. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific expectations for each area of village operations. A budget can also provide a means to effectively monitor actual costs by periodically comparing budgeted amounts to actual expenditures and the financial condition of the village.

Recommendations

The Board of Trustees:

1.1 Closely monitor the financial condition of the village and take the necessary steps to improve the financial condition of village funds. The Board should also perform long-term planning and ensure receipts are maximized, expenditures are closely monitored, and overdraft fees are eliminated.

1.2 Ensure the monthly financial report is accurate and complete.

1.3 Ensure budgets comply with state law and reflect accurate information.

Auditee's Response

The Board of Trustees provided the following written responses:

1.1 The Board of Trustees (the "Trustees") and staff are very much aware of the declining financial condition of the General Fund. The Trustees and staff will continue to work diligently to improve the

efficiency of Village expenditures and receipts with the hopes of maintaining its level of services to its citizens.

The Village engages the services of Hochschild, Bloom & Company LLP (the "Financial Advisor") to conduct a yearly audit of the Village and to review the monthly transfers, revenues and expenditures of the Village. Transfers from restricted funds in 2009, allocating expenses for 2005-2009, were completed under the oversight and review of the Financial Advisor. The Village agrees with the recommendation of the Auditor that these transfers must be adequately supported and the Trustees have directed staff to maintain such documentation.

1.2 Although not required under Missouri Law, the Village has worked with its Financial Advisor to prepare monthly financial statements for the Trustees and the Public. The Trustees agree with the Auditor regarding the importance of the accuracy of these financial statements with regards to maintaining expenditures within annual budgets. It is a priority of the Trustees that these monthly financial statements are accurate, and the Trustees have communicated this priority status to staff and the Financial Advisor.

1.3 The Trustees agree that the Village's annual budget must contain a budget message. A budget message will be included in all future Village budgets. Furthermore, the Trustees agree that accurate financial information is essential to a well planned Village budget. The Trustees have directed staff and the Financial Advisor to immediately implement these changes.

2. Expenditures

Controls and procedures over village expenditures are in need of improvement.

2.1 Bidding

Bids were not obtained for some purchased items. Without obtaining bids, the village cannot ensure it is receiving the best and lowest price and all interested parties are given an equal opportunity to participate in village business. Although Village Code Section 130.060, requires employees to solicit and advertise for bids for items or services costing more than $5,000, the village did not solicit bids or document sole source procurement for the following purchases in 2010:

Item or Service	Cost
Salt spreader	$ 5,997
104 tons of salt	6,204
Insurance	31,259

2.2 Fuel

The village does not have controls in place to ensure fuel purchases for law enforcement are reasonable. Proper controls will aid the village in preventing payments to vendors for amounts improperly billed and decrease the risk of theft or misuse of fuel occurring without detection. Law enforcement officers purchase gasoline for village-owned vehicles using fuel cards and enter the odometer readings during fueling; however, we noted several readings were entered incorrectly. The Police Chief indicated he reviews fuel statements for reasonableness prior to submitting them to the Village Clerk for payment; however, his review is not documented. Also, there was no documentation to show the incorrect odometer readings were noted or investigated. In addition, no one calculates the miles per gallon, per vehicle, per month, to review for reasonableness. Our review of December 2009 and January 2010 fuel invoices, noted one officer purchased 11.026 gallons of fuel at 10:23 and purchased an additional 10.876 gallons of fuel for the same vehicle, per the statement, 13 minutes later. The Police Chief indicated another officer had problems with his fuel card and this officer paid for fuel for both vehicles; however, this was not documented.

2.3 Conflict of interest

The village disbursed approximately $2,900 for the repair of village vehicles to a business owned by two members of the Board of Trustees. Board meeting minutes indicate the trustees who own the business voted to award the bid to their business.

In addition, village personnel could not provide documentation of the bids obtained. Meeting minutes indicate the village obtained bids for a new transmission and other repairs to a village truck and accepted the low bid from a "private business", but did not disclose the name of the business or that it was owned by two village trustees.

Village Code Section 135.040, states that no owner in a business who is a member of the Board of Trustees shall perform any service for the village in the amount of $500 or more per year unless the transaction is made pursuant to an award on a contract after it was publicly advertised and competitively bid, and provided that the bid was accepted was the lowest received. In addition, Sections 105.454 and 105.458, RSMo, prohibit financial transactions between the village and elected or appointed officials which involve more than $500 unless there has been public notice to solicit proposals, and competitive bidding and the lowest bid is accepted.

Personal interests in business matters of the village create conflicts of interest. Officials should abstain from any type of involvement in decisions which relate to themselves or relatives.

Recommendations

The Board of Trustees:

2.1 Ensure bids are solicited for all applicable purchases in accordance with village code.

2.2 Adopt procedures to reconcile fuel purchased to fuel used and review fuel use for reasonableness.

2.3 Comply with state law and village code by obtaining and documenting bids on any purchases involving village officials. Village officials who have a conflict should fully disclose their interest and should not vote on matters that involve them personally. Such matters and transactions should be completely documented so the public has assurance no official or relative has profited improperly.

Auditee's Response

The Board of Trustees provided the following written responses:

2.1 Although not required under Missouri Law, the Village has an ordinance requiring all expenditures in excess of $5,000.00 to be solicited through a bid process. The Auditor's report reflects three items or services that were not procured through bid or inadequate documentation was maintained. The Trustees have directed staff to immediately document all bids obtained for expenditures in excess of $5,000.00, pursuant to Section 130.060 of the Village's Municipal Code. With regards to the Auditor's report reflecting a $31,259.00 purchase of insurance, the Village utilizes the services of an "insurance broker" to solicit and obtain competitive bids for the Village's insurance needs. The 2010 insurance expenditure was at the recommendation of the Village's "insurance broker." The Village will require future "insurance brokers" to provide documentation of such competitive bidding, for Village records.

2.2 With regards to fuel receipts, the Chief of Police has already implemented a review documentation procedure for the review of fuel receipts for Village-owned vehicles.

2.3 The Trustees agree with the Auditor's comments and have implemented their recommendations.

3. Restricted Funds

The village has not established adequate procedures to ensure restricted monies are disbursed only for intended purposes.

3.1 Capital Improvements Fund

Some allocations of expenses to the Capital Improvements Fund and transfers from that fund were not reasonable, supported by adequate documentation, or approved by the Board of Trustees. Without adequate documentation, the village cannot ensure all allocations made between funds were proper and restricted funds were spent for intended purposes. Capital improvement sales taxes of approximately $173,000 were deposited to the Capital Improvement Fund during the year ended December 31, 2010.

In December 2009, the village transferred $115,267 and $125,638 from the Capital Improvement Fund to the General Fund to allocate expenses from 2009 and 2008, respectively, and began allocating some salaries and expenses to the Capital Improvement Fund each month. Village personnel indicated monies were transferred due to the financial condition of the General Fund (see MAR finding number 1). The following concerns were noted with the transfers:

- Salaries and fringe benefits of public works employees, who perform multiple functions, are allocated 50 percent to the Capital Improvement Fund (restricted) and 50 percent to the General Fund; however, no documentation of how these percentages were determined could be provided.

- During the 3 years ended December 31, 2010, the following expenses included in the allocations to the Capital Improvement Fund do not appear to be capital improvements:

Description	Amount
Electric for street lights	$ 53,700
Trash service	21,000
Cleaning supplies, gloves, batteries, office supplies, traffic tickets, and windshield wiper fluid	4,600
Electric and water services, port-a-potties, and reserved signs for the village park	4,700

Village personnel could not provide documentation to show these items were capital improvements. It appears the village has stretched the definition of capital improvements to include basic village operation expenditures, due to the decreasing financial condition of the village.

In addition, the Village Clerk often transfers monies from the Capital Improvement Fund to the General Fund due to cash shortages in the General Fund. The Village Clerk does not maintain adequate records to track the transfers. Also, there was no documentation of Board approval of the transfers. At December 31, 2010, the General Fund owed $70,000 to the Capital Improvement Fund for transfers that were not repaid to the Capital Improvement Fund.

Section 94.577, RSMo, provides that capital improvement sales tax monies are to be used for the sole purpose of funding capital improvements, including the operation and maintenance of capital improvements. Section 94.575, RSMo, defines a capital improvement as any capital or fixed asset having an estimated economic useful life of at least two years; and capital assets or fixed assets as being assets of long-term character that are intended

to continue to be held or used, including but not limited to land, buildings, machinery, furniture, and other equipment, including computer hardware and software.

To ensure village funds are spent appropriately, documentation should be maintained to support the allocation of expenses and to track transfers between funds. In addition, Board approval of transfers/allocations should be documented in the minutes and by signature or initials on the supporting documentation or a detailed list of transfers.

3.2 Streets Fund

Motor vehicle-related fees and road and bridge taxes are not accounted for separately to show compliance with restrictions established by state law. In addition, the village has not prepared or submitted a "Road and Bridge Tax Disbursement Affidavit" to St. Louis County each year as required by state law.

In 2010, the village received approximately $30,700 and $18,000 in motor vehicle-related fees and road and bridge taxes, respectively. These monies are deposited to the General Fund; however, expenditures of these monies are not specifically identified. In addition, records of any accumulating balances of these monies are not maintained. As a result, the village cannot determine at any point in time what portion of the General Fund balance represents these restricted monies or demonstrate compliance with restrictions.

Article IV, Section 30 of the Missouri Constitution, requires motor vehicle-related receipts apportioned by the state of Missouri be disbursed for street related purposes only, and Section 137.558 RSMo, provides receipts received for road and bridge taxes shall be spent for the improvement and repair of public roads, streets, and bridges. Section 137.558.3, RSMo, provides any village receiving road and bridge taxes shall submit an affidavit each year to the county indicating the money received shall be or has been spent for the improvement and repair of public roads, streets, and bridges within the corporate limits of the village.

3.3 Sewer Lateral Fund

The village does not have supporting documentation for administrative transfers made from the Sewer Lateral Fund to the General Fund, which appear excessive. As a result, there is no assurance these funds were spent only for their intended purpose. In 2010 and 2009, $2,500 and $12,500, respectively, were transferred from the Sewer Lateral Fund to the General Fund. The $12,500 in 2009 was $2,500 per year for the 5 years ended December 31, 2009. The administrative transfers were in excess of 11 percent of the fund's expenditures each year. Per the Village Clerk, the village's financial advisor suggested the transfer of an administrative fee for work performed for the Sewer Lateral Fund. There is no documentation supporting how the $2,500 per year fee was determined.

To ensure restricted funds are spent appropriately and expenditures are allocated to various funds in proportion to the benefits received, the village should ensure the allocation of costs is supported by adequate documentation and reasonable.

Recommendations

The Board of Trustees:

3.1 Ensure expenditures and salaries allocated to the applicable village funds are supported by adequate documentation, properly approved, and comply with state law.

3.2 Determine the amount of restricted monies in the General Fund and establish separate funds or a separate accounting of these monies as required by state law. In addition, the Board should file an affidavit of road and bridge expenditures.

3.3 Ensure all transfers between funds are adequately supported and reasonable.

Auditee's Response

The Board of Trustees provided the following written responses:

3.1 As previously stated, the Village utilizes the services of a Financial Advisor on a yearly basis for a full audit and on a monthly basis for review of all expenditures, receipts and transfers. The previous allocations of expenses from restricted funds were completed under the oversight and review of the Financial Advisor. The Trustees have instructed staff and the Financial Advisor to take the necessary steps to assure that adequate documentation is maintained to support the allocation of expenses from all restricted funds.

3.2 The Trustees have directed staff and the Financial Advisor to immediately implement the Auditor's recommendations under this subsection. Additionally, the Village will take the steps necessary to comply with the affidavit requirements of Section 137.558.3 RSMo.

3.3 The Trustees have directed staff and the Financial Advisor to take the steps necessary to ensure that all transfers between funds are supported and reasonable, per the Auditor's recommendation.

4. Payroll Procedures and Personnel Policies

Payroll records and procedures are in need of improvement. In addition, the village does not comply with its personnel policies. During the year ended December 31, 2010, the village spent approximately $680,900 for payroll.

4.1 Board approval

There is a lack of segregation of duties for payroll procedures. Without proper segregation of duties, the Board cannot ensure payroll is processed accurately. The Village Clerk receives employee timecards or department summaries of timecards every 2 weeks and posts hours worked to the contracted payroll system for processing. There is no independent review of the payroll register or payroll expenditures.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Board should implement a documented independent or supervisory review to ensure the payroll records are in agreement with the accounting records. To adequately document Board approval, the payroll register should be reviewed, and signed or initialed by the Board of Trustees.

4.2 Time summaries

Police Department time summaries are not adequately supported by signed time records reporting all hours worked. Without signed time records, the Village cannot ensure employees are paid only for hours actually worked. The Police Lieutenant prepares a time summary listing all police department employees for each 2 week pay period from the work schedule instead of utilizing documentation of actual hours worked or computer aided dispatch (CAD) reports. Each day an officer is on patrol, the officer prints out a CAD report; records the number of hours worked, the date, vehicle used, beginning and ending mileage, and the total number of miles; signs the report; and submits it to the Lieutenant. However, the Lieutenant simply files the CAD reports for a year and then discards them.

Our review of the summary reports for May 30, 2010, through June 12, 2010, noted the following:

- There is no backup documentation for hours on the summary if an officer is not on patrol or on call. CAD reports do not include court or training hours. These hours are simply noted in the time summary. The time summary is not signed by the officer documenting the hours he was in court or training. The Police Chief and Lieutenant do not sign the time summary, which is the only documentation of their hours worked, since they are not on patrol.

- Some time summaries did not agree to the CAD reports. The time summary for May 30 through June 12, 2010, indicates one officer did not work on June 5th and a second officer worked 11 hours on July 12th, but the CAD reports show the first officer worked 10 hours on June 5th and the second officer worked only 10 hours on July 12th.

Detailed time records, signed by employees and reviewed and approved by supervisors, document and support hours actually worked, provide information necessary to monitor overtime worked and leave time use and balances, and are beneficial in demonstrating compliance with district policies and federal Fair Labor Standards Act of 1938 (FLSA) requirements.

4.3 Personnel policy

Employees are allowed to accumulate negative leave balances which does not comply with the village personnel policy. Without adherence to personnel policies, the Board cannot ensure all employees are treated equally.

The Village Clerk records negative leave hours in employee compensatory leave records as a negative entry and applies leave (vacation, sick, or compensatory) as it is earned to the negative balance until the compensatory leave balance is reduced to zero or a positive balance. There is no documentation in payroll records to show the leave transfers were discussed with the employees or approved by the Board of Trustees. For example:

- One employee accumulated a negative 8.25 hours leave balance by taking off a variety of hours ranging from 15 minutes to 2 hours and 15 minutes from August 19, 2010, through September 2, 2010. On September 2, 2010, the Village Clerk transferred 16 hours from the employee's vacation leave to cover the 8.25 hours of unearned leave which left a positive compensatory balance of 7 hours and 45 minutes.

- Beginning on August 10, 2010, an employee was allowed to take 59.5 hours of unearned leave. The Village Clerk applied 4 hours of earned sick leave to the negative balance and deducted 55.5 hours from the employee's final paycheck in December. The Village Clerk indicated the employee was out sick for the majority of the unearned hours, but could not provide documentation of this.

The employees noted in the examples did not complete leave requests for the time off taken. Village Code Section 501, provides each eligible employee must submit a written request in advance of the time he/she elects to be absent from regular duties, and exceptions may be made in cases of illness, accident, or emergency. In addition, there was no documentation in the meeting minutes to indicate the Board approved the unearned leave or the procedures used to reduce the accumulated negative balances.

4.4 Compensatory time policy

Current compensatory time procedures do not comply with village policy, and the village policy for compensatory time does not comply with the FLSA. In addition, village policy does not address how leave taken is to be addressed when calculating compensatory time or which employees, if any, would be exempt from overtime.

Our review of payroll indicated village employees earn compensatory time for hours worked in excess of 8 hours per day, not for hours worked over 40 hours per week as stated in village policy. In addition, employees earn compensatory time during weeks that they use compensatory time and leave. For example, in June 2010, one employee worked 37 hours and 45 minutes one week, used 4 hours and 45 minutes compensatory time, and used 8 hours vacation which totaled 50 hours and 30 minutes. Village records show the employee received 10 and 1/2 hours compensatory leave for this week.

Village policy states all employees earn compensatory time at a rate of 1 hour for every additional hour worked over 40 hours in a 7 day period. The FLSA requires employers to pay overtime or provide compensatory time at time and one-half to any nonexempt employees who work more than 40 hours during a normal work week or 171 hours in a 28 day cycle for law enforcement personnel.

Recommendations

The Board of Trustees:

4.1 Review and approve all payroll registers.

4.2 Require employees to prepare and submit time records for actual hours worked, which are signed by the employee, approved and signed by the applicable supervisor, and filed with the Village Clerk.

4.3 Discontinue allowing employees to use unearned leave.

4.4 Review overtime and compensatory policies with legal counsel to ensure compliance with the FLSA. In addition, the Board should ensure current practices for calculating compensatory time comply with village policy.

Auditee's Response

The Board of Trustees provided the following written responses:

4.1 The Trustee assigned to the individual Village Departments will review and initial the individual department's payroll.

4.2& 4.3 The Auditor's recommendations under these sub-sections have been implemented by the Village.

4.4 In October 2011, the Trustees passed an ordinance implementing the Auditor's recommendation under this sub-section.

5. Sunshine Law

Some requirements in Chapter 610, RSMo (the Sunshine Law), regarding open and closed meetings were not followed.

5.1 Closed meetings

From January 2010 through April 2011, the village did not document the reasons or the vote regarding meeting closure for 3 of the 12 closed meetings.

Section 610.022, RSMo, requires before any meeting may be closed, the question of holding the closed meeting and the reason for the closed meeting shall be voted on at an open session.

5.2 Rates on Sunshine Requests

Village policy does not clearly indicate the rate to be charged for duplication and research. As a result, citizens do not know how much should be charged for requests.

Village policy requires citizens to complete a "Request for Information Under the Sunshine Law" form. The request form attached to the policy as "Exhibit J", which is also the form distributed to citizens at the counter, indicates a research rate of $10 per hour. The form does not indicate a copying rate. The Village Clerk stated these forms were not correct and printed a form from her computer, which showed a research rate of $20.10 per hour and no copy rate; however, the Village Clerk indicated the correct research rate is $21.01 per hour and the copying rate is $10.15 per hour. The Village Clerk indicated the forms and exhibit had not been updated.

Section 610.026, RSMo, allows a maximum of 10 cents per page plus an hourly fee for copying public records, not to exceed the average hourly rate of pay of clerical staff, plus the actual costs incurred for any research for processing the request. The village should update its Sunshine policy and request form to show the amount currently charged per hour for copying and for research. In addition, the village should clearly document how the rates charged comply with state law.

5.3 Closed Records

Village personnel indicated employee timecards and employee position status (full-time or part-time) are closed records and are not made available to the public. These items are not addressed in village policy as closed records and do not clearly qualify as closed records. Without demonstrating how these records are considered closed, the village cannot show compliance with state law.

A Request for Information Under the Sunshine Law Form submitted to the village requested a list of employees' hourly wages and an indication of which employees were part-time. The Village Clerk provided a list of employee positions and salaries, but did not provide information regarding which positions were part-time. She replied, "Section 610.021 (13) RSMo, authorizes the closing of 'Individually identifiable personnel records,

performance ratings or records pertaining to employees or applicants for employment, except that this exemption shall not apply to the names, positions, salaries and lengths of service of officers and employees of public agencies once they are employed as such, and the names of private sources donating or contributing money to the salary of a chancellor or president at all public colleges and universities in the state of Missouri and the amount of money contributed by the source;' therefore, this list does not indicate who is a part time employee." The information regarding part-time positions was available in the budget documentation maintained by the Village Clerk.

Section 610.023, RSMo, prescribes that each public governmental body shall make that body's public records available for inspection and copying by the public. In addition, under Section 610.027.2, RSMo, the burden is on the village and its members to demonstrate compliance with the Sunshine Law when records are closed.

Recommendations

The Board of Trustees:

5.1 Ensure meeting minutes specifically document the reasons and vote for going into closed session.

5.2 Document how fees charged for processing Sunshine Law requests are calculated. In addition, the Board of Trustees should ensure the correct fees are charged to all citizens.

5.3 Ensure village policy documents specific records deemed closed. In addition, the Board of Trustees should ensure records are only closed in compliance with the Sunshine Law.

Auditee's Response

The Board of Trustees provided the following written responses:

5.1 The Trustee's have instructed the Village Clerk to make sure that the reason for the vote to enter in closed session is adequately documented in the Village's meeting minutes.

5.2 The Village has only charged the correct amount for requests pursuant to Section 610 RSMo; however, the Trustees have instructed staff to document compliance with Missouri Law.

5.3 The Auditor states that Village personnel indicated that employee time cards are closed records that are not available to the public. When a request was previously received for copies of employees' time cards, the Village Clerk informed the requestor that the Village would provide redacted copies of time cards. The names of the individual employee would be redacted from the time cards. It is the Village's position that this position complies with Section 610

RSMo. With regards to "part time" or "full time" status of individual employees, the Village agrees that individually identifiable employee status as either "full time" or "part time" is a public record under Section 610 RSMo. All requests pursuant to Section 610 RSMo will continue to be reviewed by the Village Attorney for compliance with State law and relevant Attorney General Opinions.

Village of Riverview
Organization and Statistical Information

The Village of Riverview is located in St. Louis County. The village was incorporated in 1950. The village employed 13 full-time employees and 2 part-time employees on December 31, 2010.

Village operations include law enforcement services, maintenance of village streets, building and electrical permits and inspections, and recreational facilities.

Chairman and Board of Trustees

The village government consists of a five-member elected board of trustees. The members are elected for 2-year terms. The chairman is appointed by the board from its members. The board of trustees, at December 31, 2010, are identified below. The members of the board of trustees are paid $100 per month. The compensation of these officials is established by ordinance.

Steve Paro, Chairman
Craig W. Boehmer, Trustee
Phyllis Paro, Trustee
Howard Pierce, Trustee
Bruce Stocker, Trustee

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The village was awarded $17,890 in federal stimulus monies through the Edward Byrne Memorial Justice Assistance Grant Program Local Solicitation grant, which was awarded by the U.S. Department of Justice for the purchase of court and accounting software for the municipal court. During the year ended December 31, 2010, the village received and spent approximately $7,300 for the software.

Thomas A. Schweich

Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of Neosho

December 2011

Report No. 2011-121

http://auditor.mo.gov

City of Neosho
Follow-Up Report on Audit Findings
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THOMAS A. SCHWEICH
Missouri State Auditor

To the Honorable Mayor
and
Members of City Council
City of Neosho, Missouri

We have conducted follow-up work pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program on certain audit report findings contained in Report No. 2011-36 *City of Neosho,* issued in July 2011. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the city about the follow-up review on those findings.

2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:

    - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
    - In Progress: Auditee has begun to implement and intends to fully implement the recommendation.
    - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
    - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the city, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. We reviewed documents and other evidence indicating the level of implementation for each recommendation reviewed.

As part of the AFTER work conducted, we reviewed a report summarizing the status of our recommendations and supporting documentation submitted by the city before the follow-up meeting on December 8, 2011. We also held a meeting with city officials[1] to seek clarification and review additional documentation. Documentation provided by the city in its pre-meeting report and/or at the meeting included the fiscal year 2012 budget, city council meeting minutes, contracts, new policies and procedures, various accounting records, and bank statements. This report is a summary of the results of this follow-up work, which was substantially completed during December 2011.

Thomas A. Schweich
State Auditor

[1] City Manager Troy Royer did not participate in the meeting with city officials. Mr. Royer was previously employed by the State Auditor's office and worked on the original audit of the City of Neosho. That report was finalized and made public prior to Mr. Royer being offered and accepting the City Manager position.

City of Neosho
Follow-Up Report on Prior Audit Findings
Status of Findings

1. Financial Condition

The General Fund was in poor financial condition due to a prolonged decline in sales tax revenues; low cash reserves resulting from real estate purchases; cost overruns on renovation projects; and subsidization of the golf course for several years. The city failed to monitor its budget and cash balances, and as a result, was not aware of the severity of its financial condition.

The City Council did not receive and review accurate financial information which would have assisted in effectively monitoring cash balances and the financial condition of city funds. Accounting records and annual budgets were not accurate.

The city historically operated its golf course at a loss, and the Golf Fund had a deficit fund balance at the end of the city's last 2 audited fiscal years (2009 and 2008). As a result, the General Fund was required to subsidize its operations and activities. City records indicated approximately $3.5 million of the city's debt balance was for golf course improvements and equipment.

The city's independent audit report for the year ended September 30, 2009, indicated the city inappropriately borrowed restricted monies to subsidize the General Fund, and accurate information was not available for the year ended September 30, 2010.

At the recommendation of its independent auditor, the city developed a financial plan in July 2010, to address current and future cash flow issues to assist in meeting financial obligations and the repayment of restricted funds. The city also eliminated 36 jobs during the year ended September 30, 2010.

Recommendation

The City Council require accurate and timely financial reports be prepared, closely monitor the city's financial condition, and take the necessary steps to improve the financial condition of the General Fund and Golf Fund. The Council should also develop a debt policy and monitor the overall financial obligations of the city.

Status

In Progress

City officials indicated the General Fund balance increased during the year ended September 30, 2010, from a beginning deficit of $1,042,656 to an ending balance of $84,897. The unaudited General Fund balance at September 30, 2011, was approximately $835,000, which represents about a 79 day reserve.

City officials indicated they understand the necessity of timely and accurate financial reporting. The City Council is now receiving financial statements of the prior month at the second Council meeting each month. A new City Manager was hired and started on September 19, 2011, and a new Finance

Director was hired and started on September 26, 2011. The Finance Director, Accounting Manager, and the City Manager review the accuracy of reports prior to distribution. The city intends to follow Governmental Accounting Standards Board (GASB) guidance in the preparation of financial statements. Beginning in October 2011, the Finance Director presents highlights of financial results to the Council, as well.

City officials indicated that to reduce the city's subsidization of the golf course, the city closed the nine holes of the course known as "The Lakes". This was done to reduce the maintenance costs of the golf course and focus concentration on the remaining 18 holes. According to city officials, the other aspect of the golf course that causes the city's subsidization is the debt that is associated with the course. The city has looked into some possible ways to reduce the debt through refunding and consolidation to save some current costs and also obtain a lower interest rate in the current market. The golf course is the collateral for the 2006A Certificates of Participation (COPs). This original debt issuance was for a total of $6.125 million which includes five separate debt issuances including streets, drainage, golf course, and wastewater. The golf course portion of this debt is approximately $3.06 million, but as stated above collateralizes the entire debt of $6.125 million. These COPs are not callable until 2016. According to city officials, it is not in the city's best interest financially to refund any of this debt until the call date of 2016 and the city will re-evaluate the debt structure at that time.

City officials indicated they understand commingling and combining of funds is prohibited and transfers from restricted funds are not allowed. The city has re-segregated the inappropriately combined funds and has created an interfund repayment plan. All scheduled repayments have been made on time.

City officials have drafted a debt management policy which addresses aspects of debt financing, record keeping, monitoring, and proper disclosures and plan to present the policy to the City Council for approval at the January 17, 2012, meeting.

City officials understand its debt load is higher than desirable for a city of its size and resources. Debt service payments are made on time and other options are continuously explored including refinancing options, new revenue sources, enhancing community appeal, and more.

2.1 Accounting records

Accounting records were not maintained in a manner to allow the city to properly track and record the financial activity of restricted monies, and as a result, the accounting records maintained by the city were not accurate. The city consolidated several restricted funds into the General Fund in fiscal year 2008. While the city had taken steps to deposit current restricted receipts into separate funds, the balances of restricted funds as of

September 30, 2010, had not been determined and transferred to those new restricted funds.

Recommendation

The City Council ensure accounting records accurately reflect the financial activity of the city. The Council should also determine the amount of restricted monies in the General Fund, make appropriate transfers, and continue to track restricted monies as required by state law.

Status

Implemented

City officials indicated they are committed to timely and accurate financial reporting. Revenues are deposited, reviewed, and posted daily. Disbursements are reviewed and approved prior to payment and coded accurately. Bills are paid on time with discounts taken as applicable. All fees are accounted for properly within fund and account types. The city understands that consolidating restricted funds with the General Fund is not permissible and has re-segregated funds. Staff have been educated and finance management and staff are participating in relevant continuing education. The city is committed to accounting practices in conformity with city code, Missouri law, and GASB standards.

2.2 Bank reconciliations

As of February 2011, bank reconciliations had not been performed for the master fund bank account since September 2009, and our review of the last bank reconciliation performed of the city's investment bank account for August 31, 2010, noted a difference of $121,500 between the reconciled bank balance and the general ledger balance.

Recommendation

The City Council ensure bank reconciliations are performed each month, the reconciled bank balance is compared to the general ledger balance, and any differences are investigated.

Status

Implemented

Beginning in April 2011, bank statements have been reconciled to the general ledger on a monthly basis and are current. Reconciliations are completed before financial reporting each month to ensure all transactions have been recorded. According to city officials, reconciliations and cash summary reporting is provided to the City Council on the second meeting of the month.

2.3 Budgets

The 2011 and 2010 fiscal year budgets were not accurate and complete. The budgets did not include the beginning and estimated ending cash balances, and actual receipts and disbursements for the preceding year. The City Council indicated various information was not included in the budgets because it was not accurate.

Recommendation	The City Council prepare complete and accurate budget documents.
Status	**In progress** The 2012 fiscal year budget was approved by the City Council in September 2011. While it is not totally accurate and complete, the city hired a new City Manager and Finance Director in September 2011, and the City Manager, Finance Director, and Accounting Manager are reviewing and identifying budget adjustments to correct deficiencies. A detailed description of all the proposed adjustments, the overall financial impact, and the restated budget will be presented to the City Council for review and approval. The 2012 fiscal year budget does include an estimate of beginning and ending cash balances and prior year results. Monthly financial reports provided to the Council include a comparison of actual results to budgeted amounts.

3.3 Real Estate Transactions - Downtown Parking	The city spent a total of approximately $392,000 in fiscal years 2008 and 2009 to purchase properties for parking (including $290,000 for additional civic center parking), but did not plan financing for the development of the properties, and as a result, the properties remain unused.
Recommendation	The City Council document plans to develop properties purchased.
Status	**In progress** City officials indicated that prior to approval of the purchase of property a business plan shall be developed and presented to the City Council to include a detailed description of the planned use, all related costs associated with the planned use (demolition, modifications, utility issues, etc.), and the projected 5 to 10 year cost of maintenance for the property. The city has also developed formal plans for the properties purchased for parking and the projects are currently in process.

6.1 Bidding	Although the city had a procurement policy which required city officials to solicit bids for items or services costing more than $1,500 and advertise and obtain City Council approval for bids for items or services costing more than $5,000, the city did not solicit bids for numerous purchases made during the year ended September 30, 2010, and through January 2011. Further, while the City Council had adopted and approved a formal purchasing policy, various versions of the policy, which included conflicting purchasing and bidding requirements, were used by city departments.
Recommendation	The City Council ensure bids are solicited for all applicable purchases and services in accordance with city ordinances and sufficient documentation is maintained. The Council should also ensure the adopted and approved purchasing policy is used by all departments.

Status

In Progress

City officials indicated the city understands the importance of procurement controls and an effective bid process to maximize value to the city for taxpayer dollars spent. The city has instituted a practice of requiring bids. For purchases up to $1,500, it is up to the director's discretion, within the constraints of the city code and budget. Purchases of $1,500 to $5,000 require three written, catalog, or faxed quotes and City Manager approval is required. Purchases of $5,000 and above require three sealed bids and City Council approval.

On October 29, 2011, the City Clerk notified all city directors by memo of the current purchasing policy to ensure the correct purchasing policy was utilized.

Invoices are compared to bid information prior to payment.

During the fiscal year 2012 budget process the City Council approved letting the golf course management contract run out for the third and final year of the contract compared to buying out the last year. Some aspects of the contract were changed such as amending the contract payment amount from $211,297 per year to $201,000 per year and the percentage of golf cart rental fees from 12.5 percent to 10 percent. The golf course management contract will be re-evaluated during the fiscal year 2013 budget process.

7.1 Fuel and Usage Records

Problems noted regarding fuel and usage records included:

- Significant differences between fuel use and purchases were not investigated.
- Police department fuel use was not reconciled to fuel purchases.
- Mileage or fuel use logs were not maintained for bulk fuel tanks used by the golf course, and as a result, fuel use was not reconciled to fuel purchases.
- A mileage log was not maintained for the courtesy car at the airport, and as a result, fuel use was not reconciled to fuel purchases.
- Mileage logs maintained by the City Manager, Fire Chief, and employees of the police department, park department, and public works department were not always accurate and complete.

Recommendation

The City Council require fuel use logs be maintained for all city-owned vehicles and equipment, and these logs be reviewed for accuracy and

reconciled to fuel purchases. Any significant discrepancies should be investigated.

Status

Implemented

City officials indicated all departments are required to keep a fuel and mileage log in every city vehicle. Each month, the Public Works Administrator downloads a fuel report from the automated fueling system and prepares each department a spreadsheet that lists the date, time, pump number, odometer reading, quantity of fuel pumped, employee card number, department, and vehicle number. The directors or their designees then compare their department's fuel usage logs to the spreadsheet and check for discrepancies.

A uniform mileage and fuel log was developed by the city and has been implemented for city-wide use. The mileage and fuel log includes date, equipment identification number, employee name, gas/diesel, fuel pumped, miles-in, miles-out, and comments.

9.1 Segregation of Duties

Accounting duties were not adequately segregated. The Accounting Manager prepared deposits, took deposits to the bank, and reconciled some city bank accounts. In addition, there was no documented supervisory review of the duties performed by the Accounting Manager.

In June 2010, the Finance Director was given authority by the City Manager to make electronic wire transfers between city bank accounts; however, procedures did not provide for documented supervisory review of such wire transfers.

Recommendation

The City Council segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.

Status

In Progress

There are two collection clerks in the water department. Together, the two clerks prepare the deposit for that day's business and reconcile it to the daily collection reports. City officials indicated cameras with audio and video have been installed in the collections office and all receiving, counting, and balancing activities are conducted in view of the cameras. In addition, according to city officials, the Finance Director and Accounting Manager make unannounced visits to the collection office throughout the day. Once reconciled, the deposit is then placed and locked in a bank bag that once locked is only accessible by the bank. City officials indicated one clerk will then take the deposit to the bank. Deposits are made daily and intact. The Accounting Manager then verifies the amount deposited in the bank is the same amount recorded in both the general ledger and the collection closing

documents for that day. City officials indicated collection clerks cannot go back to a prior day and change transaction detail. According to City officials, an accounting clerk position has been approved and is being posted. The accounting clerk will cross train as a collection clerk to fill in for scheduled and unscheduled absences of one of the regular collection clerks. All finance department personnel will be required to take a 1-week vacation with another person performing their essential functions while they are absent. The Accounting Manager reconciles the city's bank accounts. The Finance Director reviews the account reconciliations before they are provided to the City Council.

City officials indicated wire transfers from the investment account to other organizations are first initiated through the bank web site by the City Clerk. The City Clerk gets a copy of the request for transfer, the appropriate documents, and the authorizing signature. The City Clerk then initiates the payment to the appropriate financial institution. Once initiated, the Accounting Manager signs into the web site, reviews the initiated transfer, and transmits the payment. Copies of the transfer request, back up documentation, authorizing signature, and the transfer confirmation are kept with the batch created to move the monies on the general ledger side.

The city is in the process of evaluating replacement financial reporting and management software which will include at a minimum, general ledger, accounts payable/purchase order, payroll, human resources, and utility billing. A new system is expected to be fully implemented with respect to financial and billing activities by September 30, 2012.

9.2 Receipting, Posting, and Depositing Procedures

Receipting, posting, and depositing procedures need improvement.

- Manual receipt slips were not issued for some monies received.
- The numerical sequence of manual receipt slips issued by the receptionist at city hall and employees of the collection department and park department were not accounted for properly.
- Amounts recorded on the manual receipt slips were not reconciled to the city accounting system and deposits.
- Receipt slips were not always issued by the collection department for monies collected at other departments and then transmitted to the collection department.
- The numerical sequence of receipt and batch numbers assigned by the city computerized accounting system were not accounted for properly.

- City receipts were typically not deposited timely and intact and were not always posted to the computerized accounting system timely.

- Rental deposits for use of the Lamp Community Center were held until refunded, and no documentation was retained to support the refunds.

Recommendation

The City Council require receipt slips be issued in numerical sequence for all monies received and the numerical sequence of receipt slips be accounted for properly. The City Council should also ensure manual receipt slips are reconciled to amounts recorded on the computerized accounting system and deposits, deposit all monies intact and in a timely manner, and issue all refunds by check. The City Council should account for the numerical sequence of computerized receipt and batch numbers and work with the computer programmer to ensure the accounting system tracks voided or deleted receipt numbers.

Status

Implemented

City officials indicated when other departments collect monies, a signed remittance form is submitted detailing what the payment is for, where it should be coded, and a breakdown of payment type. The department is to wait while the collection clerk verifies and signs off on the transmittal. The collection clerk will then provide the department a copy with a system generated transaction number.

All receipt numbers are accounted for properly, whether for utility or other city revenue collected. If a receipt number is spoiled or wasted, the clerk is to screen print and attach an explanation to the daily balance report. All batch numbers are also accounted for and audited daily by the billing specialist.

Receipts for the utility department are automatically generated by the system. Collections by the City License Clerk are receipted manually. The City License Clerk uses pre-numbered triplicate receipts and all receipt numbers are accounted for properly. City licenses are also pre-numbered and all license numbers are accounted for properly.

Payments are collected from the after-hours drop box each morning and payments through the mail are delivered to the collections department daily. Payments received through the drop box, mail, window, and from other departments are to be processed and deposited in the bank on the same day they are received.

The Accounting Manager reconciles all receipts the following day, verifies account codes assigned, and releases the transaction for posting to the general ledger.

The city has established a practice that all deposits received from whatever source or for whatever purpose are deposited daily and credited to the deposit account of the appropriate fund. When deposits are to be refunded, the refund is issued by check.

10.1 Subsidization and Utility Rates

Utility revenues were used to subsidize General Fund operations, and as a result, city customers may have been paying too much for utility services.

The city increased water and sewer rates in fiscal years 2008 and 2009, respectively, without performing cost analyses or utility rate reviews.

Recommendation

The City Council discontinue using utility monies to fund other city operations. In addition, the City Council should review utility rates periodically to ensure receipts are sufficient to cover all costs of providing these services, but not set at a level which results in excessive fund balances. Such reviews should be documented.

Status

In Progress

City officials indicated when final adjustments are complete to the fiscal year 2011 financial records, an analysis will be performed on the utility revenues and expenditures to determine if the revenues are adequate to meet current and upcoming operating costs and related debt obligations. The utility rate structure will be reviewed. The information will be presented to the City Council for information and action, if needed.

The city understands that Utility Fund revenues are not to be used to subsidize the General Fund and has taken measures to assure that it will not do so in the future, including the requirement that all fund transfers be reviewed and approved in advance by the City Council.

10.2 Water Usage

Although the city compared the gallons of water billed to customers to gallons of water pumped each month, significant differences were not investigated. In addition, city water usage was not tracked, and without this information the city could not properly perform the reconciliation.

Recommendation

The City Council investigate significant differences between gallons of water pumped to gallons billed and track city usage on a monthly basis.

Status

In Progress

City officials indicated that each month, the Public Works Administrator completes a pumping report that includes water pumped from the filtration plant and wells to get a total of all gallons pumped. She also compiles data from each pump station, tower, and main line meter that depicts usage split into the Crowder College area and the City of Neosho to narrow down the

area that could possibly have a major leak. She then assembles information from the pumping report, billing print outs, water usage from the Fire Department, wastewater line maintenance, water line and fire hydrant leaks, and repairs to obtain a water loss percentage. Starting with the July 2011 meter books, she has started entering every meter reading into a spreadsheet, to audit the computerized billing system for any major inconsistencies and to compare the totals with Billing Department totals. If a vast discrepancy is noted for a meter, a work order is filled out and the problem is investigated and repaired, if needed.

10.5 Adjustments

While the Finance Director reviewed and approved adjustments to the utility system, which were submitted by the Billing Analyst, a subsequent review of the actual changes made to the utility system was not performed.

Recommendation

The City Council ensure approved adjustments are compared to actual changes made in the utility system.

Status

Implemented

City officials indicated the city follows the city's ordinance regarding utility billing adjustments. A new form has been implemented which requires the billing coordinator to sign off when an adjustment is requested. Approval by the Finance Director or the Finance Manager is required to make the adjustment. After the adjustment is made, the Utility Collection Specialists verify the adjustment was made accurately.

11. Meeting Minutes

The city did not ensure compliance with the Sunshine Law for closed session meetings.

- Meeting minutes were not sufficient to demonstrate how some issues discussed in closed meetings were allowable under the Sunshine Law.
- Open meeting minutes indicated meetings were closed by the City Council for a specific reason; however, closed meeting minutes indicated other topics, that were not specifically identified in open meetings minutes, were discussed.

Recommendation

The City Council ensure only allowable topics are discussed in closed meetings and specific reasons for closing a meeting are documented. Closed meeting discussions should be limited to topics announced in open session.

Status

Implemented

Open minutes for the city document the reasons for closing meetings and specific sections of law that allow for the closed meeting are documented. All closed meeting discussions are limited to the topics announced in open

session. City officials indicated the City Clerk ensures all city staff and City Council members have a copy of the Missouri Sunshine Law books along with a letter referencing the importance of strict compliance. According to city officials, the City Clerk re-distributed the booklet to all applicable individuals in November 2011. All Sunshine Requests are directed to the City Clerk to ensure ongoing compliance.

Thomas A. Schweich

Missouri State Auditor

CONSERVATION

Department of Conservation

December 2011

Report No. 2011-120

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Missouri Department of Conservation (MDC)

Elk Restoration	After the MDC presented a budget estimating a cost of $411,185 to release 150 elk in the state, the Commission voted to move forward with the elk restoration project, but the budget presented did not include costs for several items, such as salaried employees, habitat improvements, or long-term monitoring. As of June 30, 2011, the MDC had spent over $1.23 million to reintroduce just 39 elk; it had spent three times more to reintroduce about one-fourth as many elk as planned. MDC executive staff and the Commission discussed the elk restoration project in closed sessions in January, April and May 2010. Those discussions were not allowable under the Sunshine Law.
Conservation Area Planning	The MDC did not have area management plans for 470 of 807 (59%) applicable conservation areas and accesses, and it only confirmed 104 of the existing plans as being current (69 were specifically reported to be outdated). In our prior audit report (Report No. 2009-113), we noted that the MDC had not made it a priority to develop and update such plans.
Expenditures	The MDC needs to improve internal controls over procurement cards. On several occasions, MDC employees split transactions to avoid transaction limits or bidding requirements. In addition, the MDC agreed to pay a retired former employee at least $155,000 to write a book about Missouri rivers and streams. The MDC did not solicit bids or document its reasons for this sole source procurement.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	During the year ended June 30, 2010, the Department of Conservation received monies from the U.S. Department of Agriculture-Wildland Fire Management program and the U.S. Department of the Interior-Habitat Enhancement, Restoration and Improvement programs, and spent $50,628 on the Fuel for Schools and Williams Ford Low Water Crossings projects.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

Department of Conservation
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Conservation Commission
and
Robert L. Ziehmer, Director
Department of Conservation
Jefferson City, Missouri

We have audited certain operations of the Department of Conservation, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2010 and 2009. The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions.

2. Evaluate the department's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Conservation.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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1. Elk Restoration

The Missouri Department of Conservation (MDC) did not prepare a complete and accurate estimate of costs to reintroduce elk into Missouri. The MDC estimated the cost to reintroduce 150 elk into Missouri in the Spring of 2011 would be about $411,000 ($2,740 per elk); however, as of June 30, 2011, the MDC has spent approximately $1.23 million ($31,538 per elk) to release a total of 39 elk into the state. The Commission discussed issues related to the elk restoration project in closed session which did not appear to be allowable for closed session under state law.

1.1 Project costs

In October 2010, MDC officials presented the Commission a financial budget that included estimated costs of $411,185 to release 150 elk in the state. In October 2010, the Commission voted to move forward with elk reintroduction. The budget included costs to capture the elk in Kentucky and construct holding pens, payroll for hourly employees, and various other related costs. However, the budget did not include personnel costs of salaried employees, or the long term cost to monitor the elk. In addition, the budget indicated habitat improvements within the elk restoration zone would be necessary, but did not estimate the cost of those improvements.

As of June 30, 2011, the MDC has incurred personnel services including fringe benefits, expense and equipment, habitat improvement, and elk monitoring costs of about $568,000, $357,000, $219,000 and $86,000, respectively. The total estimated cost incurred in state fiscal year 2011 was $1,230,000, over three times the original cost estimate. As of June 1, 2011, 34 adult and 5 newborn elk, just over 25 percent of the projected number of elk included in the MDC report, have been reintroduced in Missouri.

To help ensure the Commission makes well-informed decisions, the MDC executive staff should provide complete and accurate fiscal information.

1.2 Closed session discussions

In the January, April, and May 2010 closed sessions, MDC executive staff and the Commission held discussions in closed session regarding the elk restoration project. The State Auditor's office believes the closing of these meetings violated the Sunshine Law.

The MDC general counsel opined that such discussions were allowed in closed session due to the potential for litigation or discussion of legal matters.

According to the Sunshine Law, meetings, records, votes, actions, and deliberations of public governmental bodies are to be open to the public unless otherwise provided by law and exceptions should be strictly construed to promote the state's policy of open records. The Sunshine Law, Chapter 610, RSMo, provides public governmental bodies shall not discuss any other business during the closed meeting which differs from the specific reason used to justify such meeting, record, or vote. In addition, the

Commission should restrict the discussions in closed meetings to specific topics listed in Chapter 610, RSMo.

Recommendations

The MDC:

1.1 Ensure complete and accurate cost estimates for significant projects are prepared and provided to the Commission.

1.2 Ensure only allowable subjects are discussed in closed meetings.

Auditee's Response

1.1 As defined in the elk restoration plan, the estimated operational cost for trapping, holding, relocating, testing, and monitoring up to 150 elk in Fiscal Year 2011 (FY11) was approximately $411,000 in Department funds. A total of $363,033 was actually expended by the Department during FY11 for operational costs associated with elk restoration. As openly discussed with the Conservation Commission, the budget submitted with the Elk Restoration Plan included Department operational costs for the remainder of FY11. Consistent with other Department operational cost projections, the Commission was fully aware of activities not contained in the $411,000 operational costs and that existing staff hours would be used to implement the elk restoration project. The Commission understood habitat improvements on private and public land would provide benefits to a wide variety of forest, fish, and wildlife resources in the restoration zone. The Commission was fully informed of all pertinent and relevant information at the time the elk restoration decision was made.

The $31,538 per elk is a misleading calculation. The $1.23 million cost included all staff time, habitat work that benefits all wildlife, road maintenance to ensure public access, landowner technical assistance and cost-share services, etc, within the approximate 225,000 acre restoration zone. The majority of those services would be incurred regardless of elk restoration efforts. Staff and visitors to the area have noted turkey, deer, bobcats, coyotes, and bear, in addition to elk, in the area benefiting from the habitat improvements. Habitat work occurred well before elk restoration activities and will occur well after initial restoration steps are completed. The stated $1.23 million dollar amount included one-time costs for building pens that will be used over the lifetime of the project. Road improvements made in Missouri have and will continue to enhance public access and associated economic benefits to the area for decades. This is an ongoing, multiple-year project that will bring up to 150 elk to the state.

1.2 The department contends that closed session discussions identified by the State Auditor were related to potential legal actions, causes of action, or litigation, as reflected in the minutes and as specifically allowed by RSMo. §610.021(1). We believe holding these legal discussions in closed session did not, in any way, violate the Sunshine Law. Prior to every closed Commission meeting, all topics proposed for discussion are reviewed by the department's counsel to ensure the topics fall within one of the statutory exceptions to the Sunshine Law; during closed sessions, discussions are limited to those topics covered by the statutory exceptions.

2. Conservation Area Planning

The MDC has not made significant progress toward ensuring management plans for conservation areas have been developed and updated. An analysis of preliminary area planning data indicated 470 (59 percent) of 807 conservation areas and accesses did not have an area plan as of June 2011.

In our prior audit report, issued in October 2009, we noted the MDC had begun development of a tracking system for area management plans, but development and updating of plans had not been made a priority for regional and area managers, and revisions of area planning policies and procedures had not been completed.

In May 2011, the MDC completed development of new area planning policies. The MDC requested regional coordination teams (RCTs) report the current status of area plans and develop a schedule to complete development and updating of area plans for all conservation areas and accesses by July 1, 2016. We requested the preliminary information on the current status of area plans submitted by the RCTs. That information had not been compiled into a report or reviewed by the MDC for completeness or accuracy; however, it appears to be the most current information available. Of 955 facilities including conservation areas, accesses, towersites, community lakes, ranges, and buildings listed in the data, the MDC determined 807 conservation areas and accesses should have a plan prepared. However, the RCTs reported area plans did not exist for 470 of these facilities. In addition, of the 337 existing plans, the RCTs reported 69 were outdated and did not state whether 164 plans were current or not.

The newly developed policy states the purpose of area planning is to create a direct linkage between department goals, area management objectives, and the allocation of resources. In addition, area plans will establish management continuity over time and communicate resource and public use management decisions more clearly within and outside the department.

Area management plans are one of the primary means to identify existing natural resources and potential resource management activities and public utilization of MDC lands. MDC staff indicated the area plans are an

important component in the development of divisional and regional budgets and workload planning.

Recommendation

The MDC ensure area management plans are developed and updated in a timely manner.

Auditee's Response

Efforts are well under way that are consistent with the auditor's recommendations and we are encouraged by the State Auditor's concurrence with our planned approach. The Department has over 800 areas that require area plans; plans have already been developed for more than 330 areas and an additional 135 area plans are scheduled for completion by July 2012. Efforts have been put into place that will result in completion of all area plans by July 2016.

3. Expenditures

The MDC needs to improve internal controls over procurement cards. The MDC did not ensure a single source procurement involving a former employee was properly documented.

3.1 Procurement card controls

MDC employees using procurement cards split purchases or allowed vendors to split purchases and failed to bid some purchases. The state procurement card policy and the cardholder agreements signed by employees receiving cards prohibit splitting of purchases. When purchases are split, the established transaction limit control authorized for the individual cardholder is circumvented. Also cardholders may inappropriately split transactions in an attempt to circumvent bidding requirements.

The MDC issued over 1,400 procurement cards to its employees and during state fiscal years 2010 and 2009, MDC procurement card purchases totaled over $9.9 million and $9.0 million, respectively. In state fiscal year 2010, there were over 80,000 transaction lines in the MDC procurement card vendor detailed transaction report. We reviewed 25 transaction lines, totaling nearly $146,000, and noted:

- Three instances totaling over $8,700 in which a single purchase was split into two transactions for the transaction to be less than the individual transaction limit for the cardholder. MDC financial services had detected two of the three instances during the processing of the procurement card invoices.

- Three instances totaling over $15,000, in which the cardholder failed to obtain bids prior to making the purchase. MDC financial services detected two of these three instances after the purchases were made and while processing the procurement card invoices.

- One of the purchases was for ammunition and both statewide procurement card policies and the cardholder agreement prohibit the purchase of ammunition. MDC officials indicated they have determined the purchase of ammunition by MDC employees is appropriate; however, the MDC has not requested a waiver from the Office of Administration.

Our review of the procurement card detail report for state fiscal year 2011, which included over 82,500 records, noted approximately 150 transactions, each greater than $500, which appeared to be possible split purchases. We provided a listing of these transactions to MDC officials who determined 17 purchases (34 transactions) were split purchases; three of which had previously been identified by existing procurement card control procedures. According to the MDC, most of the other 116 transactions were the result of the vendor splitting the purchase to avoid the per transaction limit assigned to the employee's procurement card, or the vendor imposing transaction limits on the amount the vendor would accept on a single transaction. MDC officials indicated the issue of splitting purchases is being addressed through group and individual training. The MDC should continue to monitor procurement card activity to identify improper usage and provide additional training to and/or discipline MDC employees whose purchases violate procurement card purchasing policies.

3.2 Single source procurement

In December 2009, the MDC entered into a contract with a former employee to write, upon his retirement, a comprehensive book about Missouri rivers and streams. The employee retired effective July 1, 2010, under the departmental retirement incentive program. Under the contract, also effective July 1, 2010, the former employee is paid $5,000 per month for 31 months. In addition, the MDC can renew the contract for up to 24 additional months. MDC officials indicated potential cost recovery is not a significant factor when deciding to proceed with educational projects, and this arrangement qualified as a sole source procurement because the former employee was uniquely qualified to write the book. However, MDC officials did not document the sole source procurement decision as required by MDC policy. The following required actions were not performed:

- A purchase requisition requesting approval of the sole source procurement was not prepared and submitted to MDC financial services.

- A single feasible source approval request worksheet was not prepared.

- MDC did not submit a request for specific procurement authority from Office of Administration, Division of Purchasing.

- Documentation from the vendor stating they are the only provider of the commodity or service was not obtained.

The MDC should ensure sole source procurement decisions are documented and approved as required by MDC policy.

Recommendations

The MDC:

3.1 Monitor procurement card activity to identify improper usage and provide additional training to and/or discipline employees whose purchases violate procurement card purchasing policies. In addition, the MDC should request policy waivers from the Office of Administration prior to authorizing employees to make purchases of prohibited items to ensure such purchases comply with state procurement card policies.

3.2 Ensure sole source procurement decisions are documented and approved as required.

Auditee's Response

3.1 The Department has implemented steps to ensure staff is aware of transaction limits, that invoices are not to be split to circumvent the transaction limits, and that there are appropriate processes to request a waiver for larger purchases. The Department is in the process of developing required, on-line training for all cardholders that will ensure consistent messages are provided. Cardholders who do not comply with the procurement card policies will be required to re-take the on-line training. The Department will seek waivers from the Office of Administration when considered necessary.

Forty-five of the 150 FY11 transactions reported by the State Auditor as split purchases were for hotel charges or training registrations. MDC's review of these transactions concluded these transactions were obvious situations where two or more employees stayed at the same hotel or attended the same training; therefore, payments to the same vendor for the same amount and on the same day would appear reasonable. Forty-six other transactions were reportedly split to comply with the vendor's internal procedures for processing payments made by credit card. MDC's review of these transactions concluded the majority of these transactions were split for this purpose and not to bypass single transaction limits, monthly billing cycle limits, or purchasing policies. These explanations, along with explanations for various other transactions reported as split purchases, were provided to the State Auditor prior to the conclusion of the audit.

3.2 Steps have been taken to ensure all future single source procurements comply with the procedures outlined in the Department's Business Policy Manual.

Department of Conservation
Organization and Statistical Information

The Department of Conservation is constitutionally created pursuant to Article IV, Sections 40(a) and 46. The general functions of the department are to control, manage, restore, conserve, and regulate all bird, fish, game, forestry, and wildlife resources of the state. At June 30, 2010, the department owned 788,432 acres of land in the state.

The department is headed by a four-member bipartisan commission, appointed by the Governor with the advice and consent of the Senate. They serve without compensation for staggered six-year terms.

Commission Members at June 30, 2010

Commissioner	Term Expires
William F. McGeehan	July 1, 2011
Don Johnson	July 1, 2013
Becky Plattner	July 1, 2013
Don C. Bedell	July 1, 2015

The Commission appoints a director who serves as the administrative officer of the Department of Conservation. The director appoints other employees and is assisted by an assistant director and two deputy directors with programs carried out by the divisions of fisheries, forestry, wildlife, protection, private land services, resource sciences, outreach and education, design and development, administrative services, and human resources.

Robert L. Ziehmer was appointed Director effective January 15, 2010, replacing John Hoskins upon his retirement. At June 30, 2010, the department had approximately 1,350 salaried and 450 hourly employees.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

During the year ended June 30, 2010, the Department of Conservation spent American Recovery and Reinvestment Act (ARRA) of 2009 monies totaling $50,628 to 1) help seven schools reduce energy costs, create jobs and provide incentives for better forest management through the Fuel for Schools project and 2) provide a better habitat for the endangered Niangua Darter while making driving safer through the Williams Ford Low Water Crossings Project. These monies were provided to the Department of Conservation through the United States Department of Agriculture-Wildland Fire Management and the United States Department of the Interior-Habitat Enhancement, Restoration and Improvement programs.

Appendix A

Department of Conservation
Conservation Commission Fund
Comparative Statement of Receipts, Disbursements, Other Financing Uses,
and Changes in Cash and Investments

	Year Ended June 30,	
	2010	2009
RECEIPTS		
Sales and use tax	$ 93,922,656	96,659,841
Permit sales	32,517,080	32,058,801
Sales, rentals and leases	7,065,058	11,107,660
Federal reimbursements	21,475,595	24,165,283
Interest	512,826	1,050,081
Donations, refunds and miscellaneous	2,305,375	3,880,980
Total Receipts	157,798,590	168,922,646
DISBURSEMENTS		
Personal service	68,566,307	71,168,732
Employee fringe benefits	24,681,095	22,332,844
Operations	52,062,629	54,985,630
Capital improvements and acquisitions	12,377,777	15,653,041
Total Disbursements	157,687,808	164,140,247
RECEIPTS OVER (UNDER) DISBURSEMENTS BEFORE OTHER FINANCING USES	110,782	4,782,399
OTHER FINANCING USES		
Appropriations exercised by other state agencies		
OA - Insurance and legal expense	892,603	762,930
OA - Worker's compensation	32,005	36,656
OA - Unemployment insurance	134,264	94,370
Office of the State Auditor	45,646	45,651
Department of Revenue	544,257	553,253
Total	1,648,775	1,492,860
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER USES	(1,537,993)	3,289,539
CASH AND INVESTMENTS, JULY 1	36,537,616	33,248,077
CASH AND INVESTMENTS, JUNE 30	$ 34,999,623	36,537,616

Appendix B

Department of Conservation
Comparative Statement of Appropriations and Expenditures

		2010				2009		
		Appropriation Authority	Expenditures	Lapsed Balances		Appropriation Authority	Expenditures	Lapsed Balances
CONSERVATION COMMISSION FUND								
Conservation Programs	$	145,534,841	130,100,842	15,433,999		145,534,841	132,541,256	12,993,585
MDC Statewide		0	0	0		841,216	841,196	20
MDC Construction		22,881,188	13,650,608	9,230,580	*	16,227,066	16,227,065	1
Statewide Construction		46,000,000	0	46,000,000	*	0	0	0
Total Conservation Commission Fund		214,416,029	143,751,450	70,664,579		162,603,123	149,609,517	12,993,606
FEDERAL STIMULUS CONSERVATION FUND								
Conservation Forestry		50,628	50,628	0		250,000	0	250,000
ARRA Grants		11,100,000	0	11,100,000		0	0	0
Total Federal Stimulus-MDC Fund		11,150,628	50,628	11,100,000		250,000	0	250,000
Total All Funds	$	225,566,657	143,802,078	81,764,579		162,853,123	149,609,517	13,243,606

* Biennial appropriations set up in fiscal year 2010 are re-appropriations to fiscal year 2011. After the fiscal year-end processing has been completed, the unexpended fiscal year 2010 appropriation balance for a biennial appropriation is established in fiscal year 2011. Therefore, there is no lapsed balance for a biennial appropriation at the end of fiscal year 2010.

Appendix C

Department of Conservation
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2010	2009	2008	2007	2006
Salaries and wages	$ 67,995,879	70,586,696	69,334,485	69,508,506	66,774,975
Benefits	10,786,377	7,848,136	7,751,371	7,813,617	7,831,369
Travel, in-state	1,355,333	1,322,592	1,344,758	1,569,437	1,814,733
Travel, out-of-state	227,026	274,159	228,750	213,436	206,297
Fuel and utilities	1,882,350	1,911,194	1,841,985	1,768,188	1,745,407
Supplies	17,332,235	19,061,760	19,817,090	18,153,916	19,255,380
Professional development	585,176	617,011	574,010	547,070	542,938
Communication service and supplies	1,459,002	1,338,618	1,352,666	1,357,984	1,339,282
Services:					
Professional	8,173,714	8,648,917	10,578,052	8,875,295	9,321,312
Housekeeping and janitorial	981,669	1,080,249	1,009,635	1,039,370	939,576
Maintenance and repair	2,417,043	2,003,950	1,829,131	2,178,199	2,032,047
Equipment:					
Computer	1,853,299	949,987	3,299,013	1,276,563	1,498,067
Motorized	3,450,951	4,778,442	5,235,419	3,107,497	5,508,680
Office	71,459	89,002	217,124	149,288	438,387
Other	984,005	1,073,019	2,591,388	1,468,635	2,758,236
Property and improvements	12,377,777	15,653,041	9,068,865	16,035,656	23,581,386
Building lease payments	534,614	540,137	517,578	519,295	553,811
Equipment rental and leases	1,847,248	1,860,693	1,979,073	1,845,351	2,449,988
Miscellaneous expenses	1,965,719	1,865,302	1,627,237	1,708,073	1,734,926
Refunds	160,188	162,442	194,357	212,812	190,865
Program distributions	7,361,014	7,944,170	10,948,345	9,630,071	9,000,546
Total Expenditures	$ 143,802,078	149,609,517	151,340,332	148,978,259	159,518,208

Appendix D

Department of Conservation
Statement of Changes in General Capital Assets

	Equipment	Buildings	Land	Construction in Progress	Software and Misc. Intangible Assets	Total General Capital Assets
BALANCE, July 1, 2008 $	81,924,611	95,401,454	317,554,755	11,696,740	0	506,577,560
Adjustments	69,265 (1)	0	0	(3,383)	0	65,882
Additions	6,075,145	7,767,884	8,822,406	2,775,377	1,109,931	26,550,743
Dispositions	(5,658,483)	(432,013)	(122,040)	(7,637,114)	0	(13,849,650)
BALANCE, June 30, 2009	82,410,538	102,737,325	326,255,121	6,831,620	1,109,931	519,344,535
Adjustments	0	0	0	0	144,079 (2)	144,079
Additions	5,198,687	9,887,497	1,959,471	6,175,318	934,390	24,155,363
Dispositions	(3,692,097)	(185,740)	(391,400)	(9,698,748)	(104,167)	(14,072,152)
BALANCE, June 30, 2010 $	83,917,128	112,439,082	327,823,192	3,308,190	2,084,233	529,571,825

(1) Adjustments to correct vehicle preparation costs and additional equipment

(2) Adjustments to correct prior year balances

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Grundy County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Grundy County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Kevin G. Hudson, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

December 2011
Report No. 2011-119

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

GRUNDY COUNTY, MISSOURI
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE TWO YEARS ENDED
DECEMBER 31, 2010

Grundy County, Missouri
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Independent Auditors' Report

To the County Commission of
Grundy County, Missouri
Trenton, Missouri

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grundy County, Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As discussed more fully in Note 1, the County prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2010 and 2009, and the respective changes in financial position-cash basis, thereof for the years then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards,* I have also issued my report dated November 23, 2011, on my consideration of the County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information, budgetary comparison information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements of Grundy County, Missouri. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kevin G. Hudson, C.P.A.
Trenton, Missouri
November 23, 2011

The discussion and analysis of Grundy County's financial performance provides an overall review of the County's financial activities for the years ended December 31, 2010 and 2009. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements, including the notes to the financial statements, to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2010 and 2009 are as follows:

- The county's total governmental revenues exceeded total expenditures by $184,675 for the year ended December 31, 2010. The total expenditures exceeded governmental receipts by $411,098 for the year ended December 31, 2009. Of this deficit, $474,287 was related to the construction of the new law enforcement center. When taking this into consideration, revenues would have exceeded expenditures by $63,189.

- The county's governmental funds ended the year ended December 31, 2010 with a combined cash balance of $2,411,954 and the year ended December 31, 2009 of $2,227,279.

- County revenues for the year ended December 31, 2010 of $4,291,175 decreased by $836,961 over the county revenues for the year ended December 31, 2009 of $5,128,136. The difference is related to the county receiving a large grant for bridge construction in the road and bridge fund in 2009.

- County expenditures for the year ended December 31, 2010 of $4,106,500 decreased by $1,432,734 over the county expenditures for the year ended December 31, 2009 of $5,539,234. Of these expenditures $474,287 was related to the construction of the new law enforcement center for the year ended December 31, 2009 and the remainder was related to the bridge construction projects.

Overview of the Financial Statements

The contents of this report comply with the presentation requirements of Statement No.34 of the Governmental Accounting Standards Board, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments,* as applicable to the cash basis of accounting. The county's basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. The notes are an integral part of the government-wide and fund financial statements and provide more detail about the information presented in the statements. This report also contains other financial information in addition to the basic financial statements.

The county has elected to present its financial statements on the cash basis of accounting, a basis of accounting other than accounting principles generally accepted in the United States of America. "Basis of accounting" refers to when financial events are recorded. Under the cash basis of accounting, revenues are recorded when received rather than when earned, and expenditures are recorded when paid rather than when the related liabilities are incurred. Therefore, when reviewing the financial information and discussion in this report, the reader should recall the limitations resulting from use of the cash basis of accounting.

Government-Wide Financial Statements

The Government-Wide Statement of Net Assets and the Government-Wide Statement of Activities report information about the county as a whole. These statements present the county's net assets and show how they have changed. Over time, increases or decreases in the county's net assets are one indicator of whether its financial health or position is improving or deteriorating. However, to assess the county's overall financial health, the reader needs to consider additional nonfinancial factors. The government-wide financial statements report only governmental activities - activities such as general government operations, public safety, and health and welfare that are usually financed through taxes and intergovernmental receipts. The county has no business-like activities-activities financed wholly or partially by fees charged to external parties for goods or services.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the county as a whole. Some funds are required to be established by state law or by bond covenants. However, the County Commission establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, or other sources of receipts. The fund financial statements include only governmental funds, which focus on the flow of money into and out of those funds and the balances left at year end that are available for spending. The governmental fund statements provide a detailed view of the county's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether more or fewer financial resources can be spent in the near future to finance the county's programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages18-24 of this report.

Other Information

This report also includes as required supplementary information this Management's Discussion and Analysis and the Budgetary Comparison Schedules for all governmental, special revenue funds and capital projects funds - cash basis. Such information is intended to supplement the government-wide financial statements, fund financial statements, and notes to the financial statements but is not a part of those statements.

In addition, the report includes the following components that are not a required part of the financial statements: the Schedule of Expenditures of Federal Awards, required for audits of federal program expenditures conducted in accordance with Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.*

Government-wide Financial Analysis

Below is a chart showing assets, receipts and disbursements for the years ended December 31, 2010 and 2009.

	Year Ended December 31, 2010	2009
Net Assets	$2,411,954	$ 2,227,279
Program Receipts	2,094,198	2,973,896
General Receipts	2,196,977	2,154,240
Disbursements	4,106,500	5,539,234
Change in Net Assets	184,675	(411,098)

For the two years disclosed in the audit, the change in Net Assets is primarily due to the increase in the General Fund and the Ambulance Fund. These funds had combined net assets $1,066,662 in 2009 as compared to $1,206,307. Program receipts decreased in 2010 due to the bridge construction grant that was received and expended in 2009. General receipts did not fluctuate much between 2009 and 2010. Expenditures decreased in 2010 due to the road and bridge construction project that occurred in 2009 and the final construction payment for the Law Enforcement Construction Fund. During 2009 the county incurred a deficit of $474,271 in the Law Enforcement Construction Fund for the final construction payment thus accounting for a large portion of the difference in the Change in Net Assets.

Financial Analysis of the County's Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of December 31, 2010, the county's governmental funds reported combined ending fund balances of $2,411,954, an increase of $184,675 over the prior years fund balance of $2,227,279. The unreserved portion of fund balance was $672,743 for 2010 and $609,782 for the year ended 2009. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the County. At the end of the fiscal year 2010, unreserved fund balance of the General Fund was $672,743 and the unreserved fund balance of the General Fund for fiscal year 2009 was $609,782. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

The unreserved fund balance of the General Fund increased by $62,961 for fiscal year 2010 as compared to an increase of $81,797 for fiscal year 2009.

County Revenue Fund Budgeting Highlights

The County's budget is prepared according to Missouri law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the County Revenue Fund.

The original and final budgeted revenues for the general fund were $1,243,986 for 2010 and $1,305,127 and $1,305,727 for 2009. The original and final budgeted expenditures were $1,540,990 and $1,541,430 for 2010 and $1,416,138 and $1,418,638 for 2009.

The County did make some small budget amendments to various funds.

Capital Assets and Debt Administration

During 2006 the county issued General Obligation Bonds in the amount of $4,995,000 for the construction of a new law enforcement facility. The balance of these bonds were $4,600,000 for the year ended December 31, 2010. The county also has a lease for the purchase of a backhoe. The balance of this lease was $67,131 at December 31, 2010.

Economic Factors and Next Year's Budgets

The opening of the new law enforcement center has added greatly to both the physical and economic well being of the citizens of Grundy County. The county sales taxes have increased slightly in the past two years, which is a positive sign.

The Counties General Fund has increased $144,758 over the two year period that was audited. This is encouraging due to the current economic times. The increased costs for fuel, materials, equipment, utilities, and operating expenditures continues to be a source of concern as well as the general state of the economy.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Betty Spickard, County Clerk, 700 Main Street, Trenton, Missouri 64683, (660) 359-4040.

GOVERNMENT WIDE FINANCIAL STATEMENTS

Grundy County, Missouri
Government Wide Statement of Net Assets
Cash Basis
For the Year Ended December 31, 2010

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 2,411,954
Total Assets	$ 2,411,954
NET ASSETS:	
Restricted	$ 1,739,211
Unrestricted	672,743
Total Net Assets	$ 2,411,954

The accompanying notes to the financial statements
are an integral part of this financial statement

Grundy County, Missouri
Government Wide Statement of Net Assets
Cash Basis
For the Year Ended December 31, 2009

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 2,227,279
Total Assets	$ 2,227,279
NET ASSETS:	
Restricted	$ 1,617,497
Unrestricted	609,782
Total Net Assets	$ 2,227,279

The accompanying notes to the financial statements
are an integral part of this financial statement

Grundy County, Missouri
Government-Wide Statement of Activities
Cash Basis
For the Year Ended December 31, 2010

		Program Revenues		Net (Disbursements) Receipts and Changes in Cash Balances
	Expenses	Charges for Services	Intergovernmental	Governmental Activities
Governmental Activities:				
General County Government	$ 1,748,763	$ 415,968	$ 330,944	$ (1,001,851)
Roads and Bridges	837,835	-	763,479	(74,356)
Ambulance	864,393	463,540	-	(400,853)
Law Enforcement Center	655,509	-	120,267	(535,242)
Law Enforcement Construction	-	-	-	-
Total Governmental Activities	$ 4,106,500	$ 879,508	$ 1,214,690	$ (2,012,302)
Total Grundy County	$ 4,106,500	$ 879,508	$ 1,214,690	$ (2,012,302)
General Revenues:				
Property Taxes				368,958
Sales Taxes				1,344,335
Interest				13,211
Other				470,473
Total General Revenues				2,196,977
Change in Net Assets				184,675
Net Assets - Beginning				2,227,279
Net Assets - Ending				$ 2,411,954

The accompanying notes to the financial statements are an integral part of this financial statement

Grundy County, Missouri
Government-Wide Statement of Activities
Cash Basis
For the Year Ended December 31, 2009

	Expenses	Program Revenues: Charges for Services	Program Revenues: Intergovernmental	Net (Disbursements) Receipts and Changes in Cash Balances: Governmental Activities
Governmental Activities:				
General County Government	$ 1,905,470	$ 413,789	$ 492,316	$ (999,365)
Roads and Bridges	1,624,914	-	1,496,254	(128,660)
Ambulance	882,765	494,447	-	(388,318)
Law Enforcement Center	651,798	-	77,090	(574,708)
Law Enforcement Construction	474,287	-	-	(474,287)
Total Governmental Activities	$ 5,539,234	$ 908,236	$ 2,065,660	$ (2,565,338)
Total Grundy County	$ 5,539,234	$ 908,236	$ 2,065,660	$ (2,565,338)
General Revenues:				
Property Taxes				381,731
Sales Taxes				1,314,856
Interest				15,973
Other				441,680
Total General Revenues				2,154,240
Change in Net Assets				(411,098)
Net Assets - Beginning				2,638,377
Net Assets - Ending				$ 2,227,279

The accompanying notes to the financial statements are an integral part of this financial statement

Grundy County, Missouri
Balance Sheet - Cash Basis
Governmental Fund
For the Year Ended December 31, 2010

	General Fund	Special Road & Bridge Fund	Ambulance Fund	Law Enforcement Center Fund	Law Enforcement Construction Fund	Other Governmental Funds	2008 Total Government Funds
ASSETS							
Cash and Cash Equivalents	$ 672,743	$ 566,169	$ 533,564	$ 132,761	$ -	$ 506,717	$ 2,411,954
TOTAL ASSETS	$ 672,743	$ 566,169	$ 533,564	$ 132,761	$ -	$ 506,717	$ 2,411,954
LIABILITIES AND FUND BALANCES							
FUND BALANCES							
Unreserved, Reported in:							
General Fund	$ 672,743	$ -	$ -	$ -	$ -	$ -	$ 672,743
Special Revenue Funds	-	566,169	533,564	132,761	-	-	1,232,494
Capital Projects Fund	-	-	-	-	-	-	-
Nonmajor Funds	-	-	-	-	-	506,717	506,717
TOTAL FUND BALANCES	$ 672,743	$ 566,169	$ 533,564	$ 132,761	$ -	$ 506,717	$ 2,411,954

The accompanying notes to the financial statements are an integral part of this financial statement

Grundy County, Missouri
Balance Sheet - Cash Basis
Governmental Fund
For the Year Ended December 31, 2009

	General Fund	Special Road & Bridge Fund	Ambulance Fund	Law Enforcement Center Fund	Law Enforcement Construction Fund	Other Governmental Funds	2009 Total Government Funds
ASSETS							
Cash and Cash Equivalents	$ 609,782	$ 521,874	$ 456,880	$ 179,360	$ -	$ 459,383	$ 2,227,279
TOTAL ASSETS	$ 609,782	$ 521,874	$ 456,880	$ 179,360	$ -	$ 459,383	$ 2,227,279
LIABILITIES AND FUND BALANCES							
FUND BALANCES							
Unreserved, Reported in:							
General Fund	$ 609,782	$ -	$ -	$ -	$ -	$ -	$ 609,782
Special Revenue Funds	-	521,874	456,880	179,360	-	-	1,158,114
Capital Projects Fund	-	-	-	-	-	-	-
Nonmajor Funds	-	-	-	-	-	459,383	459,383
TOTAL FUND BALANCES	$ 609,782	$ 521,874	$ 456,880	$ 179,360	$ -	$ 459,383	$ 2,227,279

The accompanying notes to the financial statements are an integral part of this financial statement

Grundy County, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
Cash Basis - Governmental Funds
For the Year Ended December 31, 2010

	General Fund	Special Road & Bridge Fund	Ambulance Fund	Law Enforcement Center Fund	Law Enforcement Construction Fund	Other Governmental Funds	2010 Total Government Funds
REVENUES:							
Taxes - Sales	$ 448,331	$ -	$ 448,035	$ 447,969	$ -	$ -	$ 1,344,335
Taxes - Property	169,645	46,398	-	-	-	152,915	368,958
Intergovernmental Revenues	79,651	763,479	-	120,267	-	251,293	1,214,690
Charges for Services	346,365	-	463,540	-	-	69,603	879,508
Interest Income	2,244	1,534	1,577	613	-	7,243	13,211
Other	235,181	70,719	39,925	61	-	124,587	470,473
TOTAL REVENUES	1,281,417	882,130	953,077	568,910	-	605,641	4,291,175
EXPENDITURES:							
General County Government	1,178,456	-	-	-	-	570,307	1,748,763
Roads and Bridges	-	837,835	-	-	-	-	837,835
Ambulance	-	-	864,393	-	-	-	864,393
Law Enforcement Center	-	-	-	655,509	-	-	655,509
Law Enforcement Construction	-	-	-	-	-	-	-
TOTAL EXPENDITURES	1,178,456	837,835	864,393	655,509	-	570,307	4,106,500
Excess (Deficiency) of Revenues Over Expenditures	102,961	44,295	88,684	(86,599)	-	35,334	184,675
OTHER FINANCING SOURCES (USES)							
Transfer To/From Other Funds	(40,000)	-	(12,000)	40,000	-	12,000	-
TOTAL OTHER FINANCING SOURCES (USES)	(40,000)	-	(12,000)	40,000	-	12,000	-
Net Change in Fund Balances	62,961	44,295	76,684	(46,599)	-	47,334	184,675
Fund Balance - Beginning of Year	609,782	521,874	456,880	179,360	-	459,383	2,227,279
Fund Balance - End of Year	$ 672,743	$ 566,169	$ 533,564	$ 132,761	$ -	$ 506,717	$ 2,411,954

The accompanying notes to the financial statementsa are an integral part of this financial statement

Grundy County, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
Cash Basis - Governmental Funds
For the Year Ended December 31, 2009

	General Fund	Special Road & Bridge Fund	Ambulance Fund	Law Enforcement Center Fund	Law Enforcement Construction Fund	Other Governmental Funds	2009 Total Government Funds
REVENUES:							
Taxes - Sales	$ 438,571	$ -	$ 438,417	$ 437,868	$ -	$ -	$ 1,314,856
Taxes - Property	177,155	53,559	-	-	-	151,017	381,731
Intergovernmental Revenues	181,959	1,496,254	-	77,090	-	310,357	2,065,660
Charges for Services	335,993	-	494,447	-	-	77,796	908,236
Interest Income	2,066	1,805	1,286	798	16	10,002	15,973
Other	261,255	35,808	13,077	4,815	-	126,725	441,680
TOTAL REVENUES	1,396,999	1,587,426	947,227	520,571	16	675,897	5,128,136
EXPENDITURES:							
General County Government	1,217,702	-	-	-	-	687,768	1,905,470
Roads and Bridges	-	1,624,914	-	-	-	-	1,624,914
Ambulance	-	-	882,765	-	-	-	882,765
Law Enforcement Center	-	-	-	651,798	-	-	651,798
Law Enforcement Construction	-	-	-	-	474,287	-	474,287
TOTAL EXPENDITURES	1,217,702	1,624,914	882,765	651,798	474,287	687,768	5,539,234
Excess (Deficiency) of Revenues Over Expenditures	179,297	(37,488)	64,462	(131,227)	(474,271)	(11,871)	(411,098)
OTHER FINANCING SOURCES (USES)							
Transfer To/From Other Funds	(97,500)	-	(10,000)	80,000	-	27,500	-
TOTAL OTHER FINANCING SOURCES (USES)	(97,500)	-	(10,000)	80,000	-	27,500	-
Net Change in Fund Balances	81,797	(37,488)	54,462	(51,227)	(474,271)	15,629	(411,098)
Fund Balance - Beginning of Year	527,985	559,362	402,418	230,587	474,271	443,754	2,638,377
Fund Balance - End of Year	$ 609,782	$ 521,874	$ 456,880	$ 179,360	$ -	$ 459,383	$ 2,227,279

The accompanying notes to the financial statements are an integral part of this financial statement

Grundy County, Missouri
Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31, 2010

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 6,386,871
Total Assets	$ 6,386,871
NET ASSETS:	
Restricted	$ 6,386,871
Unrestricted	-
Total Net Assets	$ 6,386,871

The accompanying notes to the financial statements
are an integral part of this financial statement

Grundy County, Missouri
Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31, 2009

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 6,195,994
Total Assets	$ 6,195,994
NET ASSETS:	
Restricted	$ 6,195,994
Unrestricted	-
Total Net Assets	$ 6,195,994

The accompanying notes to the financial statements
are an integral part of this financial statement

FUND FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

The financial statements of Grundy County, Missouri (the County) have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has adopted the reporting model as required by GASB Statement 34, for the presentation of information in the government-wide financial statements and the major fund statements. The more significant of the County's accounting policies are described below.

A. Reporting Entity

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County's financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization's government board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose specific financial burden on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such at exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the application of the above criteria, the county has no component units.

B. Basis of Presentation

Government-wide Statements

The Statement of Net Assets and the Statement of Activities present financial information about the County's governmental activities. These statements include the financial activities of the primary government in its entirety. Eliminations have been made to minimize the double-counting of internal transactions. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-like activities are financed wholly or partially by fees charged to external parties for goods or services. For the years ended December 31, 2010 and 2009, the county had only governmental activities.

Note 1: Summary of Significant Accounting Policies (Continued)

The Government-Wide Statement of Net Assets presents the financial condition of the county's governmental activities at year-end. The Government-Wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) intergovernmental receipts that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenue. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the county.

Fund Financial Statements

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The county uses funds to segregate transactions related to certain functions or activities in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the county primary government at this detailed level. The fund financial statements focus on major funds. Each major fund is presented in a separate column, and nonmajor funds are aggregated and presented in a single column. Major funds include (a) the county's primary operating fund, (b) any fund for which total cash, receipts or disbursements of an individual fund are at least 10% of the corresponding element total for all funds of that type, and © any other fund that county officials believe is particularly important to financial statement users.

The accompanying financial statements are structured into one category of funds - governmental. Governmental funds are those through which most governmental functions are typically financed. Reporting for such funds focuses on the sources, uses, and balances of current resources. The county's major governmental funds are as follows:

General Fund - The General Fund is used to account for all revenues and expenditures applicable to the general operations of county government that are not properly accounted for in another fund. All general operating revenues that are not restricted or designated as to their use by outside sources are recorded in the General Fund. Revenues are derived primarily from taxes and intergovernmental revenues.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue that are legally restricted to expenditure for specified purposes. The Special Road and Bridge Fund, Law Enforcement Center Fund and Ambulance Funds are all considered Special Revenue Funds.

Capital Projects Funds - The Capital Projects Fund is used to account for resources designated to construct or acquire capital assets and major improvements. Revenues are derived primarily from the issuance of long-term liabilities, intergovernmental revenues, grants and earnings on investments.
The Law Enforcement Construction Fund is considered a Capital Project Fund.

The county's nonmajor governmental funds are also special revenue funds.

Note 1: Summary of Significant Accounting Policies (Continued)

Fiduciary funds account for assets held by the county as a trustee or an agent for individuals, private organizations, other governments, or other funds. Fiduciary fund reporting focuses on net assets and changes in net assets; fiduciary assets are reported in a separate Statement of Fiduciary Net Assets because the county cannot use those assets to finance its operations. The county's fiduciary funds consist of agency funds, which report assets held in a purely custodial capacity and do not involve measurement of results of operations.

The agency funds include the County Collector's Fund, Unclaimed Fees Fund, School Fines Fund, School Overplus Fund, Task Force Seizures, Marion Township Road Improvements, Cemetery and County Employees Retirement Fund. These funds are all included in the accompanying Statement of Fiduciary Net Assets.

C. Basis of Accounting

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. The government-wide and fund financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. Consequently, certain assets and their related revenues (such as accounts receivable and revenues billed but not yet collected for goods and services provided) and certain liabilities and their related expenditures (such as accounts payable and expenditures for goods and services received but not yet paid for) are not recorded in these financial statements. Generally accepted accounting principles for state and local governments require revenues to be recognized when they are earned or when they become available and measurable and expenditures or expenses to be recognized when the related liabilities are incurred.

Equity classifications: On the Government-Wide Statement of Net Assets, equity is classified as net assets and displayed in two components: restricted and unrestricted. Net assets are reported as restricted when limitations are imposed on their use through either the enabling legislation adopted by the County Commission or external restrictions imposed by creditors, grantors, or the laws and regulations of other governments. All other net assets are reported as unrestricted. The county applies restricted resources first when a disbursement is made for which both restricted and unrestricted net assets are available.

In the fund financial statements, equity is classified as fund balance and also may be displayed in two components: reserved and unreserved. Fund balance is reported as reserved to indicate that a portion of the fund balance is not available for appropriation or is legally segregated for a specific future use. When such restrictions do not exist, fund balance is reported as unreserved.

D. Vacation, Personal and Sick Leave

Vacation time, personal time is considered as expenditures in the year paid. Vacation time is awarded based on years of service and must be used in its entirety prior to the employee's next anniversary date. The county does not have personal days, but comp time can be earned by working overtime.

Note 1: Summary of Significant Accounting Policies (Continued)

E. Budgets and Budgetary Accounting

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

1) In accordance with Chapter 50, (Sections 50.525 through 50.745, RSMo 2000), the County adopts a budget for various County funds.

2) Prior to December 31, each department, office, institution, commission, or court of the County submits to the budget officer its requirements for expenditures and its estimated revenues for the next budget year. These figures are presented with corresponding figures for the last completed year and an estimate of the current year.

3) The budget officer holds public hearings prior to presentation of the budget document to the County Commission no later than January 15th of each year.

4) A public hearing is held not earlier than 10 days after the budget document is made available to the public and with at least 5 days notice of the hiring.

5) Amendments to the budget are made by the County Commission as required to allow for appropriation of increased revenues and adjustments between line items within the budget. A few budget amendments were made for 2010 and 2009. Please see budgetary comparison schedules in required supplementary information for further details.

The County's policy is to prepare the annual operating budget on a cash basis.

F. Inventories and Capital Assets

Inventories include office equipment, road and vehicle maintenance supplies, and fuel. Capital assets consist of land, buildings, furniture, equipment, vehicles, and infrastructure such as roads and bridges. Both inventories and capital assets are recorded as disbursements when they are purchased or constructed.

G. Long-Term Debt

Consistent with the cash basis of accounting, long-term debt is not reported in the government-wide or fund financial statements. Proceeds from debt issuances are reported when received, and payments of principle and interest are reported when disbursements are made.

Note 1: Summary of Significant Accounting Policies (Continued)

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Risk of Loss

The County protects itself from risk of loss by purchasing commercial insurance for property damage and liability risks. The County does not self insure its risks.

Note 2: Stewardship, Compliance and Accountability

Compliance with Finance Related Legal and Contractual Provisions

The County incurred no material violations of finance related legal and contractual provisions.

Excess of Expenditures Over Appropriations in Individual Funds

For the two years ended December 31, 2010, the County had an excess of expenditures over appropriations in the Law Enforcement Center for 2010, Law Enforcement Training Fund for 2009, Senate Bill 40 Fund for 2009 and 2010, the Senior Citizens Tax Fund for 2009 and 2010 the Cemetery Trust Fund for 2009 and the Special Elections Fund for 2009.

Net Assets/Fund Balance Deficit

The County had no funds with a deficit balance for the two years ended December 31, 2010.

Note 3: Cash and Investments

Deposits - At December 31, 2010 and 2009, the carrying amount of the County's deposits was $2,411,954 and $2,227,279 respectively. The bank balance for the year ended December 31, 2010 and 2009 was $2,724,510 and $2,499,491 respectively. Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The County's deposit policy for custodial credit risk requires compliance with the provisions of state law. County policy further requires that all securities that serve as collateral against the deposits of a depository institution must be held in safekeeping at a non-affiliated custodial facility. Of the bank balance, $250,000 was covered by federal depository insurance and $2,474,510 was covered by collateral held by the County's safekeeping agent in the County's name at December 31, 2010 and $2,249,491 for the year ended December 31, 2009.

Note 3: Cash and Investments (Concluded)

The Senior Citizens Tax Fund and the Senate Bill 40 Fund deposits at December 31, 2010 and 2009, and the County's Collector's deposits at December 31, 2010 and 2009, were not exposed to custodial credit risk because they were entirely covered by federal depositary insurance, by collateral securities held by the county's or board's custodial bank in the county's or board's name.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Missouri; bonds of any city having a population of not less than two thousand, county, school district, or special road district of the State of Missouri; bonds of any state, tax anticipation notes issued by any first class county, or a surety bond having an aggregate value at least equal to the amount of the deposits

Investments - The county may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within ninety days secured by U.S. Treasury obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law. At December 31, 2010 and 2009 the County had $150,000 and $150,000 invested in Certificates of Deposit for each year respectively.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County has no formal investment policy regarding interest rate risk.

Investment Credit Risk - The County has no investment policy that limits its investment choices other than the limitation of state law as follows:

a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.

b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

Concentration of Credit Risk - The County places no limit on the amount it may invest in any one issuer. For the two years ended December 31, 2010, the County had no concentration of credit risk.

Note 4: Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on November 1st and payable by December 31st of each year. Taxes paid after December 31 are subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments (except some cities). The assessed valuation of the tangible taxable property for the calendar years 2010 and 2009 for purposes of County taxation was as follows:

	2010	2009
Real Estate	$ 62,508,540	$ 61,978,620
Personal Property	29,929,684	30,816,360
Railroad and Utilities	13,584,822	12,301,600
Total	$ 106,023,046	$ 105,096,580

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

The tax levy per $100 of the assessed valuation of tangible taxable property for the calendar years 2010 and 2009 for purposes of County taxation was:

	2010	2009
General Revenue Fund	$ .1894	$ .1800
Total	$ .1894	$ .1800

Note 5: Commitments and Contingencies

The county is a party to various legal proceedings. At the date of these financial statements, the County cannot estimate its liability, if any, from losses that may result from certain proceedings. In the opinion of management and the County attorneys, the potential adverse impact of these proceedings would not be material to the combined financial statements of the County.

The County has several federal and state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. County management is not aware of any potential losses from such disallowance and believes that reimbursements, if any, would not be material.

Note 6: Prior Period Adjustments

In the prior year, the County was required to include the Circuit Clerk Interest Fund, the Law Library Fund and the Associate Division Interest Fund in the County's financial statements. For the two years ended December 31, 2010, the County is no longer required to include these funds in the financial statements. The omission of these funds caused the beginning fund balance to be adjusted by $23,740.

Note 7: County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit by calculating using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for vested employees.

Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Shotthill Woods Drive, Jefferson City, Missouri 65102-2271, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in the CERF. During 2010 and 2009, the County collected and remitted employee contributions of approximately $16,964 and $35,764 respectively, for the years then ended.

REQUIRED SUPPLEMENTARY INFORMATION

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
General Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ 440,000	$ 440,000	$ 448,331	$ 8,331	$ 450,000	$ 450,000	$ 438,571	$ (11,429)
Taxes - Property	18,000	18,000	169,645	151,645	179,000	179,000	177,155	(1,845)
Intergovernmental Revenues	437,926	437,926	79,651	(358,275)	329,407	329,407	181,959	(147,448)
Charges for Services	303,500	303,500	346,365	42,865	304,800	304,800	335,993	31,193
Interest Income	2,000	2,000	2,244	244	4,000	4,000	2,066	(1,934)
Other	42,560	42,560	235,181	192,621	37,920	38,520	261,255	222,735
Total Revenue	1,243,986	1,243,986	1,281,417	37,431	1,305,127	1,305,727	1,396,999	91,272
Expenditures:								
County Commission	79,874	79,874	79,796	78	80,800	80,800	80,454	346
County Clerk	99,103	99,103	91,943	7,160	96,912	96,912	92,243	4,669
Elections	40,130	40,130	19,394	20,736	21,350	21,350	3,825	17,525
Buildings and Grounds	110,094	110,094	98,906	11,188	81,944	81,944	61,189	20,755
Employee Fringe Benefits	115,000	115,000	110,733	4,267	126,500	126,500	119,762	6,738
County Treasurer	94,700	94,700	88,210	6,490	98,094	98,094	87,656	10,438
Circuit Clerk	35,994	35,994	29,124	6,870	32,107	32,107	27,298	4,809
Associate Circuit Clerk	10,437	10,437	7,330	3,107	9,750	9,750	6,565	3,185
Court Administration	15,586	15,586	6,444	9,142	14,959	14,959	17,486	(2,527)
Public Administrator	42,940	42,940	40,819	2,121	42,580	42,580	40,768	1,812
Sheriff	344,810	344,810	325,672	19,138	355,418	357,918	335,375	22,543
Jail	250	690	901	(211)	1,000	1,000	169	831
Prosecuting Attorney	79,844	79,844	77,461	2,383	80,168	80,168	78,092	2,076
Juvenile Officer	58,913	58,913	19,941	38,972	61,025	61,025	23,735	37,290
County Coroner	21,265	21,265	17,654	3,611	18,290	18,290	14,632	3,658
Childrens Advocacy	-	9,790	9,790	-	131,546	131,546	120,121	11,425
Emergency Fund	46,600	46,600	-	46,600	44,100	44,100	-	44,100
Other	345,450	335,660	154,338	181,322	119,595	119,595	108,332	11,263
Total Expenditures	1,540,990	1,541,430	1,178,456	362,974	1,416,138	1,418,638	1,217,702	200,936
Excess (Deficiency) of Revenues Over Expenditures	(297,004)	(297,444)	102,961	400,405	(111,011)	(112,911)	179,297	292,208
Fund Balance - Beginning of Year	609,782	609,782	609,782	-	527,985	527,985	527,985	-
Transfers In	65,000	65,000	-	(65,000)	109,000	109,000	-	(109,000)
Transfers Out	(56,000)	(56,000)	(40,000)	16,000	(97,500)	(97,500)	(97,500)	-
Fund Balance - End of Year	$ 321,778	$ 321,338	$ 672,743	$ 351,405	$ 428,474	$ 426,574	$ 609,782	$ 183,208

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Special Road and Bridge Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	52,500	52,500	46,398	(6,102)	50,000	50,000	53,559	3,559
Intergovernmental Revenues	743,984	743,984	763,479	19,495	1,637,000	1,989,250	1,496,254	(492,996)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	1,800	1,800	1,534	(266)	6,000	6,000	1,805	(4,195)
Other	9,800	9,800	70,719	60,919	10,000	29,750	35,808	6,058
Total Revenue	808,084	808,084	882,130	74,046	1,703,000	2,075,000	1,587,426	(487,574)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administrator	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	854,064	854,064	837,835	16,229	1,716,034	2,168,034	1,624,914	543,120
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	854,064	854,064	837,835	16,229	1,716,034	2,168,034	1,624,914	543,120
Excess (Deficiency) of Revenues Over Expenditures	(45,980)	(45,980)	44,295	90,275	(13,034)	(93,034)	(37,488)	55,546
Fund Balance - Beginning of Year	521,874	521,874	521,874	-	559,362	559,362	559,362	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 475,894	$ 475,894	$ 566,169	$ 90,275	$ 546,328	$ 466,328	$ 521,874	$ 55,546

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Ambulance Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ 440,000	$ 440,000	$ 448,035	$ 8,035	$ 450,000	$ 450,000	$ 438,417	$ (11,583)
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	500,000	500,000	463,540	(36,460)	500,000	500,000	494,447	(5,553)
Interest Income	1,200	1,200	1,577	377	5,000	5,000	1,286	(3,714)
Other	5,000	5,000	39,925	34,925	6,000	6,000	13,077	7,077
Total Revenue	946,200	946,200	953,077	6,877	961,000	961,000	947,227	(13,773)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	876,848	876,848	864,393	12,455	917,575	917,575	882,765	34,810
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	876,848	876,848	864,393	12,455	917,575	917,575	882,765	34,810
Excess (Deficiency) of Revenues Over Expenditures	69,352	69,352	88,684	19,332	43,425	43,425	64,462	21,037
Fund Balance - Beginning of Year	456,880	456,880	456,880	-	402,418	402,418	402,418	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	(12,000)	(12,000)	-	-	(10,000)	(10,000)
Fund Balance - End of Year	$ 526,232	$ 526,232	$ 533,564	$ 7,332	$ 445,843	$ 445,843	$ 456,880	$ 11,037

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Enforcement Center Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ 440,000	$ 440,000	$ 447,969	$ 7,969	$ 450,000	$ 450,000	$ 437,868	$ (12,132)
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	90,360	90,360	120,267	29,907	63,000	63,000	77,090	14,090
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	1,000	1,000	613	(387)	3,000	3,000	798	(2,202)
Other	1,100	1,100	61	(1,039)	600	600	4,815	4,215
Total Revenue	532,460	532,460	568,910	36,450	516,600	516,600	520,571	3,971
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	646,996	653,096	655,509	(2,413)	629,855	651,855	651,798	57
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	646,996	653,096	655,509	(2,413)	629,855	651,855	651,798	57
Excess (Deficiency) of Revenues Over Expenditures	(114,536)	(120,636)	(86,599)	34,037	(113,255)	(135,255)	(131,227)	4,028
Fund Balance - Beginning of Year	179,360	179,360	179,360	-	230,587	230,587	230,587	-
Transfers In	40,000	40,000	40,000	-	80,000	80,000	80,000	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 104,824	$ 98,724	$ 132,761	$ 34,037	$ 197,332	$ 175,332	$ 179,360	$ 4,028

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Enforcement Construction Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	13	17	16	(1)
Other	-	-	-	-	-	-	-	-
Total Revenue	-	-	-	-	13	17	16	(1)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	474,284	474,288	474,287	1
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	474,284	474,288	474,287	1
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	(474,271)	(474,271)	(474,271)	-
Fund Balance - Beginning of Year	-	-	-	-	474,271	474,271	474,271	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Assessment Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	144,932	144,932	153,218	8,286	146,000	146,000	141,600	(4,400)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	80	80	120	40	200	200	81	(119)
Other	1,000	1,000	11,291	10,291	1,467	1,467	910	(557)
Total Revenue	146,012	146,012	164,629	18,617	147,667	147,667	142,591	(5,076)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	218,415	218,415	154,507	63,908	164,893	164,893	157,759	7,134
Other	-	-	-	-	-	-	-	-
Total Expenditures	218,415	218,415	154,507	63,908	164,893	164,893	157,759	7,134
Excess (Deficiency) of Revenues Over Expenditures	(72,403)	(72,403)	10,122	82,525	(17,226)	(17,226)	(15,168)	2,058
Fund Balance - Beginning of Year	2,540	2,540	2,540	-	208	208	208	-
Transfers In	16,000	16,000	-	(16,000)	17,500	17,500	17,500	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ (53,863)	$ (53,863)	$ 12,662	$ 66,525	$ 482	$ 482	$ 2,540	$ 2,058

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Enforcement Training Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	750	750	-	(750)	700	700	-	(700)
Charges for Services	2,000	2,000	2,409	409	2,000	2,000	3,380	1,380
Interest Income	2	2	1	(1)	15	15	2	(13)
Other	-	-	-	-	-	-	-	-
Total Revenue	2,752	2,752	2,410	(342)	2,715	2,715	3,382	667
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	2,900	2,900	2,209	691	3,000	3,265	4,510	(1,245)
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	2,900	2,900	2,209	691	3,000	3,265	4,510	(1,245)
Excess (Deficiency) of Revenues Over Expenditures	(148)	(148)	201	349	(285)	(550)	(1,128)	(578)
Fund Balance - Beginning of Year	395	395	395	-	1,523	1,523	1,523	-
Transfers In	-	-	-	-	-	1,000	-	1,000
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 247	$ 247	$ 596	$ 349	$ 1,238	$ 1,973	$ 395	$ (1,578)

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Bad Check Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	25,000	25,000	25,064	64	35,000	35,000	23,354	(11,646)
Interest Income	100	100	103	3	400	400	124	(276)
Other	-	-	-	-	-	-	-	-
Total Revenue	25,100	25,100	25,167	67	35,400	35,400	23,478	(11,922)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	43,767	43,767	40,488	3,279	31,504	31,504	28,730	2,774
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	43,767	43,767	40,488	3,279	31,504	31,504	28,730	2,774
Excess (Deficiency) of Revenues Over Expenditures	(18,667)	(18,667)	(15,321)	3,346	3,896	3,896	(5,252)	(9,148)
Fund Balance - Beginning of Year	33,598	33,598	33,598	-	38,850	38,850	38,850	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 14,931	$ 14,931	$ 18,277	$ 3,346	$ 42,746	$ 42,746	$ 33,598	$ (9,148)

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Training Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	400	400	345	(55)	300	300	399	99
Interest Income	15	15	16	1	50	50	17	(33)
Other	-	-	-	-	-	-	-	-
Total Revenue	415	415	361	(54)	350	350	416	66
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff				-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	1,000	1,000	158	842	600	600	-	600
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	1,000	1,000	158	842	600	600	-	600
Excess (Deficiency) of Revenues Over Expenditures	(585)	(585)	203	788	(250)	(250)	416	666
Fund Balance - Beginning of Year	5,203	5,203	5,203	-	4,787	4,787	4,787	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 4,618	$ 4,618	$ 5,406	$ 788	$ 4,537	$ 4,537	$ 5,203	$ 666

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Sheriffs Revolving Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	3,000	3,000	3,750	750	3,000	3,000	2,370	(630)
Interest Income	18	18	14	(4)	35	35	19	(16)
Other	-	-	460	460	-	-	380	380
Total Revenue	3,018	3,018	4,224	1,206	3,035	3,035	2,769	(266)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	3,000	3,700	3,631	69	2,000	2,300	2,269	31
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	3,000	3,700	3,631	69	2,000	2,300	2,269	31
Excess (Deficiency) of Revenues Over Expenditures	18	(682)	593	1,275	1,035	735	500	(235)
Fund Balance - Beginning of Year	5,432	5,432	5,432	-	4,932	4,932	4,932	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 5,450	$ 4,750	$ 6,025	$ 1,275	$ 5,967	$ 5,667	$ 5,432	$ (235)

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Recorder Preservation Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	3,200	3,200	3,392	192	3,500	3,500	3,277	(223)
Interest Income	3	3	2	(1)	10	10	4	(6)
Other	-	-	-	-	-	-	-	-
Total Revenue	3,203	3,203	3,394	191	3,510	3,510	3,281	(229)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	3,700	3,700	3,355	345	4,700	4,700	4,180	520
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	3,700	3,700	3,355	345	4,700	4,700	4,180	520
Excess (Deficiency) of Revenues Over Expenditures	(497)	(497)	39	536	(1,190)	(1,190)	(899)	291
Fund Balance - Beginning of Year	507	507	507	-	1,406	1,406	1,406	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 10	$ 10	$ 546	$ 536	$ 216	$ 216	$ 507	$ 291

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
LEPC Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	2,725	2,725	2,537	(188)	3,716	3,716	4,245	529
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	20	20	13	(7)	25	25	19	(6)
Other	-	-	-	-	-	-	-	-
Total Revenue	2,745	2,745	2,550	(195)	3,741	3,741	4,264	523
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	4,723	5,973	5,790	183	3,868	4,068	3,994	74
Total Expenditures	4,723	5,973	5,790	183	3,868	4,068	3,994	74
Excess (Deficiency) of Revenues Over Expenditures	(1,978)	(3,228)	(3,240)	(12)	(127)	(327)	270	597
Fund Balance - Beginning of Year	6,856	6,856	6,856	-	6,586	6,586	6,586	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 4,878	$ 3,628	$ 3,616	$ (12)	$ 6,459	$ 6,259	$ 6,856	$ 597

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Enhanced 911 Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	50	50	41	(9)	125	125	42	(83)
Other	80,000	80,000	84,235	4,235	80,000	80,000	82,808	2,808
Total Revenue	80,050	80,050	84,276	4,226	80,125	80,125	82,850	2,725
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	100,162	100,862	100,791	71	102,400	102,400	98,865	3,535
Total Expenditures	100,162	100,862	100,791	71	102,400	102,400	98,865	3,535
Excess (Deficiency) of Revenues Over Expenditures	(20,112)	(20,812)	(16,515)	4,297	(22,275)	(22,275)	(16,015)	6,260
Fund Balance - Beginning of Year	9,534	9,534	9,534	-	15,549	15,549	15,549	-
Transfers In	12,000	12,000	12,000	-	10,000	10,000	10,000	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 1,422	$ 722	$ 5,019	$ 4,297	$ 3,274	$ 3,274	$ 9,534	$ 6,260

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Victims of Domestic Violence
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	799	799	425	(374)	500	500	485	(15)
Interest Income	1	1	1	-	-	-	1	1
Other	-	-	-	-	-	-	-	-
Total Revenue	800	800	426	(374)	500	500	486	(14)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	800	800	326	474	500	600	587	13
Total Expenditures	800	800	326	474	500	600	587	13
Excess (Deficiency) of Revenues Over Expenditures	-	-	100	100	-	(100)	(101)	(1)
Fund Balance - Beginning of Year	10	10	10	-	111	111	111	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 10	$ 10	$ 110	$ 100	$ 111	$ 11	$ 10	$ (1)

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Election Services Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	4,710	4,710	1,811	(2,899)	900	1,375	2,525	1,150
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	5	5	7	2	15	15	6	(9)
Other	-	-	-	-	-	-	-	-
Total Revenue	4,715	4,715	1,818	(2,897)	915	1,390	2,531	1,141
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	3,250	3,250	1,811	1,439	900	1,600	1,595	5
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	3,250	3,250	1,811	1,439	900	1,600	1,595	5
Excess (Deficiency) of Revenues Over Expenditures	1,465	1,465	7	(1,458)	15	(210)	936	1,146
Fund Balance - Beginning of Year	2,104	2,104	2,104	-	1,168	1,168	1,168	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 3,569	$ 3,569	$ 2,111	$ (1,458)	$ 1,183	$ 958	$ 2,104	$ 1,146

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Recorders Technology Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	1,800	1,800	1,858	58	2,000	2,000	1,818	(182)
Interest Income	2	2	5	3	20	20	2	(18)
Other	-	-	-	-	-	-	-	-
Total Revenue	1,802	1,802	1,863	61	2,020	2,020	1,820	(200)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	1,400	1,400	-	1,400	2,550	2,550	1,427	1,123
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Senate Bill 40	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	1,400	1,400	-	1,400	2,550	2,550	1,427	1,123
Excess (Deficiency) of Revenues Over Expenditures	402	402	1,863	1,461	(530)	(530)	393	923
Fund Balance - Beginning of Year	1,314	1,314	1,314	-	921	921	921	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 1,716	$ 1,716	$ 3,177	$ 1,461	$ 391	$ 391	$ 1,314	$ 923

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Drug Court -Local Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	25,875	25,875	23,416	(2,459)	13,860	22,485	22,297	(188)
Charges for Services	-	-	-	-	3,500	3,500	-	(3,500)
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	25,875	25,875	23,416	(2,459)	17,360	25,985	22,297	(3,688)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	25,875	25,875	20,594	5,281	17,360	25,985	19,918	6,067
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	25,875	25,875	20,594	5,281	17,360	25,985	19,918	6,067
Excess (Deficiency) of Revenues Over Expenditures	-	-	2,822	2,822	-	-	2,379	2,379
Fund Balance - Beginning of Year	15,424	15,424	15,424	-	13,045	13,045	13,045	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 15,424	$ 15,424	$ 18,246	$ 2,822	$ 13,045	$ 13,045	$ 15,424	$ 2,379

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Drug Court - Federal Grant Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	65,145	72,745	72,718	(27)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	-	-	-	-	65,145	72,745	72,718	(27)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	56,460	64,060	64,033	27
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	56,460	64,060	64,033	27
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	8,685	8,685	8,685	-
Fund Balance - Beginning of Year	-	-	-	-	(8,685)	(8,685)	(8,685)	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Juvenile Programs Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	55,000	55,000	37,567	(17,433)	66,000	66,000	50,753	(15,247)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	1,400	1,400	1,274	(126)	1,168	1,168	1,465	297
Total Revenue	56,400	56,400	38,841	(17,559)	67,168	67,168	52,218	(14,950)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	56,273	56,273	40,309	15,964	65,873	65,873	53,818	12,055
County Coroner	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	56,273	56,273	40,309	15,964	65,873	65,873	53,818	12,055
Excess (Deficiency) of Revenues Over Expenditures	127	127	(1,468)	(1,595)	1,295	1,295	(1,600)	(2,895)
Fund Balance - Beginning of Year	18,907	18,907	18,907	-	20,507	20,507	20,507	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 19,034	$ 19,034	$ 17,439	$ (1,595)	$ 21,802	$ 21,802	$ 18,907	$ (2,895)

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Juvenile Restitution Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	250	250	200	200	200	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	-	-	250	250	200	200	200	-
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	1,000	1,000	500	500	800	800	-	800
County Coroner	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	1,000	1,000	500	500	800	800	-	800
Excess (Deficiency) of Revenues Over Expenditures	(1,000)	(1,000)	(250)	750	(600)	(600)	200	800
Fund Balance - Beginning of Year	1,061	1,061	1,061	-	861	861	861	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 61	$ 61	$ 811	$ 750	$ 261	$ 261	$ 1,061	$ 800

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Enforcement Restitution Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	50	50	29	(21)	90	90	34	(56)
Other	6,000	6,000	6,400	400	3,000	5,500	6,724	1,224
Total Revenue	6,050	6,050	6,429	379	3,090	5,590	6,758	1,168
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	6,000	6,000	3,473	2,527	2,500	8,400	8,323	77
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	6,000	6,000	3,473	2,527	2,500	8,400	8,323	77
Excess (Deficiency) of Revenues Over Expenditures	50	50	2,956	2,906	590	(2,810)	(1,565)	1,245
Fund Balance - Beginning of Year	8,392	8,392	8,392	-	9,957	9,957	9,957	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 8,442	$ 8,442	$ 11,348	$ 2,906	$ 10,547	$ 7,147	$ 8,392	$ 1,245

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Tax Maintenance Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	13,000	13,000	14,871	1,871	13,500	13,500	12,832	(668)
Interest Income	100	100	113	13	250	250	103	(147)
Other	-	-	-	-	-	-	-	-
Total Revenue	13,100	13,100	14,984	1,884	13,750	13,750	12,935	(815)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	12,150	12,150	3,045	9,105	16,900	16,900	12,654	4,246
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	12,150	12,150	3,045	9,105	16,900	16,900	12,654	4,246
Excess (Deficiency) of Revenues Over Expenditures	950	950	11,939	10,989	(3,150)	(3,150)	281	3,431
Fund Balance - Beginning of Year	28,534	28,534	28,534	-	28,253	28,253	28,253	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 29,484	$ 29,484	$ 40,473	$ 10,989	$ 25,103	$ 25,103	$ 28,534	$ 3,431

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Inmate Security Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	1,200	1,200	1,336	136	2,000	2,000	1,546	(454)
Interest Income	5	5	5	-	5	5	5	-
Other	-	-	-	-	-	-	-	-
Total Revenue	1,205	1,205	1,341	136	2,005	2,005	1,551	(454)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	1,882	1,882	1,457	425	2,000	2,000	1,282	718
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	1,882	1,882	1,457	425	2,000	2,000	1,282	718
Excess (Deficiency) of Revenues Over Expenditures	(677)	(677)	(116)	561	5	5	269	264
Fund Balance - Beginning of Year	1,779	1,779	1,779	-	1,510	1,510	1,510	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 1,102	$ 1,102	$ 1,663	$ 561	$ 1,515	$ 1,515	$ 1,779	$ 264

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
P.A. Delinquent Tax Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	23	23	-	-	4	4
Interest Income	-	-	1	1	-	-	1	1
Other	-	-	-	-	-	-	-	-
Total Revenue	-	-	24	24	-	-	5	5
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	24	24	-	-	5	5
Fund Balance - Beginning of Year	285	285	285	-	280	280	280	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 285	$ 285	$ 309	$ 24	$ 280	$ 280	$ 285	$ 5

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Senate Bill 40 Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	90,000	90,000	102,064	12,064	90,000	90,000	105,240	15,240
Intergovernmental Revenues	2,974	2,974	11,130	8,156	7,783	7,783	16,019	8,236
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	100	100	2,973	2,873	100	100	170	70
Other	1,000	1,000	20,877	19,877	1,000	1,000	34,388	33,388
Total Revenue	94,074	94,074	137,044	42,970	98,883	98,883	155,817	56,934
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Senate Bill 40	97,385	97,385	110,594	(13,209)	116,708	116,708	143,828	(27,120)
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	97,385	97,385	110,594	(13,209)	116,708	116,708	143,828	(27,120)
Excess (Deficiency) of Revenues Over Expenditures	(3,311)	(3,311)	26,450	29,761	(17,825)	(17,825)	11,989	29,814
Fund Balance - Beginning of Year	91,068	91,068	91,068	-	79,079	79,079	79,079	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 87,757	$ 87,757	$117,518	$ 29,761	$ 61,254	$ 61,254	$ 91,068	$ 29,814

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Senior Citizens Tax Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	40,982	40,982	50,851	9,869	41,000	41,000	45,777	4,777
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	40,982	40,982	50,851	9,869	41,000	41,000	45,777	4,777
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	46,639	46,639	54,996	(8,357)	48,441	48,441	48,800	(359)
Total Expenditures	46,639	46,639	54,996	(8,357)	48,441	48,441	48,800	(359)
Excess (Deficiency) of Revenues Over Expenditures	(5,657)	(5,657)	(4,145)	1,512	(7,441)	(7,441)	(3,023)	4,418
Fund Balance - Beginning of Year	5,657	5,657	5,657	-	8,680	8,680	8,680	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 1,512	$ 1,512	$ 1,239	$ 1,239	$ 5,657	$ 4,418

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Deputy Supplemental Salary Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	15,000	15,000	-	(15,000)	10,000	10,000	-	(10,000)
Charges for Services	2,000	2,000	1,903	(97)	1,500	1,500	2,454	954
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	17,000	17,000	1,903	(15,097)	11,500	11,500	2,454	(9,046)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	17,312	17,312	2,215	15,097	11,500	11,500	2,142	9,358
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	17,312	17,312	2,215	15,097	11,500	11,500	2,142	9,358
Excess (Deficiency) of Revenues Over Expenditures	(312)	(312)	(312)	-	-	-	312	312
Fund Balance - Beginning of Year	312	312	312	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -	$ -	$ -	$ 312	$ 312

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Civil Fee Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	15,000	15,000	21,364	6,364	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	23	23	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	15,000	15,000	21,387	6,387	-	-	-	-
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	4,000	4,000	2,787	1,213	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	4,000	4,000	2,787	1,213	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	11,000	11,000	18,600	7,600	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 11,000	$ 11,000	$ 18,600	$ 7,600	$ -	$ -	$ -	$ -

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Cemetery Trust Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	10,000	10,000	3,776	(6,224)	7,000	7,000	9,372	2,372
Other	250	250	50	(200)	100	100	50	(50)
Total Revenue	10,250	10,250	3,826	(6,424)	7,100	7,100	9,422	2,322
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	5,000	5,000	3,044	1,956	3,030	3,030	3,102	(72)
Total Expenditures	5,000	5,000	3,044	1,956	3,030	3,030	3,102	(72)
Excess (Deficiency) of Revenues Over Expenditures	5,250	5,250	782	(4,468)	4,070	4,070	6,320	2,250
Fund Balance - Beginning of Year	220,471	220,471	220,471	-	214,151	214,151	214,151	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 225,721	$ 225,721	$ 221,253	$ (4,468)	$ 218,221	$ 218,221	$ 220,471	$ 2,250

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Special Elections Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	11,060	11,060	8,180	(2,880)	9,020	9,020	16,744	7,724
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	11,060	11,060	8,180	(2,880)	9,020	9,020	16,744	7,724
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	11,060	11,060	8,180	2,880	9,020	9,020	16,744	(7,724)
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	11,060	11,060	8,180	2,880	9,020	9,020	16,744	(7,724)
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Budgetary Comparison Schedule
Cash Basis
Sheriffs Telephone Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	-	-	-	-	-	-	-	-
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	75	75	75	-
Total Expenditures	-	-	-	-	75	75	75	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	(75)	(75)	(75)	-
Fund Balance - Beginning of Year	-	-	-	-	75	75	75	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

The accompanying notes to financial statements are an integral part of this statement

Grundy County, Missouri
Notes to the Required Supplementary Information
For the Two Years Ended December 31, 2010

Note 1: Budgeting and Budgetary Practices

The County Commissioners and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo, the county budget law.

Note 2: Budgetary Basis of Accounting

The County budget is adopted on the cash basis of accounting.

Note 3: Expenditures in Excess of Appropriations

For the two years ended December 31, 2010, expenditures exceeded final budget amounts as follows:

	Amount Over Budget	
	2010	2009
Law Enforcement Center Fund	$ 2,413	$ -
Law Enforcement Training Fund	$ -	$ 1,245
Senate Bill 40 Fund	$ 13,209	$ 27,120
Senior Citizens Tax Fund	$ 8,357	$ 359
Cemetery Trust Fund	$ -	$ 72
Special Elections Fund	$ -	$ 7,724

FEDERAL COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the County Commission of
Grundy County, Missouri
Trenton, Missouri

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Grundy County, Missouri as of and for the two years ended December 31, 2010, which collectively comprise of the County's basic financial statements and have issued my report thereon dated November 23, 2011. In my report, the county prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Missouri, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the County's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
(Concluded)

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the Board of Commissioners, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kevin G. Hudson, C.P.A.
Certified Public Accountant
November 23, 2011

Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

To the County Commissioners
Grundy County, Missouri
Trenton, Missouri

Compliance

I have audited the compliance of the Grundy County, Missouri with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the two years ended December 31, 2010. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. My responsibility is to express an opinion on the County's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. *Those standards and OMB* Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the County's compliance with those requirements.

In my opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the two years ended December 31, 2010.

Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 (Continued)

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance*, is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kevin G. Hudson, C.P.A.
Certified Public Accountant
November 23, 2011

Grundy County, Missouri
Schedule of Expenditures of Federal Awards
For the Years Ending December 31, 2010 and 2009

Federal CFDA Number	Federal Grantor/Pass Through Grantor/Program Title	Pass Through Granters Number	Federal Expenditures Year Ended December 31, 2010	2009
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
	Department of Social Services			
14.228	CDBG States Program	2008-PF-22	$ -	$251,891
14.231	Emergency Shelter Grants Program	ERO1640918	-	11,954
	Total U.S. Department of Housing and Urban Development		$ -	$263,845
	U.S. DEPARTMENT OF JUSTICE			
	Passed through state:			
	State Department of Public Safety			
16.579	Edward Byrne Memorial Formula Grant Program		$ 135,110	$ -
16.585	Drug Court Discretionary Grant	2005DCBX0022	-	72,718
	Total U.S. Department of Justice		$ 135,110	$ 72,718
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
	Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO-B040(19)	$ -	$ 6,884
		BRO-B040(23)	4,063	29,668
		BRO-B040(24)	2,746	19,831
	Total U.S. Department of Transportation		$ 6,809	$ 56,383
	GENERAL SERVICES ADMINISTRATION			
	Passed through state Office of Administration -			
	Passed through Office of Secretary of State			
39.011	Election Reform Payments		$ 264	$ 264
	Total General Services Administration		$ 264	$ 264
	ELECTION ASSISTANCE COMMISSION			
	Passed through the Office of Secretary of State -			
90.401	Help America Vote Act Requirements Payments		$ -	$ 475
	Total Election Assistance Commission		$ -	$ 475
	U.S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through state Department of Public Safety:			
97.036	Public Assistance Grants	DR1773	$ 263,696	$ -
		DR1847	-	773,808
	Total U.S. Department of Homeland Security		263,696	773,808
	Total Expenditures of Federal Awards		$ 405,879	$ 1,167,493

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule

Grundy County, Missouri
Notes to the Supplementary Schedule
For the Years Ended December 31, 2010 and 2009

Note 1: Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Grundy County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule include expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Note 2: Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 2010 and 2009.

Grundy County, Missouri
Schedule of Findings and Questioned Costs
Years Ended December 31, 2010 and 2009

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified	_Yes X No
Significant deficiencies identified not considered to be material weaknesses?	_Yes X None Reported
Noncompliance material to financial statements noted	_Yes X No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_Yes X No
Significant deficiencies identified not considered to be material weaknesses?	_Yes X None Reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	_Yes X No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
97.036	Public Assistance Grants

Dollar threshold used to distinguish between Type A and Type B programs:	$ 300,000
Auditee qualified as low-risk auditee	_Yes X No

Grundy County, Missouri
Schedule of Findings and Questioned Costs
Years Ended December 31, 2010 and 2009

Section II - Financial Statement Findings

This section contains no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Section III - Federal Award Findings and Questioned Costs

This section contains no audit findings that *OMB Circular A-133* requires to be reported for an audit of financial statements.

Grundy County, Missouri
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

In accordance with *Government Auditing Standards,* this section reports the auditor's follow-up on action taken by Grundy County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2008. There were no prior audit findings that *Government Auditing Standards* requires to have follow up action taken by Grundy County, Missouri for the two years ended December 31, 2008.

Grundy County, Missouri
Summary Schedule of Prior Audit Findings In Accordance
with OMB Circular A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133, requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the two years ended December 31, 2008, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

Thomas A. Schweich

Missouri State Auditor

Review of 2011 Property Tax Rates

December 2011

Report No. 2011-118

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Review of the 2011 Property Tax Rates

Background

Section 137.073, RSMo, requires the State Auditor's office to annually review the local property tax rates of all taxing authorities in the state to determine whether taxing authorities levied taxes in accordance with Missouri law and adjusted property tax rates to keep property reassessments from affecting revenue.

Results

We reviewed 4,854 property tax rates for 2,816 taxing authorities. The following taxing authorities levied tax rates greater than the tax rate certified, resulting in excess taxes levied of $495,742: City of Kinloch (commercial); City of Pagedale (residential); Elmwood Park Street Light District (residential, commercial and personal property); Kinloch Fire Protection District (residential); Pattonville R-III School District (personal property); and Village of Velda Village Hills (commercial). In accordance with Section 137.073.6(2), RSMo, we referred the six non-compliant taxing authorities to the Missouri Attorney General's office.

Additional Comments

The State Auditor's office has no authority to determine or review individual tax assessments. All individual tax assessments matters are the responsibility of the county assessor and board of equalization. Appeals to the state on tax assessment matters are handled by the Missouri State Tax Commission.

Because of the limited objective of this review, no overall rating is provided.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

Not applicable.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

2011 Property Tax Rates
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The State Auditor's office is required by Section 137.073, RSMo, to annually review local property tax rates of all taxing authorities in the state. The primary objectives of this review were to determine whether:

1. Local governing boards levied taxes in accordance with the Missouri Constitution and state law.

2. Local property tax rates were adjusted to ensure property reassessments were revenue neutral.

Reassessments of existing property are not intended to increase property tax revenue but to equitably reallocate the existing tax burden based on the relative value of property owned by taxpayers.

For 2011, we received substantiating data and issued a finding on 4,854 property tax rates of 2,816 taxing authorities. Six taxing authorities levied tax rates that exceeded the tax rate certified, resulting in excess taxes levied of $495,742. The number of taxing authorities levying a non-compliant tax rate is 0.21 percent of all taxing authorities.

Property taxes are the main source of revenue for many of Missouri's special purpose political subdivisions and county boards. The bulk of property taxes, however, fund public schools. General acceptance of these taxes is dependent on fair and equitable assessment practices and public understanding and input regarding the setting of rates. If the tax burden is increased without voter approval, confidence in the fairness and assessment practices is often eroded.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
In-Charge Auditor:	Becky Webb, CPA
Audit Staff:	Dana Wansing, MPA

2011 Property Tax Rates Results

Summary

The State Auditor received substantiating data and reviewed 4,854 property tax rates for 2,816 taxing authorities. Of the rates reviewed, 513 are debt service tax rates, 127 are new property tax rates approved by voters, and 25 are existing property tax rates that were increased by voter approval. The remaining 4,189 tax rates were reviewed for compliance with tax rate ceiling rollback requirements only. Six taxing authorities (0.21 percent of all taxing authorities) levied six tax rates that are non-compliant. Although varying factors contributed to these violations, all six non-compliant rates, $495,742 excess revenues levied, are from St. Louis County. Taxing authorities wholly in St. Louis County are required to use the four-rate system of levying a separate rate for each subclass of property. Uncertainty with the implementation of the four-rate system originates from a lack of statutory guidance on the handling of elections, recoupments, voluntary reductions, and debt service levies. In the absence of statutory guidance specifically addressing ballots posed under the four-rate system, the State Auditor's office has reviewed all ballots under the assumption that all elections apply to all property.

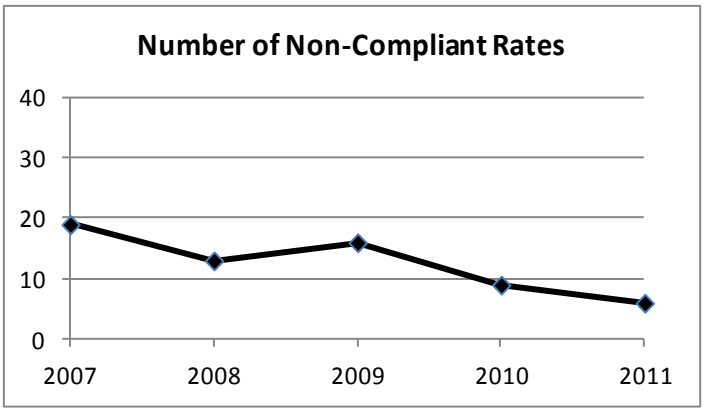
In compliance with Section 137.073.6(2), RSMo, the six non-compliant taxing authorities were referred to the Missouri Attorney General's office. The table below lists the taxing authorities that levied tax rates in excess of the legally permissible tax rate provided by state law.

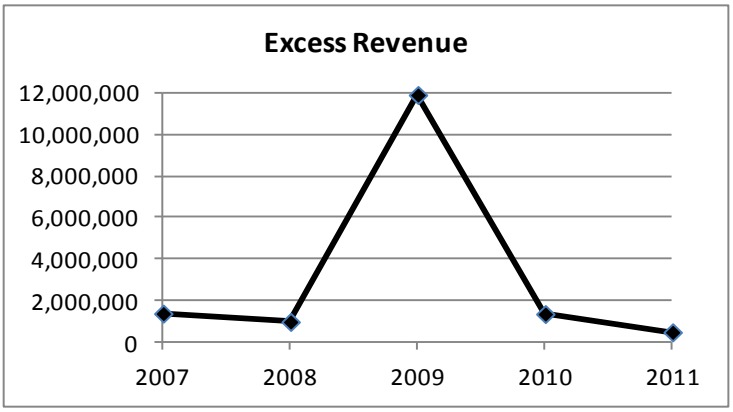
County	Political Subdivision	Levy Purpose	Assessed Valuation	(1) Certified Rate	Actual Rate Levied	(2) Excess Revenue
St. Louis	City of Kinloch	General Revenue				
	Commercial		1,421,330	0.7290	0.7860	810
St. Louis	City of Pagedale	General Revenue				
	Residential		11,428,630	0.2680	0.2690	114
St. Louis	Elmwood Park Street Light District	General Revenue				
	Residential		2,114,100	0.0000	0.4000	8,456
	Commercial		27,000	0.0000	0.4000	108
	Personal Property		352,490	0.0000	0.4000	1,410
St. Louis	Kinloch Fire Protection District	General Revenue				
	Residential		1,501,800	0.8430	0.9000	856
St. Louis	Pattonville R-III School District	Operating Funds-Schools				
	Personal Property		269,314,170	3.7550	3.9345	483,419
St. Louis	Village of Velda Village Hills	General Revenue				
	Commercial		257,610	0.2650	0.4860	569
Total (6)						$495,742

(1) The Certified Rate column represents the rates determined to be legally permissible based on the information submitted by the taxing authority.

(2) The excess tax revenue is computed by multiplying the excess tax rate (actual rate levied minus the certified rate) by the assessed valuation and dividing by 100.

The following graphs illustrate the 5-year history of non-compliant rates and revenue. The influx of excess revenues in 2009 was due to St. Louis County levying $11,447,230 of the total $11,901,903 (96 percent) in excess revenues.





Methodology

The State Auditor's office and county officials assist local government officials in determining the data necessary to complete the tax rate computations. Taxing authorities are required to file data supporting the proposed property tax rates with the county, using forms prescribed by the State Auditor. The counties forward the substantiating data received to the State Auditor for review. The data is reviewed and a finding is returned to both the county and the taxing authority advising whether the proposed rates comply with Missouri law.

The 2011 tax rate ceilings were determined based on the requirements of Section 137.073, RSMo, and Article X, Section 22, Missouri Constitution (commonly referred to as the Hancock Amendment). Each tax rate ceiling is determined annually and is adjusted to ensure revenue neutrality. The review of each tax rate ceiling is based on the assessed valuation for the entire political subdivision and is not calculated on an individual taxpayer basis.

To ensure taxing authorities do not receive a windfall from reassessment, the review of property tax rates begins with the prior year allowed revenue. Current year tax rates must be set to yield the same gross revenue as allowed in the prior year. In addition, an adjustment is made for additional revenue permitted for assessment growth. That adjustment is the lower of (1) the actual growth rate, (2) the inflation rate, or (3) 5 percent. Factors such as new construction and improvements, newly added territory, newly separated territory, and changes from locally assessed to state assessed property also affect the tax rate ceiling calculation. The counties use this rate to assess taxes on all property including new construction and improvements.

Voters may authorize increases beyond the set limits. Voter-approved increases are reviewed for compliance with applicable laws and stated ballot restrictions. The State Auditor's office also reviews debt service tax rates. A tax levied to meet the annual debt service requirement is generally viewed as reasonable if the revenue to be generated plus the existing fund balance does not exceed the current payment requirements plus a reserve for the following year's payments.

A taxing authority's total assessed valuation submitted by the County Clerk or a representative of the political subdivision is used in the State Auditor's office review of property taxes. The State Auditor's office does not review the assessed valuation of individual pieces of property, since Chapter 138, RSMo, governs the appeals process for assessed valuations. Citizens may appeal their individual assessed valuations calculated by the County Assessor to the local Board of Equalization. Citizens not satisfied with the resolution by the Board of Equalization may appeal the decision to the Missouri State Tax Commission. Any decision of the Missouri State Tax Commission may be reviewed by a court of law.

As assessed valuations increase, tax rate ceilings generally decrease, depending on the amount of the increase, to produce substantially the same amount of revenue as allowed in the prior year. As assessed valuations decrease tax rate ceilings may increase to produce substantially the same revenue as allowed in the prior year from existing property, limited by voter authorization. See Appendixes I and II for a summary of the changes in assessed valuation by type of taxing authority, and Appendixes III and IV for a summary of changes in tax rate ceilings by type of taxing authority.

In addition, Appendix V is a map that provides a statewide geographical perspective of county valuation changes due to new construction and reassessment from 2010 to 2011. Appendix VI is a map that reflects the inflationary change in each county's valuation from the previous year. A significant inflationary change generally indicates a major reassessment occurred. However, 2011 assessed valuations indicate the majority of county adjusted assessed valuation changes were less than the Consumer Price Index, which does not indicate a major reassessment.

Taxing authorities are listed by primary county and categorized by type of taxing authority. The counties are listed alphabetically (Adair through Wright, followed by the City of St. Louis). A taxing authority located in more than one county is listed under the primary county only.

The assessed valuations presented for taxing authorities, except school districts, include all taxable locally assessed and state assessed property. The assessed valuations presented for school districts include only taxable locally assessed property. The abated portions of property valuations that

are not taxable under various economic development programs are omitted from the taxable assessed valuations used to compute the annual tax rate ceiling.

Sales tax rollbacks required by law for some county levies were not reviewed as part of this report. Sales tax (Proposition C) rollbacks for school levies were subjected to a limited review when it appeared the district waived all or part of the rollback without voter approval in order to generate additional local revenues. Appendixes VII and VIII-A indicate the 481 school districts that have either full or partial waivers of Proposition C (sales tax) reductions. A majority of school districts have obtained voter approved waivers of the required sales tax rollback of their 2011 property tax including 441 with a full waiver and 40 with a partial waiver.

Legislative Issues

Sections 137.073.5(3) and (4), RSMo, were revised in 2008, requiring taxing authorities that voluntarily reduce a tax rate in an even numbered year to base the following (odd numbered) year on the voluntarily reduced rate instead of the tax rate ceiling. These provisions also allow taxing authorities that voluntarily reduce a tax rate in a previous even numbered year to undo that voluntary reduction in the following even numbered year. To increase the tax rate in the following even numbered year, the taxing authority must conduct a public hearing, and adopt an ordinance, resolution, or policy statement justifying its action prior to setting and certifying its tax rate.

Sections 137.180.3 and .4, RSMo, were revised in 2010 to reschedule the date new estimated tax rates had to be calculated and mailed for taxing authorities not partially in first class charter counties or the City of St. Louis. Effective dates were changed from January 1, 2011, to January 1, of the year following receipt of software necessary for implementation provided by the State Tax Commission. As of December 31, 2011, such software has not been provided.

House Bill No. 506, First Regular Session, 96th General Assembly changed the Maximum Authorized Levy definition for some taxing authorities. This affects taxing authorities that had elections applied to tax rate year 2009 or after that experienced a decrease in assessed valuation in the election year.

APPENDIX I
2011 PROPERTY TAX RATES
SUMMARY OF CHANGES IN ASSESSED VALUATION FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates			
			With Increases In Assessed Valuation	With Decreases In Assessed Valuation	With No Change In Assessed Valuation	Other (1)
Ambulance Districts	103	110	83	25	0	2
Hospitals	13	13	11	2	0	0
Nursing Home Districts	29	31	25	4	0	2
Public Water Supply District	1	1	1	0	0	0
Soil and Water Conservation Subdistricts	28	28	18	7	3	0
Drainage and Levee Districts	2	2	0	2	0	0
Special Road Districts	216	283	181	72	0	30
Municipalities	761	1,315	818	404	3	90
Tax Supported Public Libraries	79	86	60	21	0	5
Townships	312	826	646	94	0	86
Fire Protection Districts	346	428	274	120	0	34
Sewer Districts	9	10	1	8	0	1
Miscellaneous	27	31	9	19	1	2
Regional Recreational District	1	1	0	1	0	0
Community Improvement Districts	5	5	1	3	0	1
Health Centers	89	89	69	20	0	0
Special Road District Subdistrict	1	1	0	0	0	1
Junior Colleges	12	16	8	5	0	3
School Districts	499	845	364	167	0	314
Special School Districts	2	3	1	1	0	1
Counties	114	415	302	101	0	12
Totals	2,649	4,539	2,872	1,076	7	584

(1) This column includes debt service levies, newly voted levies, levies voted to replace expired levies, and dissolving levies. Debt service levies are included in this column because they are not subject to Hancock Amendment limitations.

APPENDIX II
2011 PROPERTY TAX RATES
SUMMARY OF CHANGES IN ASSESSED VALUATION FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates by Subclass												Other (1)
			With Increases In Assessed Valuation				With Decreases In Assessed Valuation				With No Change In Assessed Valuation				
			Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	
Municipalities	82	130	12	1	33	43	97	15	76	59	0	93	0	7	21
Tax Supported Public Libraries	4	5	1	0	0	0	3	2	4	4	0	2	0	0	1
Fire Protection Districts	22	95	6	8	8	17	76	46	74	65	0	28	0	0	13
Sewer Districts	18	18	1	3	7	3	17	4	11	15	0	11	0	0	0
Street Light Maintenance Districts	5	5	1	0	0	2	4	0	5	2	0	5	0	1	0
Miscellaneous	10	10	2	0	2	0	6	1	8	1	2	9	0	9	0
Community Improvement Districts	4	5	0	0	1	0	2	0	0	0	1	3	2	3	2
School Districts	21	42	2	3	4	5	20	6	18	17	0	13	0	0	20
County	1	5	0	0	0	0	4	4	4	4	0	0	0	0	1
Totals	167	315	25	15	55	70	229	78	200	167	3	164	2	20	58

(1) This column includes debt service levies, newly voted levies, levies voted to replace expired levies, and dissolving levies. Debt service levies are included in this column because they are not subject to Hancock Amendment limitations.

Res. Residential real estate
Ag. Agricultural real estate
Com. Commercial real estate
PP. Personal property

APPENDIX III
2011 PROPERTY TAX RATES
SUMMARY OF CHANGES IN TAX RATE CEILINGS FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates					
			Ceilings Same as Prior Year	Ceilings Revised Upward	Ceilings Revised Downward	Revised Due to An Election (1)	Other (2)	Debt Service Levies
Ambulance Districts	103	110	40	33	35	0	0	2
Hospitals	13	13	10	0	3	0	0	0
Nursing Home Districts	29	31	12	5	12	0	0	2
Public Water Supply District	1	1	0	0	1	0	0	0
Soil and Water Conservation Subdistricts	28	28	11	9	8	0	0	0
Drainage and Levee Districts	2	2	0	2	0	0	0	0
Special Road Districts	216	283	108	73	71	1	29	1
Municipalities	761	1,315	410	491	322	2	7	83
Tax Supported Public Libraries	79	86	31	32	18	0	0	5
Townships	312	826	325	112	303	0	74	12
Fire Protection Districts	346	428	165	130	96	3	3	31
Sewer Districts	9	10	1	7	1	0	0	1
Miscellaneous	27	31	10	15	6	0	0	0
Regional Recreational District	1	1	0	1	0	0	0	0
Community Improvement Districts	5	5	2	2	0	0	1	0
Health Centers	89	89	39	23	26	1	0	0
Special Road District Subdistrict	1	1	0	0	0	0	1	0
Junior Colleges	12	16	5	7	1	0	0	3
School Districts	499	845	74	157	207	93	3	311
Special School Districts	2	3	0	2	0	0	0	1
Counties	114	415	138	133	132	0	8	4
Totals	2,649	4,539	1,381	1,234	1,242	100	126	456

(1) This column includes levies that existed in prior years and were revised due to an election. This column also includes school levies that increased due to the school board's election to implement Missouri Constitutional Amendment No. 2 approved by voters on November 3, 1998, which allows school districts to levy a minimum of $2.7500 by school board action alone.

(2) This column includes new voter approved tax rates, newly formed districts, or a levy voted to replace an expired levy.

APPENDIX IV
2011 PROPERTY TAX RATES
SUMMARY OF CHANGES IN TAX RATE CEILINGS FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates	Ceilings Same as Prior Year				Ceilings Revised Upward				Ceilings Revised Downward				Revised Due to An Election (1)				Other (2)	Debt Service Levies
			Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.		
Municipalities	82	130	25	98	28	103	75	6	60	1	9	5	21	5	0	0	0	0	1	20
Tax Supported Public Libraries	4	5	0	3	0	4	3	1	4	0	1	0	0	0	0	0	0	0	0	1
Fire Protection Districts	22	95	31	60	43	79	48	13	36	0	1	7	1	1	2	2	2	2	0	13
Sewer Districts	18	18	3	14	6	17	14	4	9	0	1	0	3	1	0	0	0	0	0	0
Street Light Maintenance Districts	5	5	1	5	1	5	4	0	3	0	0	0	1	0	0	0	0	0	0	0
Miscellaneous	10	10	4	9	2	10	5	1	8	0	1	0	0	0	0	0	0	0	0	0
Community Improvement Districts	4	5	2	3	2	3	1	0	0	0	0	0	1	0	0	0	0	0	0	2
School Districts	21	42	3	11	4	16	14	8	15	1	3	1	1	3	2	2	2	2	0	20
County	1	5	0	0	0	0	4	4	4	0	0	0	0	4	0	0	0	0	0	1
Totals	167	315	69	203	86	237	168	37	139	2	16	13	28	14	4	4	4	4	1	57

(1) This column includes levies that existed in prior years and were revised due to an election. This column also includes school levies that increased due to the school board's election to implement Missouri Constitutional Amendment No. 2 approved by voters on November 3, 1998, which allows school districts to levy a minimum of $2.7500 by school board action alone.

(2) This column includes a new voter approved tax rate.

Res. Residential real estate
Ag. Agricultural real estate
Com. Commercial real estate
PP. Personal property

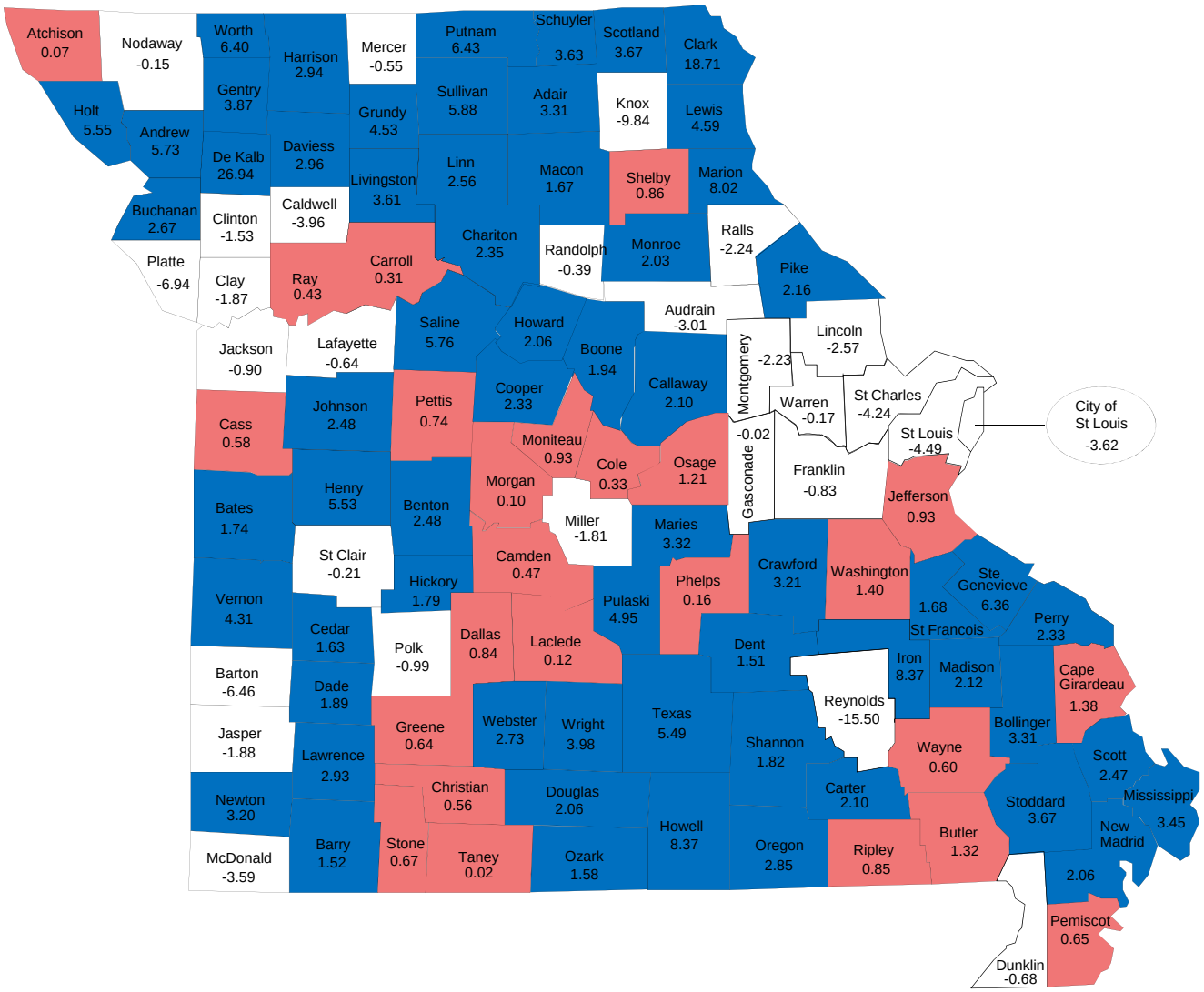
APPENDIX V
2011 PROPERTY TAX RATES
2010 – 2011 PERCENTAGE CHANGE IN TOTAL ASSESSED VALUATIONS BY COUNTY
OVERALL COUNTY VALUATION CHANGES PRIOR TO ADJUSTMENTS

Over CPI (62)

From 0.01% to CPI (25)

No Change or Decrease (28)

The 2011 consumer price index (CPI) of 1.50% was certified by the State Tax Commission.



High County: DeKalb 26.94 Low County: Reynolds -15.50

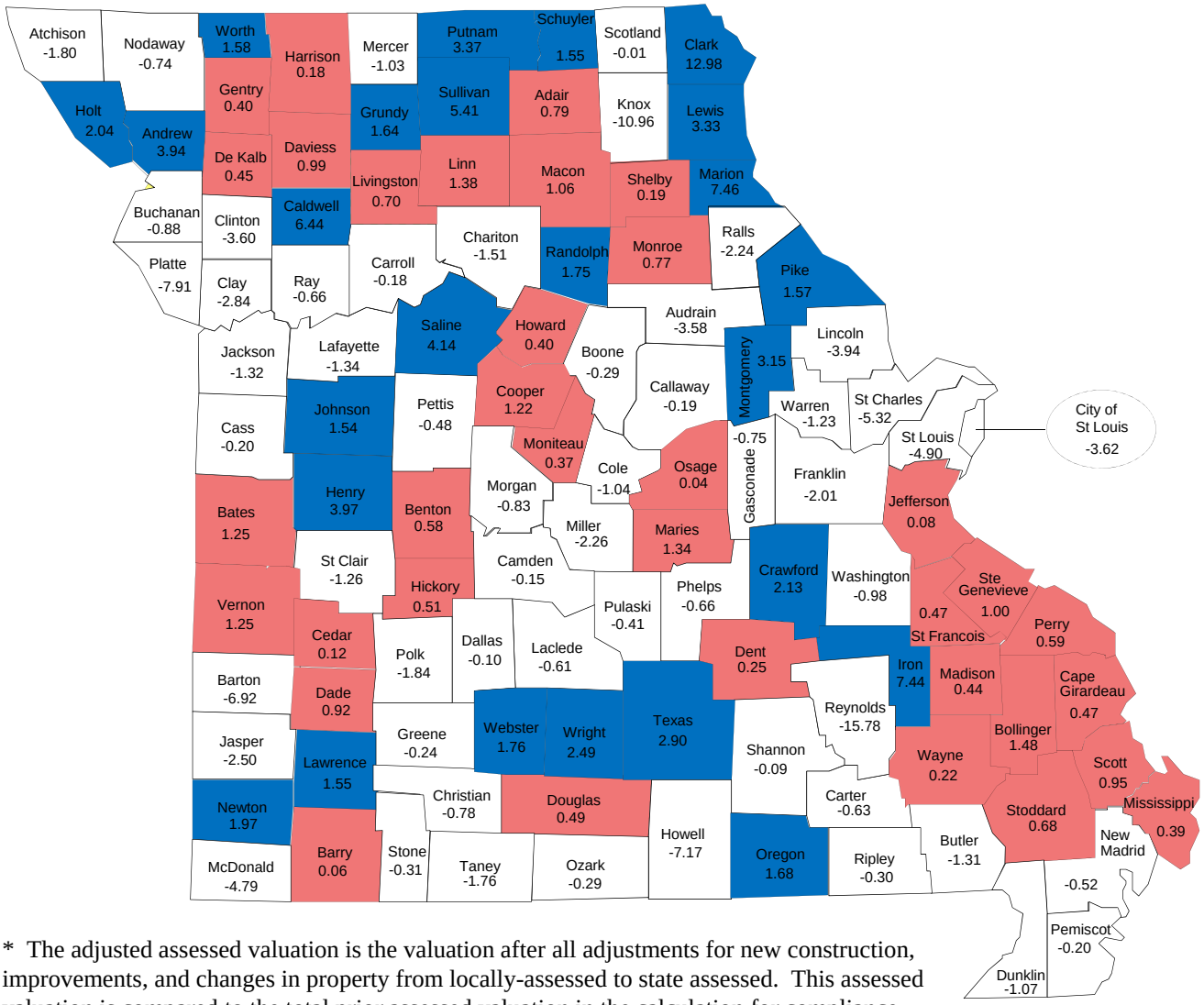
APPENDIX VI
2011 PROPERTY TAX RATES
2010 – 2011 PERCENTAGE CHANGE IN ADJUSTED ASSESSED VALUATIONS BY COUNTY*

Over CPI (25)

From 0.01% to CPI (35)

No Change or Decrease (55)

The 2011 consumer price index (CPI) of 1.50% was certified by the State Tax Commission.



* The adjusted assessed valuation is the valuation after all adjustments for new construction, improvements, and changes in property from locally-assessed to state assessed. This assessed valuation is compared to the total prior assessed valuation in the calculation for compliance with the Hancock Amendment.

High County: Clark 12.98 Low County: Reynolds -15.78

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Adair										
Twin Pines Adult Care Center	General Revenue	241,606,307	0.1500	0.1500		244,090,280	0.1500	0.1500	366,135	
City of Brashear	Fire	1,286,824	0.2910	0.2910		1,497,437	0.2910	0.2910	4,358	2012
	General Revenue-Temp	1,286,824	1.3800	1.3800		1,497,437	1.3800	1.3800	20,665	2011
City of Kirksville	General Revenue	155,167,412	0.6633	0.6633		159,924,478	0.6633	0.6633	1,060,779	
City of Novinger	General Revenue	1,892,719	0.4667	0.4667		1,958,646	0.4667	0.4667	9,141	
	General Revenue - Temp	1,892,719	0.3500	0.3500	A	1,958,646	0.3500	0.3500	6,855	2013
Village of Gibbs Village	General Revenue	470,050	0.8007	0.8007		495,146	0.7716	0.7716	3,821	
Adair County Public Library	General Revenue	247,018,790	0.1500	0.1500		255,193,989	0.1500	0.1500	382,791	
Adair County Health Department	General Revenue	247,018,790	0.2000	0.1996		255,193,989	0.1996	0.1996	509,367	
Adair Co. R-I School District	Operating Funds-Schools	13,570,410	3.7500	3.7500	E	13,977,911	3.7500	3.7500	524,172	E
	Debt Service	13,570,410	0.5830	0.5830		13,977,911	0.7200	0.5830	81,491	
Kirksville R-III School District	Operating Funds-Schools	195,978,725	3.2991	3.2991	E	201,222,953	3.3213	3.3213	6,683,218	E
	Debt Service	195,978,725	1.7331	0.8190		201,222,953	1.5827	0.8190	1,648,016	
Adair Co. R-II School District	Operating Funds-Schools	11,758,095	3.5786	3.5786	E	12,407,863	3.6054	3.6054	447,353	E
	Debt Service	11,758,095	0.9177	0.6514		12,407,863	0.7970	0.6514	80,825	
Adair County	General Revenue	247,018,790	0.0000	0.0000		255,193,989	0.0000	0.0000	0	
	Road & Bridge	247,018,790	0.2703	0.2703		255,193,989	0.2703	0.2703	689,789	
	Developmentally Disabled	247,018,790	0.1500	0.1500		255,193,989	0.1500	0.1500	382,791	
Andrew										
Andrew County Ambulance District	General Revenue	192,770,556	0.2799	0.1952		203,839,041	0.2735	0.1769	360,591	
Andrew County Nursing Home District	General Revenue	200,829,858	0.0310	0.0300		212,341,242	0.0293	0.0293	62,216	
City of Bolckow	General Revenue	831,932	0.8542	0.8542		853,851	0.8541	0.8541	7,293	
Village of Cosby	General Revenue	572,366	0.5657	0.5657		690,204	0.4912	0.4912	3,390	
Village of Country Club	General Revenue	31,694,071	0.3992	0.3992		32,961,439	0.3942	0.3942	129,934	
City of Fillmore	General Revenue	845,176	0.6829	0.6829		839,062	0.6879	0.6879	5,772	
	Debt Service	845,176	0.4985	0.4985		839,062	0.4872	0.4872	4,088	
Village of Rea	General Revenue	342,046	0.3152	0.3152		362,342	0.3172	0.3172	1,149	
Village of Rosendale	General Revenue	497,772	1.0000	0.9584		495,075	0.9637	0.9637	4,771	
City of Savannah	General Revenue	46,392,198	0.4600	0.4600		46,945,344	0.4600	0.4600	215,949	
	Parks & Recreation	46,392,198	0.2935	0.2935		46,945,344	0.2935	0.2935	137,785	
	Debt Service	46,392,198	0.1360	0.1360		46,945,344	0.1637	0.1637	76,850	
City of Amazonia	General Revenue	1,363,183	0.7610	0.7610		1,445,708	0.7286	0.7286	10,533	
Bolckow Fire District	General Revenue	6,806,198	0.2930	0.2930		7,287,595	0.2902	0.2902	21,149	
Rosendale Fire District	General Revenue	11,310,377	0.3430	0.3200		11,891,288	0.3143	0.3143	37,374	
Fillmore Fire Protection District	General Revenue	7,397,484	0.4297	0.4297		7,701,863	0.4297	0.4297	33,095	
Savannah Fire Protection District	General Revenue	90,141,014	0.5912	0.5912		97,544,479	0.5668	0.5668	552,882	
Village of Country Club FPD	General Revenue	18,550,404	0.6694	0.6694		19,397,291	0.6569	0.6569	127,421	
Cosby-Helena Fire Protection Dist	General Revenue	17,179,479	0.2511	0.2500		18,464,406	0.2405	0.2405	44,407	
Andrew County Health Department	General Revenue	200,829,858	0.0921	0.0921		212,341,242	0.0899	0.0899	190,895	
North Andrew Co. R-VI School Dist	Operating Funds-Schools	18,062,045	4.6138	4.6138	E	18,844,578	4.6649	4.6649	879,081	E
Avenue City R-IX School District	Operating Funds-Schools	16,888,670	3.7287	3.7287	E	18,025,870	3.6114	3.6114	650,986	E
	Debt Service	16,888,670	0.9879	0.9500		18,025,870	1.0866	0.9800	176,654	
Savannah R-III School District	Operating Funds-Schools	145,391,535	4.1506	4.1506	E	153,756,614	3.9652	3.9652	6,096,757	E
Andrew County	General Revenue	200,829,858	0.3321	0.2148		212,341,242	0.3243	0.2132	452,712	
	Johnson Grass	200,829,858	0.0255	0.0150		212,341,242	0.0146	0.0100	21,234	
	Road & Bridge	200,829,858	0.2584	0.2584		212,341,242	0.2523	0.2523	535,737	
	Special Road and Bridge	200,829,858	0.2500	0.2500		212,341,242	0.2441	0.2441	518,325	2012
	Developmentally Disabled	200,829,858	0.0829	0.0829		212,341,242	0.0810	0.0810	171,996	
	Senior Services	200,829,858	0.0293	0.0293		212,341,242	0.0286	0.0286	60,730	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Atchison											
Atchison-Holt Ambulance District	General Revenue	208,230,519	0.2981	0.2981		295,986,329	0.2982	0.2982	882,631		
Langdon Spec Road Dist Atchison Co	Special Road and Bridge	2,909,958	0.3500	0.3500		3,085,951	0.3500	0.3500	10,801		2012
Phelps Cy Spec Rd Dist Atchison Co	Phelps City Special Road	5,547,433	0.3275	0.3275	A	5,999,851	0.3171	0.3171	19,026		2013
Tarkio Spec Road Dist Atchison Co	Special Road and Bridge	20,242,540	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		20,964,144	0.3548	0.3548	74,381	A	2014
Watson Spec Road Dist Atchison Co	Special Road and Bridge	4,323,887	0.3389	0.3389		4,440,386	0.3363	0.3363	14,933		2012
General Road District	Special Road and Bridge	79,353,960	0.3478	0.3478		**	**	**			2010
	Special Road and Bridge	**	**	**		258,168,262	0.3670	0.3670	947,478	A	2014
City of Fairfax	General Revenue	3,690,124	0.7949	0.7949		3,578,611	0.8202	0.8202	29,352		
	Parks & Recreation	3,690,124	0.1963	0.1963		3,578,611	0.2000	0.2000	7,157		
	General Revenue - Temp	3,690,124	0.3000	0.3000		3,578,611	0.3000	0.3000	10,736		2012
	Street Lights	3,690,124	0.2376	0.2376		3,578,611	0.2452	0.2452	8,775		
City of Rock Port	General Revenue	10,394,805	0.9035	0.9035		10,742,581	0.9025	0.9025	96,952		
	Parks & Recreation	10,394,805	0.3614	0.3614		10,742,581	0.3610	0.3610	38,781		
City of Tarkio	General Revenue	11,991,676	0.7950	0.7950		12,086,854	0.8050	0.8050	97,299		
	Parks & Recreation	11,991,676	0.3077	0.3077		12,086,854	0.3100	0.3100	37,469		
	Lights	11,991,676	0.6558	0.6558		12,086,854	0.6640	0.6640	80,257		
	Debt Service	11,991,676	0.5700	0.5700		12,086,854	0.5798	0.5798	70,080		
Village of Watson	General Revenue	450,807	0.4816	0.4816		453,513	0.4815	0.4815	2,184		
	General Revenue - Temp	450,807	0.2889	0.2889		453,513	0.2888	0.2888	1,310		2012
City of Westboro	General Revenue	942,210	0.9995	0.9995		877,411	1.0000	1.0000	8,774		
	Lights	942,210	0.2500	0.2500		877,411	0.2500	0.2500	2,194		
	Streets	942,210	0.8995	0.8995		877,411	0.9000	0.9000	7,897		
	Debt Service	942,210	1.5161	1.5161		877,411	1.0822	1.0822	9,495		
Atchison County Library	General Revenue	112,377,778	0.2985	0.2985		112,458,594	0.3000	0.3000	337,376		
Fairfax Rural Fire District	General Revenue	12,308,015	0.4000	0.4000		13,387,458	0.3915	0.3915	52,412		
Tarkio Rural Fire District	General Revenue	15,339,157	0.4000	0.4000		16,318,735	0.3946	0.3946	64,394		
West Atchison Rural Fire Prot Dist	General Revenue	30,091,460	0.2495	0.2495		31,494,239	0.2449	0.2449	77,129		
Westboro Fire Protection District	General Revenue	17,342,653	0.3034	0.3034		15,232,010	0.3500	0.3500	53,312		
Atchison County Health Department	General Revenue	112,377,778	0.0996	0.0996		112,458,594	0.1000	0.1000	112,459		
Tarkio R-I School District	Operating Funds-Schools	41,277,777	3.7706	3.7706	E	39,657,597	3.8783	3.7800	1,499,057	E	
Rock Port R-II School District	Operating Funds-Schools	42,419,302	3.7500	3.7500	E	42,603,763	3.7036	3.7036	1,577,873	E	
	Operating-Schools Temp	42,419,302	0.5000	0.5000		42,603,763	0.5000	0.5000	213,019		2013
	Debt Service	42,419,302	0.7933	0.6600		42,603,763	0.7577	0.7064	300,953		
Fairfax R-III School District	Operating Funds-Schools	16,317,350	4.2952	4.2952	BE	16,538,625	4.2952	4.2952	710,367	E	
Atchison County	General Revenue	112,377,778	0.4975	0.4975		112,458,594	0.5000	0.5000	562,293		
	Solid Waste Landfill	112,377,778	0.0000	0.0000		112,458,594	0.0000	0.0000	0		
	Road & Bridge	112,377,778	0.4975	0.4975		112,458,594	0.5000	0.5000	562,293		
	Senate Bill 40	112,377,778	0.0995	0.0995		112,458,594	0.1000	0.1000	112,459		
	Senior Services	112,377,778	0.0497	0.0497		112,458,594	0.0500	0.0500	56,229		
Audrain											
Van-Far Ambulance District	General Revenue	44,944,914	0.3000	0.3000		47,033,236	0.2930	0.1246	58,603		
Mexico Ambulance District	General Revenue	250,601,490	0.3000	0.3000		238,630,335	0.3000	0.3000	715,891		
Tri County Nursing Home District	General Revenue	50,741,513	0.2419	0.2419		51,798,920	0.2414	0.2414	125,043		
Laddonia Farber Spec Rd Audrain Co	Special Road and Bridge	19,407,694	0.3500	0.3500	A	19,656,339	0.3500	0.3500	68,797		2013
Saling Spec Rd Dist #2 Audrain Co	Special Road and Bridge	15,364,238	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		13,482,132	0.3500	0.3500	47,187	A	2014
Vandalia Special Rd Dist Audrain Co	Special Road and Bridge	33,713,443	0.3500	0.3500		36,115,127	0.3331	0.3331	120,299		2011
Village of Benton City	General Revenue	743,065	0.3999	0.3999		736,694	0.4034	0.4034	2,972		
City of Farber	General Revenue	1,952,105	0.6300	0.6300		1,874,832	0.6300	0.6300	11,811		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Audrain										
City of Farber	Lights	1,952,105	0.3200	0.3200		1,874,832	0.3200	0.3200	5,999	
City of Laddonia	General Revenue	3,716,335	0.7450	0.7450		3,658,853	0.7585	0.7585	27,752	
	Lights	3,716,335	0.2636	0.2636		3,658,853	0.2684	0.2684	9,820	
City of Martinsburg	General Revenue	3,257,066	0.5436	0.5436		3,319,965	0.5436	0.5436	18,047	
City of Mexico	General Revenue	135,006,922	0.4147	0.4147		135,262,523	0.4150	0.4150	561,339	
	Parks & Recreation	135,006,922	0.2000	0.2000		135,262,523	0.2000	0.2000	270,525	
	Health	135,006,922	0.2000	0.2000		135,262,523	0.2000	0.2000	270,525	
Village of Rush Hill	General Revenue	573,249	0.4258	0.4258		573,331	0.4292	0.4292	2,461	
City of Vandalia	General Revenue	17,495,748	0.7482	0.7482		18,695,465	0.7119	0.7119	133,093	
	Parks & Recreation	17,495,748	0.1700	0.1700		18,695,465	0.1618	0.1618	30,249	
Village of Vandiver	General Revenue	3,391,468	0.2926	0.2900		3,379,500	0.3076	0.2900	9,801	
Mexico Audrain County Library Dist	General Revenue	352,331,901	0.2136	0.2136		341,738,223	0.2215	0.2215	756,950	
Little Dixie Fire District	General Revenue	106,114,500	0.4000	0.4000	B	100,122,636	0.4000	0.4000	400,491	
Martinsburg Area Fire Prot Dist	Fire	18,896,352	0.2000	0.2000		16,812,374	0.2000	0.2000	33,625	
Community R-VI School District	Operating Funds-Schools	34,286,578	3.8480	3.8480	E	27,572,186	3.9657	3.9057	1,076,887	E
	Debt Service	34,286,578	1.0242	0.5500		27,572,186	0.7032	0.5500	151,647	
Van-Far R-I School District	Operating Funds-Schools	38,995,471	3.3993	3.3993	E	39,118,817	3.3654	3.3654	1,316,505	E
	Debt Service	38,995,471	0.6007	0.6007		39,118,817	0.7208	0.6346	248,248	
Mexico 59 School District	Operating Funds-Schools	186,056,061	3.5100	3.0345		180,105,074	3.4858	3.0487	5,490,863	
	Debt Service	186,056,061	0.9643	0.5877		180,105,074	0.8297	0.5877	1,058,478	
Audrain County	General Revenue	352,331,901	0.3877	0.2249		341,738,223	0.4021	0.2357	805,477	
	Road & Bridge	352,331,901	0.2907	0.2907		341,738,223	0.3015	0.3015	1,030,341	
	Common Road District	107,161,450	0.3500	0.3500		100,036,369	0.3500	0.3500	350,127	2012
	Hospital	352,331,901	0.1830	0.1830		341,738,223	0.1898	0.1897	648,277	
	Senate Bill 40	352,331,901	0.2100	0.2100		341,738,223	0.2100	0.2100	717,650	
Barry										
Barry-Lawrence Co Ambulance Dist	General Revenue	229,836,761	0.1242	0.1242		232,918,537	0.1242	0.1242	289,285	
South Barry County Ambulance Dist	General Revenue	256,535,291	0.0811	0.0811		267,368,373	0.0811	0.0811	216,836	
South Barry Co Memorial Hospital	General Revenue	249,580,591	0.0912	0.0912		255,275,115	0.0912	0.0912	232,811	
Ash Special Road Dist Barry Co	Road & Bridge	4,585,503	0.1627	0.1627		4,558,781	0.1674	0.1674	7,631	
	Special Road and Bridge	4,585,503	0.1300	0.1300		4,558,781	0.1300	0.1300	5,926	2011
Butterfield Sp Rd Dist Barry Co	Road & Bridge	16,998,614	0.1754	0.1754		16,388,736	0.1831	0.1831	30,008	
	Special Road and Bridge	16,998,614	0.1300	0.1300		16,388,736	0.1300	0.1300	21,305	2011
Capps Creek Sp Rd Dist Barry Co	Road & Bridge	7,350,954	0.2700	0.2700		8,050,963	0.2700	0.2700	21,738	
Corsicana Special Rd Dist Barry Co	Road & Bridge	4,234,758	0.1889	0.1889		4,182,422	0.1929	0.1929	8,068	
	Special Road and Bridge	4,234,758	0.1298	0.1298		4,182,422	0.1300	0.1300	5,437	2011
Crane Creek Spec Rd Dist Barry Co	Road & Bridge	6,911,030	0.2099	0.2099		7,051,490	0.2099	0.2099	14,801	
Exeter Spec Rd Dist Barry Co	Road & Bridge	15,166,928	0.1933	0.1933		15,289,397	0.1954	0.1954	29,875	
	Special Road and Bridge	15,166,928	0.1300	0.1300		15,289,397	0.1300	0.1300	19,876	2012
Flat Creek Spec Rd Dist Barry Co	Road & Bridge	68,577,502	0.1512	0.1512		71,153,331	0.1512	0.1512	107,584	
	Special Road and Bridge	68,577,502	0.1300	0.1300		71,153,331	0.1300	0.1300	92,499	2011
Greasy Creek Sp Rd Dist 35 Barry Co	Road & Bridge	2,119,517	0.1802	0.1802		2,164,815	0.1804	0.1804	3,905	
	Special Road and Bridge	2,119,517	0.3500	0.3500		2,164,815	0.3500	0.3500	7,577	2011
Jenkins Spec Road Dist 20 Barry Co	Road & Bridge	4,061,296	0.1452	0.1452		4,005,338	0.1477	0.1477	5,916	
Kings Prairie Sp Rd Dist Barry Co	Road & Bridge	10,119,634	0.2000	0.2000		10,198,778	0.2003	0.2003	20,428	
	Special Road and Bridge	10,119,634	0.1300	0.1300		10,198,778	0.1300	0.1300	13,258	2011
Liberty Common Rd Dist 34 Barry Co	Road & Bridge	677,684	0.1217	0.1217		655,528	0.1260	0.1260	826	
McDonald Sp Rd Dist 19 Barry Co	Road & Bridge	3,568,915	0.1619	0.1619		3,581,171	0.1639	0.1639	5,870	
Mineral Spgs Sp Rd Dist 10 Barry Co	Road & Bridge	7,326,644	0.1778	0.1778		7,281,454	0.1820	0.1820	13,252	
	Special Road and Bridge	7,326,644	0.1300	0.1300		7,281,454	0.1300	0.1300	9,466	2011

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Barry											
Mountain Special Road District #22	Road & Bridge	2,783,073	0.1890	0.1890		2,850,159	0.1890	0.1890	5,387		
Ozark Special Road Dist Barry Co	Road & Bridge	7,964,776	0.1475	0.1475		7,886,608	0.1498	0.1498	11,814		
	Special Road and Bridge	7,964,776	0.1300	0.1300		7,886,608	0.1300	0.1300	10,253		2011
Pioneer Special Rd Dist 31 Barry Co	Road & Bridge	1,697,691	0.1982	0.1982		1,677,984	0.2009	0.2009	3,371		
	Special Road and Bridge	1,697,691	0.1300	0.1300		1,677,984	0.1300	0.1300	2,181		2011
Pleasant Ridge Sp Rd 25 Barry Co	Road & Bridge	4,848,881	0.1546	0.1546		4,862,959	0.1564	0.1564	7,606		
	Special Road and Bridge	4,848,881	0.1300	0.1300		4,862,959	0.1300	0.1300	6,322		2011
Purdy Spec Rd Dist 28 Barry Co	Road & Bridge	17,168,276	0.1991	0.1991		17,582,521	0.1991	0.1991	35,007		
	Special Road and Bridge	17,168,276	0.1300	0.1300		17,582,521	0.1300	0.1300	22,857		2011
Roaring River Sp Rd Dist 2 Barry Co	Road & Bridge	21,614,684	0.1376	0.1376		22,413,692	0.1376	0.1376	30,841		
Shell Knob Sp Rd Dist 9 Barry Co	Road & Bridge	27,600,324	0.1609	0.1609		28,460,071	0.1609	0.1609	45,792		
Sugar Creek Sp Rd Dist 3 Barry Co	Road & Bridge	11,858,133	0.1521	0.1521		11,984,551	0.1533	0.1533	18,372		
Viola Sp Rd Dist 21 Barry Co	Road & Bridge	28,825,225	0.1257	0.1257		29,424,858	0.1257	0.1257	36,987		
Washburn Sp Rd Dist 4 Barry Co	Road & Bridge	10,237,824	0.1934	0.1934		9,976,745	0.2036	0.2036	20,313		
	Special Road and Bridge	10,237,824	0.1300	0.1300	A	9,976,745	0.1300	0.1300	12,970		2013
Wheaton Sp Rd Dist 29 Barry Co	Road & Bridge	12,393,581	0.1827	0.1827		12,507,853	0.1846	0.1846	23,089		
	Special Road and Bridge	12,393,581	0.1300	0.1300		12,507,853	0.1300	0.1300	16,260		2011
White River Sp Rd Dist 7 Barry Co	Road & Bridge	23,725,734	0.1316	0.1316		24,485,516	0.1316	0.1316	32,223		
Monett Special Road District	Road & Bridge	112,659,129	0.1671	0.1671		112,054,494	0.1689	0.1689	189,260		
City of Butterfield	General Revenue	1,535,086	0.4943	0.4943		1,796,102	0.4533	0.4533	8,142		
City of Cassville	General Revenue	37,913,003	0.3928	0.0000		40,658,901	0.0000	0.0000	0		
City of Exeter	General Revenue	3,775,915	0.4410	0.4410		3,762,072	0.4484	0.4484	16,869		
City of Purdy	General Revenue	4,281,158	0.3956	0.3956		4,419,287	0.3956	0.3956	17,483		
City of Seligman	General Revenue	3,860,817	0.2713	0.2713		3,885,876	0.2727	0.2713	10,542		
	Streets	3,860,817	0.1668	0.1668		3,885,876	0.1677	0.1668	6,482		
City of Washburn	General Revenue	2,492,884	0.3863	0.3863		2,523,776	0.3954	0.3954	9,979		
City of Wheaton	General Revenue	3,459,821	0.4904	0.4515		3,505,706	0.4515	0.4515	15,828		
Barry Lawrence Con Library District	General Revenue	838,559,378	0.1500	0.1500		856,998,624	0.1500	0.1500	1,285,498		
Eagle Rock, Golden & Mano Fire Dist	General Revenue	45,936,611	0.2920	0.2920		47,423,806	0.2920	0.2920	138,478		
Central Crossing Fire Prot Dist	General Revenue	**	**	**		84,667,881	0.2735	0.2735	231,567		
	General Revenue	83,038,140	0.2735	0.2735		84,667,881	0.1014	0.1014	85,853	A	
Cassville Fire Protection District	General Revenue	68,547,186	0.3000	0.3000		70,213,362	0.3000	0.3000	210,640		
Butterfield Fire Protection Dist	General Revenue	19,600,474	0.2935	0.2935		19,531,545	0.2963	0.2963	57,872		
Exeter Fire Protection District	General Revenue	16,406,541	0.3000	0.3000		15,604,069	0.3000	0.3000	46,812		
Seligman Fire Protection District	General Revenue	13,428,368	0.3000	0.3000		13,374,165	0.3000	0.3000	40,122		
Purdy Fire Protection District	General Revenue	23,323,146	0.2894	0.2894		23,679,057	0.2894	0.2894	68,527		
Jenkins Fire Protection District	General Revenue	13,822,070	0.2905	0.2905		13,760,805	0.2953	0.2953	40,636		
Barry County Health Department	General Revenue	435,392,486	0.0708	0.0708		442,027,132	0.0708	0.0708	312,955		
Wheaton R-III School District	Operating Funds-Schools	17,421,024	2.8212	2.7500	E	17,800,180	2.7500	2.7500	489,505	E	
	Debt Service	17,421,024	0.6802	0.6802		17,800,180	1.0690	0.6800	121,041		
Southwest Barry Co R-V School Dist	Operating Funds-Schools	32,751,418	2.7500	2.7500	F	33,209,373	2.7500	2.7500	913,258	F	
	Debt Service	32,751,418	1.0127	0.8500		33,209,373	0.8672	0.8500	282,280		
Exeter R-VI School District	Operating Funds-Schools	12,517,918	3.6221	3.4321	E	12,700,143	3.4427	3.4427	437,228	E	
	Debt Service	12,517,918	0.9220	0.6500		12,700,143	0.9700	0.8828	112,117		
Cassville R-IV School District	Operating Funds-Schools	153,376,774	3.0065	2.9500	E	157,571,468	2.9460	2.9000	4,569,573	E	
	Debt Service	153,376,774	0.3592	0.3200		157,571,468	0.3972	0.3700	583,014		
Purdy R-II School District	Operating Funds-Schools	24,776,376	2.7500	2.7500	E	25,142,158	2.7500	2.7500	691,409	E	
	Debt Service	24,776,376	0.8327	0.6900		25,142,158	0.7488	0.6946	174,637		
Shell Knob 78 School District	Operating Funds-Schools	56,712,216	3.4480	3.4300	E	58,027,166	3.4304	3.4300	1,990,332	E	
Monett R-I School District	Operating Funds-Schools	158,299,426	3.1018	3.1018	E	159,703,857	3.0916	3.0916	4,937,404	E	
	Debt Service	158,299,426	0.7667	0.5600		159,703,857	0.6353	0.5600	894,342		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Barry										
Barry County	General Revenue	435,392,486	0.0000	0.0000		442,027,132	0.0000	0.0000	0	
	Developmentally Disabled	435,392,486	0.0707	0.0700		442,027,132	0.0700	0.0700	309,419	
	Senior Services	435,392,486	0.0500	0.0500		442,027,132	0.0500	0.0500	221,014	
Barton										
Barton County Ambulance District	General Revenue	169,936,314	0.0000	0.0000		158,541,138	0.0000	0.0000	0	
City of Golden City	General Revenue	5,344,666	0.5745	0.5745		5,372,376	0.5774	0.5774	31,020	
	Parks & Recreation	5,344,666	0.1300	0.1300		5,372,376	0.1307	0.1307	7,022	
	Ambulance	5,344,666	0.1627	0.1627		5,372,376	0.1635	0.1635	8,784	
City of Lamar	General Revenue	63,941,280	0.5199	0.5199		56,751,402	0.5877	0.5877	333,528	
	Parks & Recreation	63,941,280	0.1617	0.1617		56,751,402	0.1800	0.1800	102,153	
	Memorial Fund	63,941,280	0.1617	0.1617		56,751,402	0.1800	0.1800	102,153	
City of Liberal	General Revenue	3,960,212	0.5727	0.5727		3,969,624	0.5778	0.5778	22,936	
Barton County Library	General Revenue	175,279,754	0.0763	0.0700		163,952,847	0.0752	0.0752	123,293	
	Library	175,279,754	0.0800	0.0800		163,952,847	0.0800	0.0800	131,162	
Barton City Township of Barton Co	General Revenue	3,382,144	0.1000	0.1000		3,499,437	0.1000	0.1000	3,499	
	Road & Bridge	3,382,144	0.2542	0.2542		3,499,437	0.2542	0.2542	8,896	
	Special Road and Bridge	3,382,144	0.2500	0.2500	A	3,499,437	0.2500	0.2500	8,749	2013
Central Township of Barton County	General Revenue	9,205,848	0.0894	0.0894		9,807,905	0.0883	0.0883	8,660	
	Road & Bridge	9,205,848	0.3475	0.3475		9,807,905	0.3431	0.3431	33,651	
	Special Road and Bridge	9,205,848	0.4667	0.4667		9,807,905	0.4608	0.4608	45,195	2012
City Township of Barton County	General Revenue	61,000,600	0.0615	0.0500		53,870,894	0.0568	0.0500	26,935	
	Road & Bridge	61,000,600	0.2090	0.1700		53,870,894	0.1932	0.1700	91,581	
Doylesport Township of Barton Co	General Revenue	3,972,921	0.1000	0.1000		4,046,349	0.1000	0.1000	4,046	
	Road & Bridge	3,972,921	0.2929	0.2929		4,046,349	0.2949	0.2949	11,933	
	Special Road and Bridge	3,972,921	0.2481	0.2481		4,046,349	0.2481	0.2481	10,039	2012
Golden City Township of Barton Co	General Revenue	11,221,771	0.0900	0.0900		11,331,672	0.0900	0.0900	10,199	
	Road & Bridge	11,221,771	0.2344	0.2344		11,331,672	0.2344	0.2344	26,561	
Lamar Township of Barton County	General Revenue	36,939,018	0.0669	0.0500		30,324,313	0.0611	0.0600	18,195	
	Road & Bridge	36,939,018	0.3344	0.2000		30,324,313	0.2443	0.2400	72,778	
Leroy Township of Barton County	General Revenue	5,280,651	0.0966	0.0966		5,615,222	0.0940	0.0940	5,278	
	Road & Bridge	5,280,651	0.3562	0.3562		5,615,222	0.3465	0.3465	19,457	
Milford Township of Barton County	General Revenue	2,919,215	0.0816	0.0816		2,961,563	0.0818	0.0818	2,423	
	Road & Bridge	2,919,215	0.2243	0.2243		2,961,563	0.2248	0.2248	6,658	
Nashville Township of Barton County	General Revenue	5,670,702	0.0958	0.0958		5,921,481	0.0960	0.0958	5,673	
	Road & Bridge	5,670,702	0.3468	0.3468		5,921,481	0.3476	0.3468	20,536	
	Special Road and Bridge	5,670,702	0.3698	0.3698		5,921,481	0.3698	0.3698	21,898	2012
Newport Township of Barton County	General Revenue	3,722,573	0.1000	0.1000		3,775,128	0.1000	0.1000	3,775	
	Road & Bridge	3,722,573	0.2646	0.2516		3,775,128	0.2539	0.2516	9,498	
	Special Road and Bridge	3,722,573	0.1000	0.1000		**	**	**		2010
	Special Road and Bridge	**	**	**		3,775,128	0.1025	0.1025	3,870	A 2014
North Fork Township of Barton Co	General Revenue	3,492,308	0.1000	0.1000		3,465,690	0.1000	0.1000	3,466	
	Road & Bridge	3,492,308	0.3202	0.3078		3,465,690	0.3125	0.3125	10,830	
	Special Road and Bridge	3,492,308	0.1996	0.1996		3,465,690	0.1996	0.1996	6,918	2012
Ozark Township of Barton County	General Revenue	8,192,165	0.0944	0.0944		8,196,528	0.0952	0.0944	7,738	
	Road & Bridge	8,192,165	0.2413	0.2413		8,196,528	0.2433	0.2413	19,778	
Richland Township of Barton County	General Revenue	8,618,747	0.1000	0.1000		8,799,429	0.1000	0.1000	8,799	
	Road & Bridge	8,618,747	0.4101	0.4100		8,799,429	0.4100	0.4100	36,078	
	Special Road and Bridge	8,618,747	0.3900	0.3900	A	8,799,429	0.3900	0.3900	34,318	2013
South West Township of Barton Co	General Revenue	6,748,491	0.0990	0.0990		6,887,567	0.0990	0.0990	6,819	
	Road & Bridge	6,748,491	0.3463	0.3463		6,887,567	0.3463	0.3463	23,852	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Barton											
Union Township of Barton County	General Revenue	4,906,650	0.1000	0.1000		5,113,480	0.0991	0.0991	5,067		
	Road & Bridge	4,906,650	0.4321	0.4321		5,113,480	0.4280	0.4280	21,886		
Golden City Fire Protection Dist	General Revenue	19,232,311	0.0984	0.0984		19,717,862	0.0978	0.0978	19,284		
Barton County Health Department	General Revenue	175,279,754	0.1500	0.1500		163,952,847	0.1500	0.1500	245,929		
Liberal R-II School District	Operating Funds-Schools	27,971,358	3.2907	3.2907	E	29,003,287	3.2229	3.2229	934,747	E	
	Debt Service	27,971,358	0.4956	0.3954		29,003,287	0.4658	0.3954	114,679		
Golden City R-III School District	Operating Funds-Schools	16,372,136	3.8606	3.4300	E	16,430,126	3.3605	3.3605	552,134	E	
Lamar R-I School District	Operating Funds-Schools	111,244,831	3.4343	3.4340	E	98,264,348	3.7500	3.7000	3,635,781	E	
	Debt Service	111,244,831	0.4970	0.4500		98,264,348	0.5197	0.5100	501,148		
Barton County	General Revenue	175,279,754	0.2062	0.0500		163,952,847	0.0567	0.0000	0		
	Hospital	175,279,754	0.0980	0.0980		163,952,847	0.1053	0.1053	172,642		
Bates											
Cornland Sp Rd Dist Bates Co	Road & Bridge	749,465	0.3456	0.3456		718,993	0.3500	0.3500	2,516		
	Special Road and Bridge	749,465	0.1741	0.1741		718,993	0.1764	0.1764	1,268		2011
South Hudson Sp Rd Dist Bates Co	Road & Bridge	968,480	0.3251	0.3251		1,044,290	0.3141	0.3141	3,280		
	Special Road and Bridge	968,480	0.2042	0.2042		**	**	**			2010
	Special Road and Bridge	**	**	**		1,044,290	0.3000	0.3000	3,133	A	2014
City of Adrian	General Revenue	12,189,688	0.5738	0.5738		12,271,736	0.5738	0.5738	70,415		
	Parks & Recreation	12,189,688	0.0500	0.0500		12,271,736	0.0500	0.0500	6,136		
City of Amoret	General Revenue	766,432	0.4591	0.4591		717,620	0.4911	0.4911	3,524		
City of Amsterdam	General Revenue	1,367,144	1.0000	1.0000		1,408,163	0.9854	0.9854	13,876		
City of Butler	General Revenue	40,360,773	0.6235	0.5955		40,345,269	0.5968	0.5955	240,256		
	Parks & Recreation	40,360,773	0.0350	0.0350		40,345,269	0.0350	0.0350	14,121		
	Lake	40,360,773	0.0150	0.0150		40,345,269	0.0150	0.0150	6,052		
City of Hume	General Revenue	1,623,360	1.0000	1.0000		1,655,623	1.0000	1.0000	16,556		
	Lights	1,623,360	0.3511	0.3511		1,655,623	0.3541	0.3541	5,863		
	Water	1,623,360	0.4447	0.4447		1,655,623	0.4484	0.4484	7,424		
	Debt Service	**	**	**		1,655,623	0.0000	0.0000	0		
Village of Merwin	General Revenue	249,229	0.5273	0.5273		233,041	0.5500	0.5500	1,282		
Village of Passaic	General Revenue	172,299	0.9999	0.9999		172,863	1.0000	1.0000	1,729		
City of Rich Hill	General Revenue	6,457,021	0.6513	0.6513		6,510,303	0.6567	0.6567	42,753		
	Parks & Recreation	6,457,021	0.2626	0.2626		6,510,303	0.2648	0.2648	17,239		
	Library	6,457,021	0.2400	0.2400		6,510,303	0.2400	0.2400	15,625		
	Health	6,457,021	0.1366	0.1366		6,510,303	0.1377	0.1377	8,965		
City of Rockville	General Revenue	1,028,052	0.8798	0.8798		1,028,689	0.9000	0.9000	9,258		
	Streets	1,028,052	0.4000	0.4000		1,028,689	0.4000	0.4000	4,115		
Village of Foster	General Revenue	501,884	0.6337	0.6337		515,601	0.6337	0.6337	3,267		
Charlotte Township of Bates County	General Revenue	5,002,573	0.0995	0.0995		5,251,902	0.0995	0.0995	5,226		
	Road & Bridge	5,002,573	0.2830	0.2830		5,251,902	0.2830	0.2830	14,863		
	Special Road and Bridge	5,002,573	0.2182	0.2182		5,251,902	0.2182	0.2182	11,460		2012
Deepwater Township of Bates County	General Revenue	3,773,319	0.0949	0.0949		3,833,623	0.0949	0.0949	3,638		
	Road & Bridge	3,773,319	0.2315	0.2315		3,833,623	0.2315	0.2315	8,875		
	Special Road and Bridge	3,773,319	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		3,833,623	0.3508	0.3508	13,448	A	2014
Deer Creek Township of Bates Co	General Revenue	20,589,885	0.0714	0.0714		20,799,129	0.0714	0.0714	14,851		
	Road & Bridge	20,589,885	0.2349	0.2349		20,799,129	0.2349	0.2349	48,857		
East Boone Township of Bates Co	General Revenue	6,165,388	0.0817	0.0817		6,227,122	0.0829	0.0829	5,162		
	Road & Bridge	6,165,388	0.2248	0.2248		6,227,122	0.2281	0.2281	14,204		
	Special Road and Bridge	6,165,388	0.3393	0.3393		**	**	**			2010
	Special Road and Bridge	**	**	**		6,227,122	0.3494	0.3494	21,758	A	2014

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Bates											
Elkhart Township of Bates County	General Revenue	4,003,711	0.0847	0.0847		3,934,326	0.0863	0.0863	3,395		
	Road & Bridge	4,003,711	0.2330	0.2330		3,934,326	0.2373	0.2373	9,336		
	Special Road and Bridge	4,003,711	0.2500	0.2500		3,934,326	0.2500	0.2500	9,836		2012
Grand River Township of Bates Co	General Revenue	3,413,258	0.1000	0.1000		3,454,923	0.1000	0.1000	3,455		
	Road & Bridge	3,413,258	0.2702	0.2702		3,454,923	0.2702	0.2702	9,335		
	Special Road and Bridge	3,413,258	0.2485	0.2485		3,454,923	0.2485	0.2485	8,585		2012
Homer Township of Bates County	General Revenue	4,802,643	0.0984	0.0984		4,964,760	0.0968	0.0968	4,806		
	Road & Bridge	4,802,643	0.3316	0.3316		4,964,760	0.3263	0.3263	16,200		
	Special Road and Bridge	4,802,643	0.1967	0.1967		4,964,760	0.1936	0.1936	9,612		2011
Howard Township of Bates County	General Revenue	5,209,049	0.1000	0.1000		5,353,024	0.1000	0.1000	5,353		
	Road & Bridge	5,209,049	0.3366	0.3366		5,353,024	0.3366	0.3366	18,018		
	Special Road and Bridge	5,209,049	0.3473	0.3473		5,353,024	0.3473	0.3473	18,591		2011
Hudson Township of Bates County	General Revenue	4,203,776	0.1000	0.1000		4,359,587	0.1000	0.1000	4,360		
	Road & Bridge	4,203,776	0.3030	0.3030		4,359,587	0.3030	0.3030	13,210		
	Special Road and Bridge	4,203,776	0.3500	0.3500		4,359,587	0.3500	0.3500	15,259		2012
Lone Oak Township of Bates County	General Revenue	4,666,006	0.0879	0.0879		4,789,408	0.0885	0.0885	4,239		
	Road & Bridge	4,666,006	0.2529	0.2529		4,789,408	0.2546	0.2546	12,194		
	Special Road and Bridge	4,666,006	0.3000	0.3000	A	4,789,408	0.3000	0.3000	14,368		2013
Mingo Township of Bates County	General Revenue	3,196,754	0.1000	0.1000		3,714,407	0.0878	0.0878	3,261		
	Road & Bridge	3,196,754	0.2775	0.2775		3,714,407	0.2435	0.2435	9,045		
	Special Road and Bridge	3,196,754	0.2150	0.2150		3,714,407	0.1887	0.1887	7,009		2012
Mound Township of Bates County	General Revenue	10,313,453	0.0860	0.0860		10,279,324	0.0864	0.0864	8,881		
	Road & Bridge	10,313,453	0.2365	0.2365		10,279,324	0.2375	0.2375	24,413		
	Special Road and Bridge	10,313,453	0.1900	0.1900		**	**	**			2010
	Special Road and Bridge	**	**	**		10,279,324	0.1937	0.1937	19,911	A	2014
Mount Pleasant Township of Bates Co	General Revenue	52,447,290	0.0974	0.0974		52,579,955	0.0975	0.0975	51,265		
	Road & Bridge	52,447,290	0.2164	0.2164		52,579,955	0.2165	0.2165	113,836		
New Home Township of Bates County	General Revenue	3,539,064	0.1000	0.1000		3,503,878	0.1000	0.1000	3,504		
	Road & Bridge	3,539,064	0.2750	0.2750		3,503,878	0.2777	0.2777	9,730		
	Special Road and Bridge	3,539,064	0.2500	0.2500	A	3,503,878	0.2500	0.2500	8,760		2013
Osage Township of Bates County	General Revenue	11,029,763	0.1000	0.1000		11,234,044	0.1000	0.1000	11,234		
	Road & Bridge	11,029,763	0.2664	0.2664		11,234,044	0.2664	0.2664	29,927		
Pleasant Gap Township of Bates Co	General Revenue	4,086,836	0.1000	0.1000		4,192,588	0.1000	0.1000	4,193		
	Road & Bridge	4,086,836	0.2884	0.2884		4,192,588	0.2884	0.2884	12,091		
	Special Road and Bridge	4,086,836	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		4,192,588	0.3522	0.3522	14,766	A	2014
Rockville Township of Bates County	General Revenue	3,304,280	0.1000	0.1000		3,442,566	0.0994	0.0994	3,422		
	Road & Bridge	3,304,280	0.2759	0.2759		3,442,566	0.2744	0.2744	9,446		
Spruce Township of Bates County	General Revenue	3,899,685	0.0782	0.0782		4,033,006	0.0777	0.0777	3,134		
	Road & Bridge	3,899,685	0.2345	0.2345		4,033,006	0.2329	0.2329	9,393		
Summit Township of Bates County	General Revenue	3,903,980	0.0732	0.0732		3,955,129	0.0732	0.0732	2,895		
	Road & Bridge	3,903,980	0.2512	0.2512		3,955,129	0.2512	0.2512	9,935		
	Special Road and Bridge	3,903,980	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		3,955,129	0.3528	0.0000	0	A	2014
Walnut Township of Bates County	General Revenue	4,956,566	0.0986	0.0986		5,127,918	0.0974	0.0974	4,995		
	Road & Bridge	4,956,566	0.3095	0.3095		5,127,918	0.3057	0.3057	15,676		
	Special Road and Bridge	4,956,566	0.1861	0.1861		5,127,918	0.1838	0.1838	9,425		2011
West Boone Township of Bates Co	General Revenue	7,478,473	0.0804	0.0804		7,791,610	0.0796	0.0796	6,202		
	Road & Bridge	7,478,473	0.2527	0.2527		7,791,610	0.2502	0.2502	19,495		
West Point Township of Bates Co	General Revenue	6,972,000	0.0955	0.0955		7,244,544	0.0933	0.0933	6,759		
	Road & Bridge	6,972,000	0.2960	0.2960		7,244,544	0.2893	0.2893	20,958		

APPENDIX VII
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Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Bates											
West Point Township of Bates Co	Special Road and Bridge	6,972,000	0.2102	0.2102		7,244,544	0.2055	0.2055	14,888		2011
Prairie Township of Bates County	General Revenue	1,698,405	0.1000	0.1000		1,773,880	0.1000	0.1000	1,774		
	Road & Bridge	1,698,405	0.2855	0.2855		1,773,880	0.2855	0.2855	5,064		
	Special Road and Bridge	1,698,405	0.2300	0.2300		1,773,880	0.2300	0.2300	4,080		2011
Shawnee Township of Bates County	General Revenue	3,638,101	0.1000	0.1000		3,632,560	0.1000	0.1000	3,633		
	Road & Bridge	3,638,101	0.2893	0.2893		3,632,560	0.2939	0.2939	10,676		
	Special Road and Bridge	3,638,101	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		3,632,560	0.3609	0.3609	13,110	A	2014
Bates County Health Center	General Revenue	182,294,258	0.0834	0.0834		185,473,213	0.0834	0.0834	154,685		
Miami R-I School District	Operating Funds-Schools	13,294,385	3.9000	3.9000	E	13,209,681	3.9000	3.9000	515,178	E	
Ballard R-II School District	Operating Funds-Schools	9,043,850	4.4833	4.4425	E	9,254,351	4.3958	4.3958	406,803	E	
	Debt Service	9,043,850	0.8121	0.7500		9,254,351	0.8067	0.7500	69,408		
Adrian R-III School District	Operating Funds-Schools	36,671,577	3.4708	3.4708	E	36,793,897	3.4426	3.4426	1,266,667	E	
	Debt Service	36,671,577	1.1533	0.9192		36,793,897	1.1046	0.9474	348,585		
Rich Hill R-IV School District	Operating Funds-Schools	20,628,856	3.4475	3.3500	E	21,184,588	3.2842	3.2842	695,744	E	
	Debt Service	20,628,856	1.1396	1.0000		21,184,588	1.0839	1.0000	211,846		
Hume R-VIII School District	Operating Funds-Schools	7,377,115	4.7332	4.6500	E	7,284,730	4.6394	4.6394	337,968	E	
Hudson R-IX School District	Operating Funds-Schools	6,351,485	3.9545	3.7800	E	6,470,072	3.7570	3.7570	243,081	E	
Butler R-V School District	Operating Funds-Schools	68,039,718	3.8394	3.8394	BE	68,627,322	3.8394	3.8394	2,634,877	E	
	Operating Funds - Temp	68,039,718	0.2100	0.2100	A	68,627,322	0.2100	0.2100	144,117		2025
	Debt Service	68,039,718	1.1202	0.6900		68,627,322	1.0864	0.7800	535,293		
Bates County	General Revenue	182,294,258	0.2711	0.2711		185,473,213	0.2711	0.2711	502,818		
	Developmentally Disabled	182,294,258	0.0700	0.0700		185,473,213	0.0700	0.0700	129,831		
Benton											
Warsaw-Lincoln Ambulance District	General Revenue	180,931,676	0.1832	0.0000		184,510,024	0.1832	0.0000	0		
Cole Camp Ambulance District	General Revenue	51,483,821	0.2878	0.2037		53,763,020	0.2867	0.2034	109,354		
Lincoln Community Nursing Home Dist	Maintenance	51,118,667	0.1962	0.1962		54,013,947	0.1924	0.1924	103,923		
Good Samaritan Nursing Home Dist	General Revenue	63,232,862	0.1076	0.1076		65,400,451	0.1076	0.1076	70,371		
Brandon Special Road Dist Benton Co	Road & Bridge	1,432,097	0.3377	0.3377		1,488,158	0.3478	0.3478	5,176		
Cole Camp Sp Rd Dist Benton Co	Road & Bridge	12,661,703	0.3500	0.3500	B	12,838,018	0.3500	0.3500	44,933		
Ionia Special Rd Dist Benton Co	Road & Bridge	3,016,821	0.3274	0.3274		3,288,569	0.3145	0.3145	10,343		
City of Cole Camp	General Revenue	8,366,140	0.4715	0.4715		8,465,719	0.4728	0.4728	40,026		
Village of Ionia	General Revenue	610,820	0.7751	0.7751		558,832	0.8000	0.8000	4,471		
City of Lincoln	General Revenue	8,512,280	0.7700	0.7700		8,674,892	0.7700	0.7700	66,797		
	Parks & Recreation	8,512,280	0.1482	0.1482		8,674,892	0.1482	0.1482	12,856		
City of Warsaw	General Revenue	25,785,413	0.4272	0.4272		25,753,137	0.4307	0.4307	110,919		
	Parks & Recreation	25,785,413	0.1146	0.1146		25,753,137	0.1155	0.1155	29,745		
Lincoln Community Fire Prot Dist	General Revenue	40,273,972	0.2500	0.2500		42,085,360	0.2457	0.2457	103,404		
Deer Creek Fire Protection District	General Revenue	18,247,753	0.2887	0.2887		18,542,618	0.2887	0.2887	53,533		
Warsaw Fire Protection District	General Revenue	108,612,508	0.2853	0.2853		111,460,339	0.2853	0.2853	317,996		
Lakeview Heights Fire Prot Dist	General Revenue	12,990,073	0.2825	0.2825		13,286,988	0.2829	0.2829	37,589		
Osage Valley Fire Protection Dist	General Revenue	10,785,162	0.2870	0.2870		11,048,423	0.2870	0.2870	31,709		
Cole Camp & Rural Fire Prot Dist	General Revenue	28,746,140	0.2980	0.2980		29,903,619	0.2980	0.2980	89,113		
Benton County Health Department	General Revenue	226,282,998	0.3864	0.3864		231,901,307	0.3864	0.3864	896,067		
Lincoln R-II School District	Operating Funds-Schools	38,703,624	2.7500	2.7500	E	39,701,086	2.7500	2.7500	1,091,780	E	
	Debt Service	38,703,624	0.8694	0.5000		39,701,086	0.7743	0.5000	198,505		
Warsaw R-IX School District	Operating Funds-Schools	137,276,186	2.7500	2.7500	E	139,861,828	2.7500	2.7500	3,846,200	E	
	Debt Service	137,276,186	0.8416	0.4500		139,861,828	0.8346	0.4500	629,378		
Cole Camp R-I School District	Operating Funds-Schools	48,765,253	2.7500	2.7500	F	50,763,796	2.7500	2.7500	1,396,004	F	
	Debt Service	48,765,253	0.6214	0.5173		50,763,796	0.5506	0.5173	262,601		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Benton										
Benton County	General Revenue	226,282,998	0.3231	0.1615		231,901,307	0.3231	0.1615	374,521	
	Common Road District	209,172,573	0.2047	0.2047		214,286,555	0.2047	0.2047	438,645	
	Senior Services	226,282,998	0.0500	0.0500		231,901,307	0.0500	0.0500	115,951	
Bollinger										
Village of Glen Allen	General Revenue	653,025	0.4191	0.4191		671,021	0.4194	0.4194	2,814	
City of Marble Hill	General Revenue	12,501,880	0.5073	0.5073		12,832,628	0.5073	0.0000	0	
	Parks & Recreation	12,501,880	0.1268	0.1268		12,832,628	0.1268	0.0000	0	
Village of Sedgwickville	General Revenue	1,022,643	0.4700	0.4700		1,037,921	0.4699	0.4699	4,877	
Village of Zalma	General Revenue	434,765	0.9923	0.9923		406,996	1.0000	1.0000	4,070	
Glen Allen Fire Protection District	General Revenue	13,395,157	0.2996	0.2996		13,881,684	0.2975	0.2975	41,298	
Sedgewickville Fire Protection Dist	General Revenue	15,749,914	0.2092	0.2092		16,407,925	0.2074	0.2074	34,030	
North County Fire Protection Dist	General Revenue	27,517,186	0.2797	0.2797		32,769,613	0.2507	0.2507	82,153	
Zalma Fire Protection District	Fire	13,167,273	0.2775	0.2775		14,450,191	0.2766	0.2766	39,969	
Bollinger County Health Center	General Revenue	110,269,235	0.2404	0.2404		113,915,542	0.2404	0.2404	273,853	
Meadow Heights R-II School District	Operating Funds-Schools	30,460,653	2.7500	2.7500	E	32,209,160	2.7500	2.7500	885,752	E
	Debt Service	30,460,653	0.3932	0.3500		32,209,160	0.5554	0.3500	112,732	
Leopold R-III School District	Operating Funds-Schools	7,590,780	2.9809	2.9500	E	7,786,380	2.9258	2.9258	227,814	E
Zalma R-V School District	Operating Funds-Schools	11,114,380	2.7500	2.7500	F	12,198,150	2.7500	2.7500	335,449	F
Woodland R-IV School District	Operating Funds-Schools	46,742,746	2.7500	2.7500	E	48,281,393	2.7500	2.7500	1,327,738	E
Bollinger County	General Revenue	110,269,235	0.3505	0.2100		113,915,542	0.3505	0.2200	250,614	
	Library	110,269,235	0.2000	0.2000		113,915,542	0.2000	0.2000	227,831	
	Road & Bridge	110,269,235	0.2504	0.2504		113,915,542	0.2504	0.2504	285,245	
	Ambulance	110,269,235	0.2000	0.2000		113,915,542	0.2000	0.2000	227,831	
	Senate Bill 40	110,269,235	0.1000	0.1000		113,915,542	0.1000	0.1000	113,916	
Boone										
Callahan Creek Watershed Sub Dist	General Revenue	17,542,144	0.2487	0.0900		17,788,569	0.0901	0.0900	16,010	
City of Ashland	General Revenue	44,006,834	0.2612	0.2612		46,052,722	0.2612	0.2612	120,290	
	Debt Service	44,006,834	0.0878	0.0590		**	**	**		
City of Centralia	General Revenue	42,810,329	0.6624	0.6624		45,193,947	0.6624	0.6624	299,365	
	Parks & Recreation	42,810,329	0.2966	0.2966		45,193,947	0.2966	0.2966	134,045	
	Debt Service	39,253,077	0.0902	0.0785		**	**	**		
City of Columbia	General Revenue	1,649,860,707	0.4182	0.4100		1,674,753,034	0.4121	0.4100	6,866,487	
City of Hallsville	General Revenue	15,227,874	0.5789	0.5789		15,547,157	0.5789	0.5789	90,002	
	Debt Service	15,227,874	0.6495	0.2900		15,547,157	0.4117	0.2900	45,087	
Town of Harrisburg	General Revenue	2,271,650	0.3345	0.3345		2,227,945	0.3424	0.3424	7,628	
Village of Hartsburg	General Revenue	965,652	0.5141	0.5141		987,669	0.5141	0.5141	5,078	
City of Rocheport	General Revenue	2,613,088	0.2589	0.2589		2,683,876	0.2586	0.2586	6,941	
City of Sturgeon	General Revenue	6,539,288	0.5566	0.5500		6,964,443	0.5414	0.5414	37,705	
Centralia Public Library	General Revenue	39,253,077	0.2997	0.2997		41,451,401	0.2997	0.2997	124,230	
	Debt Service	39,253,077	0.0902	0.0785		41,451,401	0.0923	0.0785	32,539	
Boone County Library	General Revenue	1,568,538,514	0.3041	0.2986		1,595,602,301	0.3001	0.3001	4,788,403	
Columbia Public Library	General Revenue	710,666,992	0.3021	0.2971		725,882,680	0.2971	0.2971	2,156,597	
	Debt Service	710,666,992	0.2514	0.2250		725,882,680	0.2334	0.2250	1,633,236	
Boone County Fire Prot Dist	General Revenue	506,571,005	0.6051	0.6010		518,476,314	0.6010	0.6010	3,116,043	
	Dispatch	506,571,005	0.0289	0.0289		518,476,314	0.0289	0.0289	149,840	
Southern Boone Co Fire Prot Dist	General Revenue	119,794,542	0.2125	0.2125		123,847,112	0.2125	0.2125	263,175	
	Dispatch	119,794,542	0.0280	0.0280		123,847,112	0.0280	0.0280	34,677	
	Debt Service	119,794,542	0.1886	0.1886		123,847,112	0.1162	0.1162	143,910	
Columbia Special Business District	General Revenue	31,890,547	0.4788	0.4788		32,686,954	0.4813	0.0000	0	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Boone										
Southern Boone Co. R-I School Dist	Operating Funds-Schools	101,865,734	3.2660	3.2660	E	105,623,214	3.7268	3.6860	3,893,272	BE
	Debt Service	101,865,734	2.1471	2.1471		105,623,214	2.3262	1.2800	1,351,977	
Boone Co. R-IV School District	Operating Funds-Schools	67,539,515	3.1873	3.1873	E	69,264,404	3.1811	3.1811	2,203,370	E
	Debt Service	67,539,515	1.4524	1.0600		69,264,404	1.4643	1.0600	734,203	
Sturgeon R-V School District	Operating Funds-Schools	35,642,861	3.4624	3.4624	F	32,540,918	3.7230	3.6560	1,189,696	F
	Debt Service	35,642,861	1.3772	1.2700		32,540,918	1.3511	1.2700	413,270	
Centralia R-VI School District	Operating Funds-Schools	82,110,108	3.4695	3.4695	E	87,225,745	3.4695	3.4695	3,026,297	E
	Debt Service	82,110,108	2.6569	0.8900		87,225,745	1.3389	0.8900	776,309	
Harrisburg R-VIII School District	Operating Funds-Schools	32,847,053	3.4194	3.4100	F	33,967,767	3.4033	3.4033	1,156,025	F
	Debt Service	32,847,053	1.2316	1.1500		33,967,767	1.3329	1.1500	390,629	
Columbia 93 School District	Operating Funds-Schools	2,000,059,436	4.3296	4.0473		2,033,388,483	4.3481	4.0793	82,948,016	
	Debt Service	2,000,059,436	1.2896	0.8019		2,033,388,483	1.6765	0.8019	16,305,742	
Boone County	General Revenue	2,318,245,041	0.3122	0.1200		2,363,228,566	0.2407	0.1200	2,835,874	
	Road & Bridge	2,318,245,041	0.2649	0.0475		2,363,228,566	0.2657	0.0475	1,122,534	
	Hospital	2,318,245,041	0.0000	0.0000		2,363,228,566	0.0000	0.0000	0	
	Sheltered Workshop	2,318,245,041	0.1134	0.1127		2,363,228,566	0.1130	0.1130	2,670,448	
Buchanan										
Village of Agency	General Revenue	7,228,497	0.5492	0.5492		6,782,309	0.5492	0.5492	37,248	
Village of DeKalb	General Revenue	1,428,315	0.7957	0.7957		1,396,340	0.8365	0.8365	11,680	
City of Easton	General Revenue	1,195,992	0.4607	0.4607		1,261,681	0.4607	0.4607	5,813	
Village of Lewis & Clark	General Revenue	1,058,100	0.3180	0.3180		1,126,418	0.3116	0.3116	3,510	
	General Revenue-Temp	1,058,100	0.3000	0.3000		1,126,418	0.2940	0.2940	3,312	2011
Village of Rushville	General Revenue	1,293,296	0.4894	0.4894		1,345,231	0.4946	0.4946	6,654	
City of St. Joseph	General Revenue	942,786,239	0.6700	0.6700		978,430,363	0.6700	0.6700	6,555,483	
	Parks & Recreation	942,786,239	0.1957	0.1957		978,430,363	0.1957	0.1957	1,914,788	
	Library	640,579,137	0.4044	0.4044		662,032,677	0.4026	0.4026	2,665,344	
	Museum	942,786,239	0.0490	0.0490		978,430,363	0.0490	0.0490	479,431	
	Special Business District	6,725,370	0.7848	0.7848		**	**	**		2010
	Health	942,786,239	0.2104	0.2104		978,430,363	0.2104	0.2104	2,058,617	
Rolling Hills Consolidated Library	General Revenue	707,415,945	0.3090	0.3090		725,407,551	0.3090	0.3090	2,241,509	
Colony Hills Fire Protection Dist	General Revenue	8,471,679	1.1286	1.1286		8,613,315	1.1286	1.1286	97,210	
Lake Contrary Fire Protection Dist	General Revenue	4,722,788	0.8400	0.8400		4,757,316	0.8400	0.8400	39,961	
	Fire	4,722,788	0.2521	0.2521		4,757,316	0.2521	0.2521	11,993	
Maxwell Heights Fire Prot Dist	General Revenue	19,595,133	1.1700	1.1700		19,869,238	1.1700	1.1700	232,470	
S Central Buchanan Fire Prot Dist	General Revenue	73,469,364	0.2770	0.2770		72,426,060	0.2851	0.2851	206,487	
San Antonio Fire Protection Dist	General Revenue	13,837,990	0.3000	0.3000		14,282,040	0.2992	0.2992	42,732	
DeKalb Fire Protection District	General Revenue	24,281,379	0.2936	0.2936		23,067,579	0.3000	0.3000	69,203	
Easton Fire Protection District	General Revenue	10,014,477	0.2603	0.2603		10,248,601	0.2603	0.2603	26,677	
Southwest Buchanan Co FPD	General Revenue	16,005,559	0.4392	0.4392		16,177,572	0.4392	0.4392	71,052	
East Buchanan Co. C-1 School Dist	Operating Funds-Schools	56,251,013	5.3000	5.3000	E	50,818,030	5.3000	5.3000	2,693,356	E
Mid-Buchanan Co R-V School Dist	Operating Funds-Schools	53,961,345	3.9845	3.9845	E	54,833,060	3.9845	3.9845	2,184,823	E
	Debt Service	53,961,345	0.7221	0.6969		54,833,060	0.6969	0.6969	382,132	
Buchanan County R-IV School Dist	Operating Funds-Schools	18,958,097	4.2556	4.2556	E	19,433,670	4.1903	4.1903	814,329	E
	Debt Service	18,958,097	0.9184	0.7844		19,433,670	0.8486	0.8486	164,914	
St. Joseph School District	Operating Funds-Schools	995,246,690	3.5781	3.1252		1,020,650,309	3.5774	3.1325	31,971,871	
	Operating Funds - Temp	995,246,690	0.6300	0.6300	A	1,020,650,309	0.6300	0.6300	6,430,097	2014
	Debt Service	995,246,690	0.2755	0.2450		1,020,650,309	0.3145	0.3145	3,209,945	
Buchanan County	General Revenue	1,147,169,547	0.3413	0.0845		1,177,742,691	0.3443	0.0985	1,160,077	
	Road & Bridge	1,147,169,547	0.2782	0.2782		1,177,742,691	0.2807	0.2795	3,291,791	
	Senate Bill 40	1,147,169,547	0.0975	0.0975		1,177,742,691	0.0984	0.0980	1,154,188	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Butler											
Naylor-Neelyville Ambulance Dist	General Revenue	41,369,932	0.2990	0.2990		38,521,833	0.3000	0.3000	115,565		
City of Fisk	General Revenue	1,929,430	0.7663	0.7663		2,119,511	0.7573	0.7573	16,051		
City of Neelyville	General Revenue	1,935,414	0.6416	0.6416		1,938,645	0.6566	0.6566	12,729		
City of Poplar Bluff	General Revenue	227,665,387	0.4669	0.4669		225,141,810	0.4753	0.4753	1,070,099		
	Library	227,665,387	0.1374	0.1374		225,141,810	0.1399	0.1399	314,973		
	Pension	227,665,387	0.0914	0.0914		225,141,810	0.0930	0.0930	209,382		
City of Qulin	General Revenue	2,761,998	0.4403	0.4403		2,840,478	0.4557	0.4557	12,944		
Butler County Fire Protection Dist	General Revenue	267,806,729	0.2458	0.2458		274,251,686	0.2521	0.2458	674,111		
Qulin Community Fire Prot Dist	General Revenue	16,091,444	0.1600	0.1600		16,443,212	0.1600	0.1600	26,309		
Butler County Health Department	General Revenue	509,922,580	0.0950	0.0950		516,662,815	0.0963	0.0963	497,546		
Three Rivers Community College	General Revenue	764,681,137	0.2334	0.2334		774,352,301	0.2355	0.2355	1,823,600		
Neelyville R-IV School District	Operating Funds-Schools	30,843,720	2.7891	2.7891	E	31,548,658	2.9976	2.7891	879,924	E	
Poplar Bluff R-I School District	Operating Funds-Schools	379,017,826	2.7500	2.7500	E	383,820,452	2.7500	2.7500	10,555,062	E	
	Debt Service	379,017,826	0.3027	0.1800		383,820,452	0.3053	0.1800	690,877		
Twin Rivers R-X School District	Operating Funds-Schools	54,747,562	2.1614	2.1614	E	56,818,983	2.3042	2.3042	1,309,223	E	
	Operating Funds-Temp	54,747,562	0.8843	0.8843		56,818,983	0.9100	0.9100	517,053		2012
	Debt Service	54,747,562	0.1609	0.1609		56,818,983	0.0342	0.0341	19,375		
Butler County	General Revenue	509,922,580	0.2485	0.0995		516,662,815	0.2470	0.0995	514,080		
	Road & Bridge	509,922,580	0.1822	0.0342		516,662,815	0.1809	0.0342	176,699		
	Senate Bill 40	509,922,580	0.0950	0.0950		516,662,815	0.0963	0.0963	497,546		
	Senior Services	509,922,580	0.0473	0.0473		516,662,815	0.0479	0.0479	247,481		
Caldwell											
Caldwell County Ambulance	General Revenue	130,911,022	0.1477	0.0570		125,730,003	0.1293	0.1293	162,569		
Golden Age Nursing Home District	General Revenue	46,145,616	0.1215	0.1215		41,576,650	0.1169	0.1169	48,603		
City of Braymer	General Revenue	5,428,468	0.7775	0.7775		5,405,592	0.7775	0.7775	42,028		
City of Breckenridge	General Revenue	2,075,556	0.9950	0.9950		2,111,279	0.9907	0.9907	20,916		
	Lights	2,075,556	0.0995	0.0995		2,111,279	0.0991	0.0991	2,092		
	Library	2,075,556	0.0498	0.0498		2,111,279	0.0496	0.0496	1,047		
	Police	2,075,556	0.0995	0.0995		2,111,279	0.0991	0.0991	2,092		
	Fire	2,075,556	0.1493	0.1493		2,111,279	0.1487	0.1487	3,139		
City of Cowgill	General Revenue	999,234	0.8602	0.8602		1,014,528	0.8599	0.8599	8,724		
City of Hamilton	General Revenue	13,019,678	0.9370	0.9370	B	13,052,503	0.9370	0.9370	122,302		
	Parks & Recreation	13,019,678	0.2527	0.2527		13,052,503	0.2527	0.2527	32,984		
	Library	13,019,678	0.3054	0.3054		13,052,503	0.3054	0.3054	39,862		
	Debt Service	13,019,678	0.9646	0.6236		13,052,503	0.6719	0.6719	87,700		
City of Kidder	General Revenue	2,016,711	0.9926	0.9926		2,034,370	1.0000	1.0000	20,344		
	Debt Service	2,016,711	0.3273	0.3273		2,034,370	0.4178	0.4178	8,500		
City of Kingston	General Revenue	1,483,156	0.8218	0.8139		1,495,702	0.8259	0.8259	12,353		
City of Polo	General Revenue	4,185,466	0.7237	0.7237		4,371,788	0.7188	0.7188	31,424		
	Debt Service	4,185,466	0.2840	0.2840		4,371,788	0.2021	0.2021	8,835		
Breckenridge Township, Caldwell Co	General Revenue	6,764,168	0.0953	0.0953		7,209,010	0.0924	0.0924	6,661		
	Road & Bridge	6,764,168	0.4772	0.4772		7,209,010	0.4625	0.4625	33,342		
	Special Road and Bridge	6,764,168	0.3058	0.3058		7,209,010	0.2964	0.2964	21,368		2011
Davis Township of Caldwell Co	General Revenue	20,331,387	0.0717	0.0717		15,254,981	0.0794	0.0794	12,112		
	Road & Bridge	20,331,387	0.3424	0.3424		15,254,981	0.3791	0.3791	57,832		
	Special Road and Bridge	20,331,387	0.1354	0.1354		15,254,981	0.1499	0.1499	22,867		2011
Fairview Township of Caldwell Co	General Revenue	3,002,091	0.0993	0.0993		3,090,226	0.0985	0.0985	3,044		
	Road & Bridge	3,002,091	0.4568	0.4568		3,090,226	0.4529	0.4529	13,996		
	Special Road and Bridge	3,002,091	0.3178	0.3178		3,090,226	0.3151	0.3151	9,737		2012
Gomer Township of Caldwell County	General Revenue	5,521,637	0.0983	0.0983		5,773,665	0.0969	0.0969	5,595		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Caldwell											
Gomer Township of Caldwell County	Road & Bridge	5,521,637	0.4895	0.4895		5,773,665	0.4824	0.4824	27,852		
	Special Road and Bridge	5,521,637	0.3424	0.3424		5,773,665	0.3374	0.3374	19,480		2012
Grant Township of Caldwell County	General Revenue	27,694,385	0.0827	0.0827		22,191,847	0.0909	0.0909	20,172		
	Road & Bridge	27,694,385	0.3376	0.3376		22,191,847	0.3710	0.3710	82,332		
	Special Road and Bridge	27,694,385	0.2061	0.2061		22,191,847	0.2265	0.2265	50,265		2011
Hamilton Township of Caldwell Co	General Revenue	20,509,550	0.0700	0.0700		20,516,552	0.0710	0.0710	14,567		
	Road & Bridge	20,509,550	0.3100	0.3100		20,516,552	0.3144	0.3144	64,504		
Kidder Township of Caldwell Co	General Revenue	11,072,447	0.0915	0.0915		11,286,980	0.0915	0.0915	10,328		
	Road & Bridge	11,072,447	0.3753	0.3753		11,286,980	0.3753	0.3753	42,360		
	Special Road and Bridge	11,072,447	0.3168	0.3168		11,286,980	0.3168	0.3168	35,757		2011
Kingston Township of Caldwell Co	General Revenue	5,774,507	0.1000	0.1000		6,239,576	0.1000	0.1000	6,240		
	Road & Bridge	5,774,507	0.5000	0.5000		6,239,576	0.4999	0.4999	31,192		
	Special Road and Bridge	5,774,507	0.3500	0.3500		6,239,576	0.3499	0.3499	21,832		2011
Lincoln Township of Caldwell Co	General Revenue	15,897,415	0.0723	0.0723		10,908,605	0.0824	0.0824	8,989		
	Road & Bridge	15,897,415	0.3182	0.3182		10,908,605	0.3626	0.3626	39,555		
	Special Road and Bridge	15,897,415	0.2387	0.2387		10,908,605	0.2720	0.2720	29,671		2011
Mirabile Township of Caldwell Co	General Revenue	5,059,858	0.1000	0.1000		5,158,605	0.1000	0.1000	5,159		
	Road & Bridge	5,059,858	0.4604	0.4604		5,158,605	0.4820	0.4820	24,864		
	Special Road and Bridge	5,059,858	0.3286	0.3286		5,158,605	0.3286	0.3286	16,951		2012
New York Township of Caldwell Co	General Revenue	4,855,835	0.0852	0.0852		5,176,501	0.0828	0.0828	4,286		
	Road & Bridge	4,855,835	0.4072	0.4072		5,176,501	0.3957	0.3957	20,483		
	Special Road and Bridge	4,855,835	0.2892	0.2892		5,176,501	0.2811	0.2811	14,551		2011
Rockford Township of Caldwell Co	General Revenue	17,906,541	0.0726	0.0726		12,882,227	0.0820	0.0820	10,563		
	Road & Bridge	17,906,541	0.3224	0.3224		12,882,227	0.3643	0.3643	46,930		
	Special Road and Bridge	17,906,541	0.2660	0.2660		12,882,227	0.2660	0.2660	34,267		2012
Hamilton Rural Fire Protection Dist	General Revenue	31,823,062	0.1811	0.1811		32,252,055	0.1811	0.1811	58,408		
Caldwell County Health Department	General Revenue	130,911,022	0.2496	0.2496		125,730,003	0.2380	0.2380	299,237		
Breckenridge R-I School District	Operating Funds-Schools	6,198,309	4.5969	4.5000	E	6,173,936	4.8183	4.5000	277,827	E	
Hamilton R-II School District	Operating Funds-Schools	33,345,768	3.0199	3.0199	E	33,550,291	2.9473	2.9473	988,828	E	
	Operating Funds-Temp	33,345,768	1.7639	1.7639		33,550,291	1.7639	1.7639	591,794		2026
New York R-IV School District	Operating Funds-Schools	3,522,260	5.4425	4.5900		3,543,000	5.1402	4.5900	162,624		
Cowgill R-VI School District	Operating Funds-Schools	7,397,959	4.2082	4.2082	E	3,622,960	4.2016	4.2016	152,222	E	
Polo R-VII School District	Operating Funds-Schools	25,326,558	3.9519	3.9519	E	21,812,749	3.9482	3.9482	861,211	E	
	Debt Service	25,326,558	0.6883	0.6644		21,812,749	0.6589	0.6589	143,724		
Mirabile C-1 School District	Operating Funds-Schools	7,730,803	3.9791	3.9791	E	4,277,290	3.9849	3.9849	170,446	E	
	Debt Service	7,730,803	0.2185	0.2185		4,277,290	0.3950	0.3950	16,895		
Braymer C-4 School District	Operating Funds-Schools	23,175,327	2.7500	2.7500	E	16,150,496	2.7500	2.7500	444,139	E	
	Debt Service	23,175,327	0.3397	0.3397		16,150,496	0.4192	0.4192	67,703		
Kingston 42 School District	Operating Funds-Schools	3,618,110	4.7361	4.7361	E	3,847,070	4.7500	4.7500	182,736	E	
Caldwell County	General Revenue	130,911,022	0.3064	0.2300		125,730,003	0.2323	0.2323	292,071		
Callaway											
Callaway County Ambulance District	General Revenue	703,663,173	0.1172	0.0000		718,441,625	0.1150	0.0000	0		
City of Auxvasse	General Revenue	8,316,896	0.7113	0.7113		8,305,888	0.7160	0.7160	59,470		
City of Fulton	General Revenue	99,120,860	0.5110	0.4683		99,626,686	0.4705	0.4705	468,744		
Village of Kingdom City	General Revenue	8,986,850	0.2113	0.2113		8,942,035	0.2132	0.2132	19,064		
City of Mokane	General Revenue	958,385	0.8434	0.8434		946,747	0.8540	0.8540	8,085		
City of New Bloomfield	General Revenue	5,553,545	0.3099	0.3099		5,553,387	0.3126	0.3126	17,360		
	Debt Service	5,553,545	0.4458	0.4000		5,553,387	0.3108	0.3108	17,260		
Town of Lake Mykee	General Revenue	3,991,603	0.5013	0.5013		4,083,337	0.5013	0.5013	20,470		
Callaway County Library	General Revenue	703,663,173	0.1954	0.1954		718,441,625	0.1958	0.1958	1,406,709		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Callaway										
Millersburg Fire Protection Dist	General Revenue	30,153,140	0.4558	0.4558		30,160,779	0.4623	0.4623	139,433	
Central Callaway Fire Prot Dist	General Revenue	59,136,232	0.4322	0.4322		60,324,691	0.4362	0.4362	263,136	
Holts Summit Fire Protection Dist	General Revenue	98,574,596	0.2503	0.2503		100,613,643	0.2503	0.2503	251,836	
	Debt Service	98,574,596	0.2515	0.2515		100,613,643	0.3000	0.3000	301,841	
South Callaway Fire Protection Dist	General Revenue	282,081,429	0.2001	0.2001		293,944,408	0.2003	0.2003	588,771	
North Callaway Fire Protection Dist	General Revenue	74,404,271	0.2830	0.2830		75,321,071	0.2844	0.2844	214,213	
New Bloomfield Fire Protection Dist	General Revenue	34,319,925	0.2704	0.2704		34,726,333	0.2718	0.2718	94,386	
North Callaway Co R-I School Dist	Operating Funds-Schools	81,294,669	3.0901	3.0901	E	83,136,033	3.1282	3.1282	2,600,661	E
	Debt Service	81,294,669	0.8917	0.6622		83,136,033	0.8296	0.6622	550,527	
New Bloomfield R-III School Dist	Operating Funds-Schools	39,627,722	3.0860	2.9347	E	42,057,009	3.0176	2.9347	1,234,247	E
	Debt Service	39,627,722	1.6520	1.1452		42,057,009	1.8778	1.3452	565,751	
Fulton 58 School District	Operating Funds-Schools	163,427,419	3.4466	3.4466	E	163,642,289	3.4578	3.4578	5,658,423	E
	Debt Service	163,427,419	0.9709	0.7314		163,642,289	1.0038	0.7314	1,196,880	
South Callaway Co R-II School Dist	Operating Funds-Schools	281,992,654	2.7500	2.7500		294,367,258	2.7500	2.7500	8,095,100	
Callaway County	General Revenue	703,663,173	0.3125	0.3125		718,441,625	0.3131	0.3131	2,249,441	
	Road & Bridge	703,663,173	0.2461	0.2461		718,441,625	0.2466	0.2466	1,771,677	
	Senate Bill 40	703,663,173	0.0977	0.0977		718,441,625	0.0979	0.0979	703,354	
Camden										
CAM-MO Ambulance District	General Revenue	594,512,319	0.1052	0.0550		595,750,389	0.1020	0.0577	343,748	
Camden County Ambulance District	General Revenue	537,624,141	0.2824	0.2796		540,493,504	0.2798	0.2796	1,511,220	
Horseshoe Bend Sp Rd 1 Camden Co	General Revenue	302,429,924	0.3493	0.3493		304,163,205	0.3493	0.3493	1,062,442	2012
Village of Climax Springs	General Revenue	386,160	0.5695	0.5695		389,986	0.5950	0.5950	2,320	
City of Linn Creek	General Revenue	4,586,831	0.1873	0.1873		4,743,676	0.1865	0.1865	8,847	
City of Macks Creek	General Revenue	1,357,583	0.2364	0.2364		1,300,828	0.2479	0.2300	2,992	
City of Stoutland	General Revenue	915,908	0.6971	0.6971		918,941	0.6971	0.6971	6,406	
Village of Sunrise Beach	General Revenue	13,917,105	0.0000	0.0000		14,370,408	0.0000	0.0000	0	
Camden County Library	General Revenue	1,541,929,924	0.0913	0.0913		1,549,245,593	0.0914	0.0914	1,416,010	
Osage Beach Fire Protection Dist	General Revenue	459,467,963	0.5934	0.5934		462,365,662	0.5934	0.5934	2,743,678	
Sunrise Beach Fire Protection Dist	General Revenue	311,590,957	0.3486	0.3486		313,755,300	0.3486	0.3486	1,093,751	
	Debt Service	311,590,957	0.2472	0.2371		313,755,300	0.2295	0.2295	720,068	
Mid County Fire Protection District	General Revenue	277,084,593	0.2649	0.2649		278,923,391	0.2656	0.2656	740,821	
	Debt Service	277,084,593	0.1600	0.1600		278,923,391	0.3391	0.2500	697,308	
Northwest Fire Protection District	General Revenue	59,003,796	0.2582	0.2582		59,993,524	0.2594	0.2594	155,623	
Southwest Camden Co Fire Prot Dist	General Revenue	23,943,990	0.3000	0.3000		23,608,765	0.3000	0.3000	70,826	
Tri-County Fire Protection District	General Revenue	16,208,415	0.3000	0.3000		16,509,989	0.3000	0.3000	49,530	
Camelot Sewer District	Debt Service	20,578,414	0.2400	0.2400		20,769,691	0.2405	0.2405	49,951	
Camden Co. R-II School District	Operating Funds-Schools	22,367,523	3.4158	2.7500	F	22,503,254	3.4146	2.7500	618,839	F
Camdenton R-III School District	Operating Funds-Schools	1,059,663,046	2.7000	2.7000	E	1,063,946,309	2.6600	2.6600	28,300,972	E
	Debt Service	1,059,663,046	0.2875	0.1700		1,063,946,309	0.2993	0.2100	2,234,287	
Climax Springs R-IV School District	Operating Funds-Schools	84,102,797	2.7500	2.7500		86,056,748	2.7500	2.7500	2,366,561	
Macks Creek R-V School District	Operating Funds-Schools	29,527,019	3.2940	3.2940	E	29,428,553	3.3905	3.3905	997,775	E
	Debt Service	29,527,019	0.5433	0.4695		29,428,553	0.5256	0.4695	138,167	
Camden County	General Revenue	1,541,929,924	0.2010	0.1100		1,549,245,593	0.2013	0.1100	1,704,170	
	Road & Bridge	1,541,929,924	0.1371	0.1100		1,549,245,593	0.1373	0.1100	1,704,170	
	Senate Bill 40	1,541,929,924	0.0547	0.0547		1,549,245,593	0.0548	0.0548	848,987	
	Senior Services	1,541,929,924	0.0436	0.0436		1,549,245,593	0.0437	0.0437	677,020	
Cape Girardeau										
Cape Special Road District	Road & Bridge	661,672,213	0.0000	0.0000		669,372,632	0.0000	0.0000	0	
City of Cape Girardeau	General Revenue	542,093,048	0.3018	0.3018		546,649,379	0.3018	0.3018	1,649,788	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Cape Girardeau											
City of Cape Girardeau	Health	542,093,048	0.0565	0.0565		546,649,379	0.0565	0.0565	308,857		
City of Delta	General Revenue	2,769,138	0.6469	0.6469		2,727,867	0.6567	0.6567	17,914		
Village of Gordonville	General Revenue	4,828,569	0.4443	0.4443		5,082,277	0.4443	0.4443	22,581		
City of Jackson	General Revenue	185,455,058	0.5842	0.5842		187,729,926	0.5842	0.5842	1,096,718		
	Parks & Recreation	185,455,058	0.1226	0.1226		187,729,926	0.1226	0.1226	230,157		
	Library	185,455,058	0.1226	0.1226		187,729,926	0.1226	0.1226	230,157		
	Band	185,455,058	0.0754	0.0754		187,729,926	0.0754	0.0754	141,548		
	Cemetery	185,455,058	0.0754	0.0754		187,729,926	0.0754	0.0754	141,548		
Village of Oak Ridge	General Revenue	1,338,528	0.3341	0.3341		1,394,276	0.3341	0.3341	4,658		
Village of Pocahontas	General Revenue	614,257	0.5410	0.5289		630,884	0.5290	0.5290	3,337		
Village of Whitewater	General Revenue	517,538	0.7219	0.7219		525,647	0.7239	0.7239	3,805		
Village of Old Appleton	General Revenue	692,054	0.3680	0.3680		671,359	0.3794	0.3794	2,547		
Town of Allenville	General Revenue	296,480	0.4253	0.4253		284,907	0.4426	0.4426	1,261		
Town of Dutchtown	General Revenue	582,348	0.3200	0.3200		576,302	0.3200	0.3200	1,844		
Cape Girardeau Public Library	General Revenue	473,333,518	0.1615	0.1615		477,277,370	0.1615	0.1615	770,803		
	General Revenue-Temp	473,333,518	0.1497	0.1497		477,277,370	0.1497	0.1497	714,484		2026
Cape Girardeau County Library	General Revenue	541,391,006	0.0795	0.0795		552,617,334	0.0795	0.0795	439,331		
East County Area Fire Prot District	General Revenue	84,670,453	0.2955	0.2955		87,577,194	0.2955	0.2955	258,791		
Delta Fire Protection District	General Revenue	13,791,222	0.2987	0.2987		14,250,542	0.2974	0.2974	42,381		
Fruitland Area Fire Protection Dist	General Revenue	82,442,052	0.2712	0.2700		84,199,801	0.2700	0.2700	227,339		
North Cape Co Rural Fire Prot Dist	General Revenue	25,946,170	0.2506	0.2500		26,058,469	0.2517	0.2500	65,146		
Gordonville Fire Protection Dist	General Revenue	71,472,754	0.2717	0.2717		73,770,931	0.2717	0.2717	200,436		
Millersville Fire Protection Dist	General Revenue	42,509,752	0.2856	0.2856		43,210,052	0.2862	0.2862	123,667		
Whitewater Fire Protection Dist	General Revenue	12,098,285	0.3890	0.3890		12,305,704	0.3890	0.3890	47,869		
Cape Girardeau Spec Business Dist	General Revenue	3,727,170	0.6708	0.6708		3,727,170	0.6708	0.6708	25,002		
Cape Girardeau County Public Health	General Revenue	1,089,415,239	0.0957	0.0957		1,104,498,097	0.0957	0.0957	1,057,005		
Jackson R-II School District	Operating Funds-Schools	385,872,698	3.4701	3.4701	E	394,430,521	3.4604	3.4604	13,648,874	E	
	Debt Service	385,872,698	0.6174	0.3299		394,430,521	0.3753	0.3396	1,339,486		
Delta R-V School District	Operating Funds-Schools	19,804,973	3.5000	3.5000	E	20,248,780	3.4995	3.4995	708,606	E	
	Debt Service	19,804,973	2.0343	0.6900		20,248,780	1.7872	0.6900	139,717		
Oak Ridge R-VI School District	Operating Funds-Schools	22,266,380	3.4416	2.9200	E	22,634,450	2.9148	2.9148	659,749	E	
	Debt Service	22,266,380	0.8034	0.7300		22,634,450	0.7505	0.7352	166,408		
Cape Girardeau 63 School District	Operating Funds-Schools	561,628,626	3.4802	3.4802	E	564,637,969	3.4757	3.4757	19,625,122	E	
	Debt Service	561,628,626	0.7147	0.6765		564,637,969	1.2920	0.6810	3,845,185		
Nell Holcomb R-IV School District	Operating Funds-Schools	49,900,350	3.5886	3.2760		51,741,621	3.5916	3.3292	1,722,582		
Cape Girardeau County	General Revenue	1,089,415,239	0.0000	0.0000		1,104,498,097	0.0000	0.0000	0		
	Road & Bridge	427,462,532	0.0000	0.0000		435,023,539	0.0000	0.0000	0		
	Mental Health	1,089,415,239	0.0770	0.0770		1,104,498,097	0.0770	0.0770	850,464		
	Senate Bill 40	1,089,415,239	0.0770	0.0770		1,104,498,097	0.0770	0.0385	425,232		
	Senior Services	1,089,415,239	0.0478	0.0478		1,104,498,097	0.0478	0.0478	527,950		
Carroll											
Carroll County Ambulance District	General Revenue	180,139,396	0.2752	0.2752		180,692,924	0.2757	0.2757	498,170		
Big Creek Watershed Sub Dist	General Revenue	16,454,488	0.3024	0.2000		16,507,244	0.2010	0.2000	33,014		
City of Bogard	General Revenue	956,581	0.9550	0.9550		974,277	0.9578	0.9578	9,332		
City of Bosworth	General Revenue	1,503,019	0.9343	0.9343		1,520,393	0.9343	0.9343	14,205		
Town of Carrollton	General Revenue	30,614,813	0.7208	0.7208		30,639,033	0.7242	0.7242	221,888		
	Parks & Recreation	30,614,813	0.2729	0.2729		30,639,033	0.2742	0.2742	84,012		
	Library	30,614,813	0.2840	0.2840		30,639,033	0.2853	0.2853	87,413		
City of De Witt	General Revenue	507,483	0.9227	0.9227		499,806	0.9412	0.9412	4,704		
City of Hale	General Revenue	2,414,249	0.3601	0.3601		2,435,220	0.3610	0.3610	8,791		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Carroll										
City of Hale	Lights	2,414,249	0.2836	0.2836		2,435,220	0.2843	0.2843	6,923	
	Streets	2,414,249	0.1636	0.1636		2,435,220	0.1640	0.1640	3,994	
City of Norborne	General Revenue	5,920,455	0.7499	0.7499		5,922,329	0.7514	0.7514	44,500	
	Parks & Recreation	5,920,455	0.1822	0.1822		5,922,329	0.1826	0.1826	10,814	
	Library	5,920,455	0.1392	0.1392		5,922,329	0.1395	0.1395	8,262	
Village of Tina	General Revenue	893,137	0.9798	0.9798		878,598	1.0000	1.0000	8,786	
Carrollton Township of Carroll Co	General Revenue	42,669,658	0.0967	0.0967		44,797,686	0.0942	0.0942	42,199	
	Road & Bridge	42,669,658	0.4083	0.4083		44,797,686	0.3977	0.3977	178,160	
Cherry Valley Twsp of Carroll Co	General Revenue	1,188,378	0.1000	0.1000		1,226,930	0.1000	0.1000	1,227	
	Road & Bridge	1,188,378	0.5000	0.5000		1,226,930	0.5000	0.5000	6,135	
	Special Road and Bridge	1,188,378	0.0035	0.0000		**	**	**		2010
	Special Road & Bridge	1,188,378	0.3489	0.3489		1,226,930	0.3489	0.3489	4,281	2012
De Witt Township of Carroll Co	General Revenue	8,068,420	0.0998	0.0998		9,574,196	0.0863	0.0863	8,263	
	Road & Bridge	8,068,420	0.4537	0.4537		9,574,196	0.3922	0.3922	37,550	
	Special Road and Bridge	8,068,420	0.3492	0.3492	A	9,574,196	0.3019	0.3019	28,904	2013
Egypt Township of Carroll Co	General Revenue	11,982,555	0.0920	0.0920		12,180,178	0.0920	0.0920	11,206	
	Road & Bridge	11,982,555	0.3375	0.3375		12,180,178	0.3375	0.3375	41,108	
Eugene Township of Carroll Co	General Revenue	7,863,991	0.0998	0.0998		7,865,716	0.0999	0.0999	7,858	
	Road & Bridge	7,863,991	0.4991	0.4991		7,865,716	0.4994	0.4994	39,281	
	Special Road and Bridge	7,863,991	0.0035	0.0000		**	**	**		2010
	Special Road & Bridge	7,863,991	0.3494	0.3494		7,865,716	0.3496	0.3496	27,499	2012
Fairfield Township of Carroll Co	General Revenue	2,982,727	0.0827	0.0827		3,090,128	0.0827	0.0827	2,556	
	Road & Bridge	2,982,727	0.4037	0.4037		3,090,128	0.4037	0.4037	12,475	
	Special Road and Bridge	2,982,727	0.3459	0.3459		**	**	**		2010
	Special Road and Bridge	**	**	**		3,090,128	0.3514	0.3514	10,859	A 2013
Hill Township of Carroll Co	General Revenue	9,369,117	0.0630	0.0630		8,886,958	0.0681	0.0681	6,052	
	Road & Bridge	9,369,117	0.3151	0.3151		8,886,958	0.3407	0.3407	30,278	
	Special Road and Bridge	9,369,117	0.0024	0.0000		**	**	**		2010
	Special Road & Bridge	9,369,117	0.3305	0.3305		8,886,958	0.3500	0.3500	31,104	2012
Hurricane Township of Carroll Co	General Revenue	8,250,507	0.0900	0.0900		8,345,458	0.0900	0.0900	7,511	
	Road & Bridge	8,250,507	0.4001	0.4001		8,345,458	0.4001	0.4001	33,390	
	Special Road and Bridge	8,250,507	0.0035	0.0000		**	**	**		2010
	Special Road & Bridge	8,250,507	0.3462	0.3462		8,345,458	0.3462	0.3462	28,892	2012
Leslie Township of Carroll Co	General Revenue	6,815,748	0.0791	0.0791		7,022,669	0.0781	0.0781	5,485	
	Road & Bridge	6,815,748	0.3782	0.3782		7,022,669	0.3736	0.3736	26,237	
	Special Road and Bridge	6,815,748	0.3365	0.3365		7,022,669	0.3324	0.3324	23,343	2012
Moss Creek Township of Carroll Co	General Revenue	6,861,303	0.0982	0.0982		7,261,037	0.0942	0.0942	6,840	
	Road & Bridge	6,861,303	0.4909	0.4909		7,261,037	0.4711	0.4711	34,207	
	Special Road and Bridge	6,861,303	0.2946	0.2946	A	7,261,037	0.2827	0.2827	20,527	2013
Prairie Township of Carroll Co	General Revenue	4,325,678	0.0835	0.0835		4,670,326	0.0793	0.0793	3,704	
	Road & Bridge	4,325,678	0.3967	0.3967		4,670,326	0.3766	0.3766	17,588	
	Special Road and Bridge	4,325,678	0.0035	0.0000		**	**	**		2010
	Special Road & Bridge	4,325,678	0.3451	0.3451		4,670,326	0.3276	0.3276	15,300	2012
Ridge Township of Carroll Co	General Revenue	12,801,236	0.0693	0.0693		11,713,270	0.0759	0.0759	8,890	
	Road & Bridge	12,801,236	0.3291	0.3291		11,713,270	0.3607	0.3607	42,250	
	Special Road and Bridge	12,801,236	0.0025	0.0000		**	**	**		2010
	Special Road & Bridge	12,801,236	0.3453	0.3453		11,713,270	0.3500	0.3500	40,996	2012
Rockford Township of Carroll Co	General Revenue	4,554,246	0.0719	0.0719		4,570,053	0.0726	0.0726	3,318	
	Road & Bridge	4,554,246	0.3033	0.3033		4,570,053	0.3062	0.3062	13,994	
	Special Road and Bridge	4,554,246	0.3386	0.3386		4,570,053	0.3419	0.3419	15,625	2012
Stokes Mound Township of Carroll Co	General Revenue	4,817,850	0.1000	0.1000		5,080,251	0.0975	0.0975	4,953	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Carroll											
Stokes Mound Township of Carroll Co	Road & Bridge	4,817,850	0.4996	0.4996		5,080,251	0.4872	0.4872	24,751		
	Special Road and Bridge	4,817,850	0.3500	0.3500		5,080,251	0.3413	0.3413	17,339		2012
Sugartree Township of Carroll Co	General Revenue	1,631,475	0.0977	0.0977		1,873,558	0.0864	0.0864	1,619		
	Road & Bridge	1,631,475	0.4884	0.4884		1,873,558	0.4317	0.4317	8,088		
	Special Road and Bridge	1,631,475	0.0034	0.0000		**	**	**			2010
	Special Road & Bridge	1,631,475	0.3419	0.3419		1,873,558	0.3022	0.3022	5,662		2012
Trotter Township of Carroll Co	General Revenue	4,392,334	0.0975	0.0975		4,808,762	0.0917	0.0917	4,410		
	Road & Bridge	4,392,334	0.4884	0.4884		4,808,762	0.4594	0.4594	22,091		
	Special Road and Bridge	4,392,334	0.3500	0.3500	A	4,808,762	0.3292	0.3292	15,830		2013
Van Horn Township of Carroll Co	General Revenue	18,249,245	0.0735	0.0735		13,326,970	0.1000	0.1000	13,327		
	Road & Bridge	18,249,245	0.3520	0.3520		13,326,970	0.4861	0.4861	64,782		
	Special Road and Bridge	18,249,245	0.3500	0.3500		13,326,970	0.3500	0.3500	46,644		2012
Wakenda Township of Carroll Co	General Revenue	7,324,945	0.0994	0.0994		8,135,576	0.0914	0.0914	7,436		
	Road & Bridge	7,324,945	0.4972	0.4972		8,135,576	0.4572	0.4572	37,196		
	Special Road and Bridge	7,324,945	0.3480	0.3480	A	8,135,576	0.3200	0.3200	26,034		2013
Washington Township of Carroll Co	General Revenue	10,030,975	0.0484	0.0484		8,405,516	0.0583	0.0583	4,900		
	Road & Bridge	10,030,975	0.2260	0.2260		8,405,516	0.2721	0.2721	22,871		
	Special Road and Bridge	10,030,975	0.3448	0.3448		8,405,516	0.3464	0.3464	29,117		2012
Combs Township of Carroll Co	General Revenue	5,949,676	0.0963	0.0963		7,848,182	0.0749	0.0749	5,878		
	Road & Bridge	5,949,676	0.4812	0.4812		7,848,182	0.3742	0.3742	29,368		
	Special Road and Bridge	5,949,676	0.3369	0.3369		7,848,182	0.2620	0.2620	20,562		2012
North Central Carroll Fire Prot Dis	General Revenue	35,652,725	0.2061	0.2061		30,340,071	0.2448	0.2448	74,272		
Carroll County Fire Protection Dist	General Revenue	58,076,821	0.2721	0.2721		63,849,473	0.2532	0.2532	161,667		
Norborne Fire Protection District	General Revenue	18,441,496	0.2983	0.2983		18,836,016	0.2971	0.2971	55,962		
Hale Fire Protection District	General Revenue	14,565,487	0.2939	0.2939		14,831,833	0.2939	0.2939	43,591		
Carroll County Health Department	General Revenue	180,139,396	0.0963	0.0963		180,692,924	0.0965	0.0965	174,369		
Hale R-I School District	Operating Funds-Schools	7,845,618	4.7698	4.7698	E	7,791,172	4.6171	4.6171	359,726	E	
Tina-Avalon R-II School District	Operating Funds-Schools	16,623,708	3.6961	3.6961	E	9,281,950	3.7972	3.7972	352,454	E	
Bosworth R-V School District	Operating Funds-Schools	11,758,148	4.0471	4.0471	E	7,396,616	4.0522	4.0522	299,726	E	
Carrollton R-VII School District	Operating Funds-Schools	62,690,902	3.5809	3.5809	E	58,864,567	3.5310	3.5310	2,078,508	E	
	Operating Funds-Temp	62,690,902	1.3407	1.3407		58,864,567	1.3407	1.3407	789,197		2026
Norborne R-VIII School District	Operating Funds-Schools	13,429,780	4.0725	4.0725	E	13,657,372	3.8000	3.8000	518,980	E	
	Debt Service	13,429,780	0.7729	0.5300		13,657,372	0.8353	0.5300	72,384		
Carroll County	General Revenue	180,139,396	0.3533	0.2497		180,692,924	0.3539	0.2616	472,693		
	Johnson Grass	180,139,396	0.0102	0.0100		180,692,924	0.0100	0.0100	18,069		
	Senate Bill 40	180,139,396	0.0963	0.0963		180,692,924	0.0965	0.0965	174,369		
Carter											
East Carter County Ambulance Dist	General Revenue	22,847,503	0.3983	0.3983		23,105,198	0.4000	0.4000	92,421		
West Carter County Ambulance Dist	General Revenue	27,082,253	0.3927	0.3927		27,874,407	0.3967	0.3967	110,578		
City of Grandin	General Revenue	836,597	0.8673	0.8673		809,388	0.9109	0.9109	7,373		
	Debt Service	836,597	0.0000	0.0000		809,388	0.0000	0.0000	0		
Carter County Library	General Revenue	49,929,760	0.1999	0.1999		50,980,295	0.2000	0.2000	101,961		
Ellsinore Rural Fire Prot Dist	General Revenue	12,903,213	0.1500	0.1500		13,065,848	0.1500	0.1500	19,599		
Eastwood Fire Protection District	General Revenue	2,043,585	0.2420	0.2420		2,048,373	0.2451	0.2451	5,021		
Fremont Fire Protection District	General Revenue	2,089,526	0.3500	0.3500		2,375,626	0.3177	0.3177	7,547		
Ellsinore Hwy 60 CID	General Revenue	**	**	**		9,890	1.0000	1.0000	99	A	2040
Carter County Health Center	General Revenue	49,929,760	0.2500	0.2500		50,980,295	0.2500	0.2500	127,451		
East Carter Co R-II School District	Operating Funds-Schools	28,449,942	2.7500	2.7500	E	29,147,192	2.7500	2.7500	801,548	E	
Van Buren R-I School District	Operating Funds-Schools	27,787,901	2.7500	2.7500	F	28,702,537	1.8838	1.8838	540,698	E	
	Operating Funds-Temp	**	**	**		28,702,537	1.5783	1.5462	443,799	A	2015

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied	2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Carter									
Carter County	General Revenue	49,929,760	0.3242	0.1063	50,980,295	0.3262	0.0854	43,537	
	Road & Bridge	49,929,760	0.2356	0.2356	50,980,295	0.2371	0.2371	120,874	
	Senate Bill 40	49,929,760	0.0837	0.0837	50,980,295	0.0842	0.0842	42,925	
	Senior Services	49,929,760	0.0300	0.0300	50,980,295	0.0300	0.0300	15,294	
Cass									
Cass Medical Center	General Revenue	1,316,356,571	0.1357	0.1351	1,319,788,821	0.1357	0.1357	1,790,953	
Mt Pleasant Spec Rd Dist Cass Co	Road & Bridge	248,815,335	0.2000	0.2000	246,011,209	0.2000	0.2000	492,022	
City of Archie	General Revenue	10,374,536	0.6270	0.6270	10,141,731	0.6481	0.6481	65,729	
City of Belton	General Revenue	226,570,590	0.5342	0.5342	222,720,145	0.5451	0.5451	1,214,048	
	Parks & Recreation	226,570,590	0.2376	0.2376	222,720,145	0.2425	0.2425	540,096	
	Debt Service	226,570,590	1.0504	0.8000	222,720,145	1.6543	1.0143	2,259,050	
City of Cleveland	General Revenue	8,287,282	0.4871	0.4871	8,400,027	0.4871	0.4871	40,917	
City of Creighton	General Revenue	2,142,069	0.8626	0.8626	1,998,688	0.9245	0.9006	18,000	
City of Drexel	General Revenue	8,863,447	0.6606	0.6606	8,964,891	0.6606	0.6606	59,222	
City of East Lynne	General Revenue	2,820,716	0.8278	0.8278	2,992,776	0.8320	0.8320	24,900	
	Debt Service	2,820,716	1.1488	1.1488	2,992,776	0.3972	0.3972	11,887	
City of Freeman	General Revenue	4,139,901	0.5651	0.5651	4,063,451	0.5760	0.5760	23,405	
City of Garden City	General Revenue	13,584,393	0.4144	0.4144	13,345,615	0.4251	0.4144	55,304	
City of Harrisonville	General Revenue	119,263,700	0.5440	0.5422	117,971,118	0.5501	0.5501	648,959	
	Parks & Recreation	119,263,700	0.1231	0.1227	117,971,118	0.1245	0.1245	146,874	
City of Lake Winnebago	General Revenue	32,196,142	0.9403	0.9403	32,335,387	0.9412	0.9412	304,341	
	Debt Service	32,196,142	0.5319	0.5319	32,335,387	0.5644	0.5644	182,501	
City of Peculiar	General Revenue	53,260,002	0.4447	0.4447	53,961,945	0.4447	0.4447	239,969	
	Debt Service	53,260,002	0.4138	0.2500	53,961,945	0.2426	0.2426	130,912	
City of Pleasant Hill	General Revenue	94,179,676	0.3510	0.3510	93,350,094	0.3563	0.3563	332,606	
	Parks & Recreation	94,179,676	0.0702	0.0702	93,350,094	0.0713	0.0707	65,999	
	Health	94,179,676	0.0702	0.0702	93,350,094	0.0713	0.0707	65,999	
	Road	94,179,676	0.1316	0.1316	93,350,094	0.1336	0.1327	123,876	
	Debt Service	94,179,676	1.4748	0.1212	93,350,094	1.4910	0.1234	115,194	
City of Raymore	General Revenue	260,574,141	0.4714	0.4647	261,447,248	0.4685	0.4647	1,214,945	
	Parks & Recreation	260,574,141	0.1269	0.1251	261,447,248	0.1261	0.1251	327,071	
	Debt Service	260,574,141	1.3609	0.7170	261,447,248	1.4777	0.7170	1,874,577	
City of Strasburg	General Revenue	994,846	0.9866	0.9866	998,691	0.9866	0.9866	9,853	
Village of West Line	General Revenue	916,753	0.6390	0.6390	1,020,023	0.6081	0.6081	6,203	
Village of Baldwin Park	General Revenue	455,264	0.4375	0.4375	402,061	0.4954	0.4954	1,992	
City of Lake Annette	General Revenue	591,100	0.2000	0.2000	579,376	0.2000	0.2000	1,159	
	Debt Service	591,100	1.9863	1.9863	579,376	1.9749	1.9749	11,442	
Village of Riverview Estates	General Revenue	1,107,070	0.5000	0.5000	1,110,401	0.5000	0.5000	5,552	
Cass County Public Library	General Revenue	1,316,356,571	0.1500	0.1500	1,319,788,821	0.1500	0.1500	1,979,683	
Central Cass County Fire Prot Dist	General Revenue	104,268,212	0.2560	0.2560	105,892,875	0.2560	0.2560	271,086	
	Ambulance	104,268,212	0.2503	0.2503	105,892,875	0.2503	0.2503	265,050	
	Debt Service	104,268,212	0.2662	0.1500	105,892,875	0.2345	0.1500	158,839	
Garden City Fire District	General Revenue	37,319,984	0.2200	0.2200	37,215,915	0.2200	0.2200	81,875	
	Ambulance	37,319,984	0.3000	0.3000	37,215,915	0.3000	0.3000	111,648	
South Metropolitan Fire Prot Dist	General Revenue	343,982,619	0.5517	0.4762	343,446,236	0.5579	0.4808	1,651,290	
	Ambulance	343,982,619	0.4321	0.3729	343,446,236	0.4370	0.3766	1,293,419	
	Dispatch	343,982,619	0.0460	0.0397	343,446,236	0.0465	0.0401	137,722	
	Debt Service	343,982,619	0.1829	0.1525	343,446,236	0.1788	0.1788	614,082	
West Peculiar Fire Protection Dist	General Revenue	103,787,765	0.7253	0.7253	103,401,632	0.7312	0.7312	756,073	
	Ambulance	103,787,765	0.2962	0.2962	103,401,632	0.2986	0.2966	306,689	

APPENDIX VII
2011 PROPERTY TAX RATES
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Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Cass											
West Peculiar Fire Protection Dist	Dispatch	103,787,765	0.0500	0.0500		103,401,632	0.0500	0.0500	51,701		
	Debt Service	103,787,765	0.1755	0.1755		103,401,632	0.4073	0.2400	248,164		
Creighton Fire Protection Dist	General Revenue	8,754,274	0.2606	0.2606		8,917,595	0.2606	0.2606	23,239		
Western Cass Fire Protection Dist	General Revenue	34,940,851	0.4207	0.4082		37,527,656	0.3880	0.3880	145,607		
	Dispatch	34,940,851	0.0496	0.0481		37,527,656	0.0457	0.0457	17,150		
Dolan & West Dolan Fire Prot Dist	General Revenue	32,140,282	0.2788	0.2788		33,553,074	0.2739	0.2739	91,902		
East Lynne-Gunn City Fire Prot Dist	General Revenue	18,742,626	0.3000	0.3000		19,020,413	0.3000	0.3000	57,061		
Mount Pleasant Fire Protection Dist	General Revenue	70,126,207	0.2650	0.2500		73,444,477	0.2448	0.2448	179,792		
Pleasant Hill Fire Protection Dist	General Revenue	156,024,629	0.4500	0.4500		156,395,043	0.4500	0.4500	703,778		
	Ambulance	156,024,629	0.3000	0.3000		156,395,043	0.3000	0.3000	469,185		
Dikeland Sewer District	General Revenue	1,033,250	0.0000	0.0000		1,021,613	0.0000	0.0000	0		
Hubach Hill Rd/North Cass Pkwy CID	General Revenue	27,060	0.6000	0.6000		9,280	0.6000	0.6000	56		2040
Cass Co R-V School District	Operating Funds-Schools	30,651,858	3.8466	3.8466	E	30,503,157	3.8747	3.8747	1,181,906	E	
	Debt Service	30,651,858	0.9081	0.4034		30,503,157	1.7191	0.3753	114,478		
Strasburg C-3 School District	Operating Funds-Schools	11,187,993	4.3500	4.3500	E	11,160,293	4.3500	4.3500	485,473	E	
	Debt Service	11,187,993	1.9606	1.1200		11,160,293	1.6031	1.1200	124,995		
Raymore-Peculiar R-II School Dist	Operating Funds-Schools	456,591,377	3.7500	3.7500	E	454,165,363	3.7500	3.7500	17,031,201	E	
	Debt Service	456,591,377	2.2153	1.2897		454,165,363	2.3025	1.2897	5,857,371		
Sherwood Cass R-VIII School Dist	Operating Funds-Schools	48,061,654	3.3000	3.3000	E	48,290,828	3.2796	3.2796	1,583,746	E	
	Debt Service	48,061,654	1.0859	1.0000		48,290,828	1.8433	1.0000	482,908		
East Lynne 40 School District	Operating Funds-Schools	14,787,191	4.6528	4.0158		15,113,679	4.6216	3.9918	603,308		
Pleasant Hill R-III School District	Operating Funds-Schools	138,459,810	3.8760	3.8760	E	136,329,948	3.9179	3.6608	4,990,767	E	
	Debt Service	138,459,810	1.0711	0.8585		136,329,948	1.0737	1.0737	1,463,775		
Harrisonville R-IX School District	Operating Funds-Schools	182,892,914	4.2072	4.2072	E	181,375,652	4.2072	4.2072	7,630,836	E	
	Debt Service	182,892,914	0.8759	0.8700		181,375,652	0.9502	0.8700	1,577,968		
Drexel R-IV School District	Operating Funds-Schools	17,613,580	4.5784	4.5784	E	17,451,691	4.5881	4.5881	800,701	E	
	Debt Service	17,613,580	1.4930	0.9000		17,451,691	1.4673	0.9000	157,065		
Midway R-I School District	Operating Funds-Schools	40,696,006	5.1508	5.1508	E	40,683,429	5.1468	5.1468	2,093,895	E	
	Debt Service	40,696,006	0.8302	0.3982		40,683,429	0.9272	0.4022	163,629		
Belton 124 School District	Operating Funds-Schools	300,360,313	4.1467	4.1467	E	294,927,895	4.2040	4.2040	12,398,769	E	
	Debt Service	300,360,313	3.0326	1.1800		294,927,895	1.7694	1.1800	3,480,149		
Cass County	Road & Bridge	1,067,541,232	0.2520	0.2520		1,073,777,612	0.2525	0.2520	2,705,920		
	Senate Bill 40	1,316,356,571	0.0500	0.0500	B	1,319,788,821	0.0500	0.0500	659,894		
	Debt Service	**	**	**		1,319,788,821	0.1673	0.0000	0		
Cedar											
Cedar County Memorial Hospital	General Revenue	151,880,132	0.1492	0.1492		154,362,136	0.1492	0.1492	230,308		
Bear Creek Spec Rd Dist Cedar Co	Special Road and Bridge	**	**	**		5,280,947	0.3565	0.3500	18,483	A	2014
Bethel Special Road Dist Cedar Co	Special Road and Bridge	**	**	**		997,872	0.3567	0.3500	3,493	A	2014
Caplinger Mills Sp Rd Dist Cedar Co	Special Road and Bridge	**	**	**		2,825,212	0.3508	0.3500	9,888	A	2014
Cedar Hall Spec Rd Dist Cedar Co	Special Road and Bridge	**	**	**		974,462	0.3500	0.3500	3,411	A	2014
Eldorado Spgs Spec Rd Dist Cedar Co	Special Road and Bridge	46,552,161	0.0000	0.3500	AD	46,646,707	0.3567	0.3500	163,263	B	
Independence Sp Rd Dist Cedar Co	Special Road and Bridge	**	**	**		994,135	0.3500	0.3500	3,479	A	2014
Jerico Springs Sp Rd Dist Cedar Co	Special Road and Bridge	892,328	0.3500	0.3500	A	871,339	0.3500	0.3500	3,050		2013
Koncord Spec Rd Dist Cedar Co	Special Road and Bridge	**	**	**		3,515,016	0.4332	0.3500	12,303	A	2014
Madison Spec Rd Dist Cedar Co	Special Road and Bridge	**	**	**		1,831,253	0.3557	0.3500	6,409	A	2014
Masters Spec Rd Dist Cedar Co	Special Road and Bridge	**	**	**		1,920,933	0.3537	0.3500	6,723	A	2014
Omer Special Road Dist Cedar Co	Special Road and Bridge	963,996	0.3500	0.3500		919,546	0.3500	0.3500	3,218		2012
Rowland Special Road Dist Cedar Co	Special Road and Bridge	**	**	**		5,707,335	0.3563	0.3500	19,976	A	2014
Dogwood Special Road District	Common Road District	880,633	0.3500	0.3500		848,994	0.3500	0.3500	2,971		2011
City of El Dorado Springs	General Revenue	30,628,338	0.5612	0.5612		30,644,980	0.5634	0.5634	172,654		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Cedar											
City of El Dorado Springs	Band	30,628,338	0.1351	0.1351		30,644,980	0.1356	0.1356	41,555		
	Park	30,628,338	0.2078	0.2078		30,644,980	0.2086	0.2086	63,925		
	Recreation	30,628,338	0.1000	0.1000		30,644,980	0.1000	0.1000	30,645		
Village of Jerico Springs	General Revenue	857,507	0.5000	0.5000		825,240	0.5000	0.5000	4,126		
City of Stockton	General Revenue	22,909,856	0.4294	0.4294		23,498,120	0.4294	0.4294	100,901		
Village of Umber View Heights	General Revenue	730,403	0.2251	0.2251		729,053	0.2255	0.2255	1,644		
Cedar County Library District	General Revenue	151,880,132	0.0795	0.0795		154,362,136	0.0795	0.0795	122,718		
Cedar County Chapel Hills FPD	General Revenue	20,899,772	0.2000	0.2000		20,947,668	0.2000	0.2000	41,895		
Korth Special Road Subdistrict	Special Road and Bridge	**	**	**		3,601,644	0.3577	0.3500	12,606	A	2014
Stockton R-I School District	Operating Funds-Schools	82,453,162	3.6116	3.6116	E	83,663,667	3.6085	2.8622	2,394,621	E	
	Debt Service	**	**	**		83,663,667	1.1594	0.7463	624,382		
El Dorado Springs R-II School Dist	Operating Funds-Schools	79,149,264	3.1963	3.1963	E	80,247,145	3.1859	3.1859	2,556,594	E	
	Debt Service	79,149,264	0.4904	0.4900		80,247,145	0.5055	0.4900	393,211		
Cedar County	General Revenue	151,880,132	0.1617	0.1617		154,362,136	0.3181	0.1488	229,691		
	Road & Bridge	151,880,132	0.2385	0.2385		154,362,136	0.2385	0.2385	368,154		
	Senior Services	151,880,132	0.0494	0.0494		154,362,136	0.0494	0.0490	75,637		
Chariton											
Chariton County Ambulance District	General Revenue	167,682,980	0.2580	0.2500		171,591,978	0.2600	0.2600	446,139		
City of Brunswick	General Revenue	5,991,210	0.9043	0.9043		6,058,867	0.9043	0.9043	54,790		
Village of Dalton	General Revenue	441,325	0.5000	0.5000		477,758	0.4689	0.4689	2,240		
City of Keytesville	General Revenue	2,581,672	0.8933	0.8933		2,698,553	0.8933	0.8933	24,106		
	Parks & Recreation	2,581,672	0.2000	0.2000		2,698,553	0.2000	0.2000	5,397		
City of Mendon	General Revenue	1,234,924	0.8952	0.8952		1,204,267	0.9241	0.9241	11,129		
Village of Rothville	General Revenue	276,624	1.0000	0.9800		281,415	0.9911	0.9800	2,758		
City of Salisbury	General Revenue	14,348,828	0.7212	0.7212		14,230,484	0.7335	0.7335	104,381		
	Parks & Recreation	14,348,828	0.1727	0.1727		14,230,484	0.1757	0.1757	25,003		
	Library	14,348,828	0.1000	0.1000		14,230,484	0.1000	0.1000	14,230		
	Museum	14,348,828	0.1321	0.1321		14,230,484	0.1344	0.1344	19,126		
City of Sumner	General Revenue	805,276	0.9932	0.9932		840,923	0.9820	0.9820	8,258		
	Streets	805,276	0.2482	0.2482	A	840,923	0.2454	0.2454	2,064		2012
City of Triplett	General Revenue	303,559	0.9743	0.9743		286,057	1.0000	1.0000	2,861		
Bee Branch Township of Chariton Co	Road & Bridge	3,891,889	0.5000	0.5000		3,910,281	0.5000	0.5000	19,551		
	Special Road and Bridge	3,891,889	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		3,910,281	0.3571	0.3571	13,964	A	2014
Bowling Green Township, Chariton Co	Road & Bridge	5,192,118	0.3415	0.3415		5,986,090	0.3029	0.3029	18,132		
	Special Road and Bridge	5,192,118	0.3265	0.3265		**	**	**			2010
	Special Road and Bridge	**	**	**		5,986,090	0.3265	0.3265	19,545	A	2014
Brunswick Township of Chariton Co	Road & Bridge	24,475,216	0.5000	0.5000		24,625,655	0.5000	0.5000	123,128		
	Special Road and Bridge	24,475,216	0.2500	0.2500		24,625,655	0.2500	0.2500	61,564		2012
Chariton Township of Chariton Co	Road & Bridge	6,369,880	0.3403	0.3403		7,988,202	0.2786	0.2786	22,255		
	Special Road and Bridge	6,369,880	0.2078	0.2078		7,988,202	0.1701	0.1701	13,588		2012
Clark Township of Chariton Co	Road & Bridge	5,931,737	0.5000	0.5000		6,000,691	0.5000	0.5000	30,003		
	Special Road and Bridge	5,931,737	0.3500	0.3500	A	6,000,691	0.3500	0.3500	21,002		2013
Cockrell Township of Chariton Co	Road & Bridge	3,128,172	0.4945	0.4945		3,506,815	0.4654	0.4654	16,321		
	Special Road and Bridge	3,128,172	0.3462	0.3462		**	**	**			2010
	Special Road and Bridge	**	**	**		3,506,815	0.3462	0.3462	12,141	A	2014
Cunningham Township of Chariton Co	Road & Bridge	6,076,673	0.4907	0.4907		6,818,115	0.4516	0.4516	30,791		
	Special Road and Bridge	6,076,673	0.2901	0.2901		6,818,115	0.2670	0.2670	18,204		2012
Keytesville Township of Chariton Co	Road & Bridge	21,301,778	0.3943	0.3943		20,341,407	0.4000	0.4000	81,366		
	Special Road and Bridge	21,301,778	0.3387	0.3387		**	**	**			2010

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Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Chariton											
Keytesville Township of Chariton Co	Special Road and Bridge	**	**	**		20,341,407	0.3387	0.3387	68,896	A	2014
Mendon Township of Chariton Co	Road & Bridge	6,415,575	0.4820	0.4820		7,218,507	0.4406	0.4406	31,805		
	Special Road and Bridge	6,415,575	0.3374	0.3374		7,218,507	0.3084	0.3084	22,262		2012
Musselfork Township of Chariton Co	Road & Bridge	5,847,883	0.3470	0.3470		6,167,804	0.3406	0.3406	21,008		
	Special Road and Bridge	5,847,883	0.2293	0.2293		6,167,804	0.2250	0.2250	13,878		2012
Salisbury Township of Chariton Co	Road & Bridge	51,015,018	0.4998	0.4998		50,834,175	0.5000	0.5000	254,171		
	Special Road and Bridge	51,015,018	0.1495	0.1495		**	**	**			2010
	Special Road and Bridge	**	**	**		50,834,175	0.1495	0.1495	75,997	A	2014
Salt Creek Township of Chariton Co	Road & Bridge	3,606,187	0.4886	0.4886		4,631,198	0.3947	0.3947	18,279		
	Special Road and Bridge	3,606,187	0.3130	0.3130		4,631,198	0.2528	0.2528	11,708		2012
Triplett Township of Chariton Co	Road & Bridge	14,337,017	0.4863	0.4863		12,731,558	0.5000	0.5000	63,658		
	Special Road and Bridge	14,337,017	0.3329	0.3329		12,731,558	0.3423	0.3423	43,580		2012
Wayland Township of Chariton Co	Road & Bridge	3,730,506	0.5000	0.5000		3,955,459	0.4811	0.4811	19,030		
	Special Road and Bridge	3,730,506	0.2000	0.2000		3,955,459	0.1924	0.1924	7,610		2012
Yellow Creek Township, Chariton Co	Road & Bridge	6,361,348	0.4743	0.4743		6,760,400	0.4638	0.4638	31,355		
	Special Road and Bridge	6,361,348	0.3351	0.3351		**	**	**			2010
	Special Road and Bridge	**	**	**		6,760,400	0.3500	0.3500	23,661	A	2014
Keytesville Fire Protection Dist	General Revenue	26,094,541	0.1971	0.1971		25,811,718	0.2000	0.2000	51,623		
Mendon Fire Protection District	General Revenue	12,165,706	0.2244	0.2200		14,414,912	0.1914	0.1914	27,590		
Sumner Community Fire Prot Dist	General Revenue	5,277,420	0.2954	0.2954		5,863,602	0.2753	0.2753	16,142		
Yellow Creek Fire Protection Dist	General Revenue	5,204,662	0.2844	0.2844		5,520,231	0.2788	0.2788	15,390		
Chariton County Health Center	General Revenue	167,682,980	0.0992	0.0992		171,591,978	0.1000	0.1000	171,592		
Northwestern R-I School District	Operating Funds-Schools	16,877,676	5.0474	5.0474	E	14,313,241	4.7700	4.7700	682,742	E	
Brunswick R-II School District	Operating Funds-Schools	22,449,654	3.7500	3.6500	E	17,251,993	3.7500	3.6500	629,698	E	
	Debt Service	22,449,654	0.3942	0.3900		17,251,993	0.5394	0.3900	67,283		
Keytesville R-III School District	Operating Funds-Schools	18,777,979	4.2291	4.0500	E	13,844,529	4.2455	4.0500	560,703	E	
Salisbury R-IV School District	Operating Funds-Schools	53,735,670	4.9899	4.7618	E	48,456,892	4.4697	4.4697	2,165,878	E	
Chariton County	General Revenue	167,682,980	0.3969	0.3150		171,591,978	0.4000	0.3150	540,515		
	Senate Bill 40	167,682,980	0.0992	0.0992		171,591,978	0.1000	0.1000	171,592		
	Township	167,682,980	0.0992	0.0992		171,591,978	0.1000	0.1000	171,592		
Christian											
Christian County Ambulance District	General Revenue	882,809,109	0.1305	0.1305		887,914,537	0.1315	0.1305	1,158,728		
Billings Spec Rd Dist Christian Co	Road & Bridge	43,175,045	0.2032	0.2032		50,400,289	0.2032	0.2032	102,413		
	Special Road and Bridge	43,175,045	0.3500	0.1625	A	50,400,289	0.1625	0.1625	81,900		2013
Garrison Spec Rd Dist Christian Co	Road & Bridge	1,529,059	0.2346	0.2346		1,552,941	0.2362	0.2362	3,668		
Ozark Special Rd Dist Christian Co.	Road & Bridge	329,065,452	0.1404	0.1404		330,957,972	0.1413	0.1404	464,665		
Selmore Spec Rd Dist Christian Co	Road & Bridge	15,967,508	0.1784	0.1784		16,097,144	0.1784	0.1784	28,717		
South Sparta Road Dist Christian Co	Road & Bridge	9,216,612	0.1736	0.1736		9,240,878	0.1739	0.1739	16,070		
Stoneshire Sp Rd Dist Christian Co	Road & Bridge	2,941,325	0.1466	0.1466		2,919,763	0.1498	0.1498	4,374		
City of Billings	General Revenue	8,104,154	0.5732	0.5732		8,284,773	0.5779	0.5779	47,878		
	Parks & Recreation	8,104,154	0.1665	0.1665		8,284,773	0.1679	0.1679	13,910		
City of Clever	General Revenue	19,731,396	0.6042	0.6042		19,343,487	0.6229	0.6229	120,491		
City of Nixa	General Revenue	198,394,230	0.3243	0.3243		198,708,186	0.3284	0.3284	652,558		
City of Ozark	General Revenue	189,537,223	0.2335	0.2335		192,134,855	0.2344	0.2344	450,364		
	Parks & Recreation	189,537,223	0.0584	0.0584		192,134,855	0.0586	0.0586	112,591		
City of Sparta	General Revenue	13,506,526	0.3714	0.3714		13,756,018	0.3748	0.3748	51,558		
	Debt Service	13,506,526	0.0000	0.0000		**	**	**			
City of Fremont Hills	General Revenue	20,408,687	0.6153	0.6153		20,294,135	0.6191	0.6191	125,641		
	Debt Service	20,408,687	0.1845	0.1845		20,294,135	0.1688	0.1688	34,256		
Christian County Library District	General Revenue	976,331,299	0.0875	0.0875		981,818,095	0.0882	0.0882	865,964		

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Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Christian											
Ozark Fire Protection Dist	General Revenue	394,066,903	0.3888	0.3888		397,017,410	0.3888	0.3888	1,543,604		
Nixa Fire Protection District	General Revenue	373,372,958	0.6406	0.6406		372,522,764	0.6483	0.6483	2,415,065		
Billings Fire Protection District	General Revenue	49,739,652	0.4003	0.4003		50,811,432	0.4003	0.4003	203,398		
Clever Fire Protection District	General Revenue	58,144,070	0.3844	0.3844		57,602,510	0.3914	0.3914	225,456		
Highlandville Fire Protection Dist	General Revenue	70,243,150	0.3772	0.3772		71,702,136	0.3811	0.3811	273,257		
Sparta Fire Protection District	General Revenue	35,137,632	0.2826	0.2826		35,844,240	0.2835	0.2835	101,618		
Chadwick Rural Fire Protection Dist	General Revenue	8,872,599	0.2971	0.2971		9,061,872	0.3000	0.3000	27,186		
Christian County Health Department	General Revenue	976,331,299	0.0438	0.0438		981,818,095	0.0441	0.0441	432,982		
Chadwick R-I School District	Operating Funds-Schools	10,431,553	3.6500	3.6500	E	10,579,488	3.6500	3.6500	386,151	E	
	Debt Service	10,431,553	1.0545	1.0497		10,579,488	1.4935	1.0497	111,053		
Nixa R-II School District	Operating Funds-Schools	377,716,395	3.2434	3.2434	E	377,305,529	3.2434	3.2434	12,237,528	E	
	Debt Service	377,716,395	1.5714	1.0666		377,305,529	2.0347	1.0666	4,024,341		
Sparta R-III School District	Operating Funds-Schools	34,132,605	3.4149	3.3500	BE	34,977,433	3.4149	3.3500	1,171,744	E	
	Debt Service	34,132,605	0.7559	0.7500		34,977,433	1.0723	0.7500	262,331		
Billings R-IV School District	Operating Funds-Schools	29,254,343	3.1994	3.1994	E	29,886,709	3.2147	3.2147	960,768	E	
	Debt Service	29,254,343	1.2184	0.8500		29,886,709	0.8319	0.8319	248,628		
Clever R-V School District	Operating Funds-Schools	56,980,204	3.5758	3.5758	E	56,660,179	3.6373	3.6373	2,060,901	E	
	Debt Service	56,980,204	1.4780	0.9251		56,660,179	1.2721	0.8636	489,317		
Ozark R-VI School District	Operating Funds-Schools	373,474,065	3.2592	3.2592	E	374,675,246	3.2846	3.2846	12,306,583	E	
	Debt Service	373,474,065	1.2208	0.8808		374,675,246	1.2832	0.8554	3,204,972		
Spokane R-VII School District	Operating Funds-Schools	55,903,571	3.2955	3.2955	E	57,045,805	3.3280	3.3280	1,898,484	E	
	Debt Service	55,903,571	1.1305	0.9140		57,045,805	1.5563	0.8815	502,859		
Christian County	General Revenue	976,331,299	0.2234	0.0000		981,818,095	0.2252	0.0000	0		
	Senate Bill 40	976,331,299	0.0788	0.0788		981,818,095	0.0794	0.0794	779,564		
	Senior Services	976,331,299	0.0500	0.0500		981,818,095	0.0500	0.0500	490,909		
	Common 1 Road & Bridge	102,391,434	0.1931	0.0000		98,082,867	0.2058	0.0000	0		
	Common 2 Road & Bridge	236,501,343	0.0713	0.0000		203,931,280	0.0836	0.0000	0		
Clark											
Clark County Ambulance District	General Revenue	91,064,377	0.2891	0.2891		93,776,941	0.2891	0.2891	271,109		
Clark County Nursing Home District	General Revenue	91,064,377	0.1156	0.1156		93,776,941	0.1156	0.1156	108,406		
Wayland Special Rd Dist Clark Co	Road & Bridge	12,068,579	0.3500	0.3500		12,422,936	0.3500	0.3500	43,480		
City of Alexandria	General Revenue	1,368,772	0.8926	0.8926		1,360,564	0.8992	0.8992	12,234		
City of Kahoka	General Revenue	16,340,649	0.7065	0.7065		16,755,118	0.7065	0.7065	118,375		
	Parks & Recreation	16,340,649	0.1365	0.1365		16,755,118	0.1365	0.1365	22,871		
	Library	16,340,649	0.2184	0.2184		16,755,118	0.2184	0.2184	36,593		
Village of Luray	General Revenue	300,790	0.6000	0.6000		320,044	0.5994	0.5994	1,918		
City of Wayland	General Revenue	3,425,961	0.7500	0.7500		3,722,000	0.7500	0.7500	27,915		
	Streets	3,425,961	0.2500	0.2500		3,722,000	0.2500	0.2500	9,305		
City of Wyaconda	General Revenue	1,432,145	0.9486	0.9486		1,537,327	0.9362	0.9362	14,392		
City of Revere	General Revenue	518,013	1.0000	1.0000		553,402	0.9789	0.9789	5,417		
Clark County Library	General Revenue	74,724,751	0.0976	0.0976		77,021,824	0.0976	0.0976	75,173		
Alexandria Fire Protection Dist	General Revenue	8,182,980	0.2651	0.2651		8,155,167	0.2660	0.2660	21,693		
Clark County Health Department	General Revenue	91,064,377	0.0964	0.0964		93,776,941	0.0964	0.0964	90,401		
Revere C-3 School District	Operating Funds-Schools	7,137,793	4.9059	4.9059	E	7,250,738	4.9200	4.9200	356,736	E	
Luray 33 School District	Operating Funds-Schools	4,332,643	4.2500	4.2500	E	4,476,205	4.1514	4.1514	185,825	E	
Clark Co. R-I School District	Operating Funds-Schools	64,305,453	2.9621	2.7500	F	67,191,002	2.8635	2.7500	1,847,753	F	
	Debt Service	64,305,453	1.7993	0.7500		67,191,002	1.0686	0.7500	503,933		
Clark County	General Revenue	78,995,800	0.5000	0.3504		93,776,941	0.4492	0.3473	325,687		
	Road & Bridge	78,995,800	0.3307	0.3307		81,354,005	0.3307	0.3307	269,038		
	Special Road and Bridge	78,995,800	0.0035	0.0000		81,354,005	0.0000	0.0000	0		2011

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Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Clark										
Clark County	Special Road & Bridge	78,995,800	0.3490	0.3490		81,354,005	0.3490	0.3490	283,925	2012
Clay										
Eastern Clay County Ambulance Dist	General Revenue	31,146,474	0.2897	0.2897		33,572,649	0.2806	0.2806	94,205	
New Liberty Hospital District	General Revenue	876,441,543	0.1500	0.1500		861,351,350	0.1500	0.1500	1,292,027	
City of Avondale	General Revenue	3,849,994	0.4643	0.4637		3,995,665	0.4556	0.4480	17,901	
	Debt Service	3,849,994	1.0396	1.0396		3,995,665	0.9774	0.9774	39,054	
Village of Birmingham	General Revenue	1,983,149	0.4061	0.4061		2,754,758	0.3191	0.3191	8,790	
Village of Claycomo	General Revenue	67,035,488	0.3300	0.3300		54,634,751	0.3300	0.3300	180,295	
	Debt Service	67,035,488	0.0000	0.0000		54,634,751	0.2258	0.2200	120,196	
City of Excelsior Springs	General Revenue	132,191,236	0.6229	0.6229		133,824,095	0.6289	0.6289	841,620	
	Hospital	128,401,135	0.1752	0.1752		130,315,035	0.1770	0.1770	230,658	
	Parks	128,401,135	0.1752	0.1752		130,315,035	0.1770	0.1770	230,658	
	Recreation	128,401,135	0.1752	0.1752		130,315,035	0.1770	0.1770	230,658	
City of Glenaire	General Revenue	6,115,267	0.6257	0.6257		6,203,292	0.6257	0.6257	38,814	
City of Holt	General Revenue	4,763,637	0.4647	0.4647		4,947,046	0.4549	0.4549	22,504	
City of Kearney	General Revenue	132,801,371	0.7191	0.5800		133,540,208	0.6014	0.5800	774,533	
	Debt Service	132,801,371	0.0595	0.0500		133,540,208	0.0500	0.0500	66,770	
City of Liberty	General Revenue	458,939,836	0.8647	0.8465		448,002,509	0.8743	0.8465	3,792,341	
	Parks & Recreation	458,939,836	0.1524	0.1492		448,002,509	0.1541	0.1492	668,420	
City of Missouri City	General Revenue	2,048,129	0.8900	0.8900		2,037,055	0.8900	0.8900	18,130	
City of Mosby	General Revenue	2,279,057	1.0000	1.0000	B	2,352,564	0.9886	0.9886	23,257	
City of North Kansas City	General Revenue	274,239,324	0.3950	0.3950		252,791,293	0.4298	0.4298	1,086,497	
	Parks & Recreation	274,239,324	0.1200	0.1200		252,791,293	0.1200	0.1200	303,350	
	Library	274,239,324	0.2000	0.2000		252,791,293	0.2000	0.2000	505,583	
	Pension	274,239,324	0.2200	0.2200		252,791,293	0.2200	0.2200	556,141	
Village of Oaks	General Revenue	2,545,780	0.5000	0.5000		2,571,830	0.5000	0.5000	12,859	
	Fire	2,545,780	0.3000	0.3000	A	2,571,830	0.3000	0.3000	7,715	2011
Village of Oakview	General Revenue	5,106,041	0.4267	0.4267		5,655,658	0.3910	0.3910	22,114	
	Fire	5,106,041	0.1300	0.1300		5,655,658	0.1191	0.1191	6,736	
	Fire & Ambulance-Temp	5,106,041	0.3000	0.3000		5,655,658	0.2749	0.2749	15,547	2011
Village of Oakwood	General Revenue	4,324,721	0.2889	0.2800		4,134,485	0.2954	0.2800	11,577	
	Fire	4,324,721	0.3000	0.3000	A	4,134,485	0.3000	0.3000	12,403	2011
	General Revenue - Temp	4,324,721	0.2200	0.2200	A	4,134,485	0.2200	0.2200	9,096	2011
Village of Oakwood Park	General Revenue	2,579,720	0.4717	0.4717	B	2,405,517	0.4717	0.4717	11,347	
	Fire	2,579,720	0.3000	0.3000	A	2,405,517	0.3000	0.3000	7,217	2011
City of Pleasant Valley	General Revenue	40,752,259	0.6807	0.6807		40,093,528	0.6928	0.6928	277,768	
Village of Prathersville	General Revenue	2,457,273	0.2879	0.2879		2,618,118	0.2801	0.2801	7,333	
City of Randolph	General Revenue	4,491,071	0.5000	0.5000		4,291,147	0.5000	0.5000	21,456	
City of Smithville	General Revenue	128,982,751	0.4714	0.4487		128,629,652	0.4595	0.4487	577,161	
Kearney Fire Protection District	General Revenue	262,576,862	0.5169	0.5169		264,052,673	0.5169	0.5169	1,364,888	
	Ambulance	262,576,862	0.2732	0.2732		264,052,673	0.2808	0.2808	741,460	
	Dispatch	262,576,862	0.0295	0.0295		264,052,673	0.0300	0.0300	79,216	
	Debt Service	262,576,862	0.0887	0.0887		264,052,673	0.0887	0.0887	234,215	
Holt Community Fire Protection Dist	General Revenue	65,489,505	0.5689	0.5689		66,757,153	0.5689	0.5689	379,781	
	Ambulance	65,489,505	0.2738	0.2738		66,757,153	0.2738	0.2738	182,781	
Fishing River Fire Protection Dist	General Revenue	46,911,453	0.2815	0.2815		49,915,832	0.2769	0.2769	138,217	
Developmental Disabilities Resource	General Revenue	3,476,270,684	0.1200	0.1191		3,411,376,215	0.1200	0.1191	4,062,949	
Clay Platte Ray Mental Health Board	General Revenue	3,476,270,684	0.1000	0.0963		3,411,376,215	0.0991	0.0963	3,285,155	
Clay County Public Health Center	General Revenue	3,476,270,684	0.1000	0.1000		3,411,376,215	0.1000	0.1000	3,411,376	
The 210 Hwy Trans Development Dist	General Revenue	46,239,522	0.0649	0.0614		*	*	*		2016

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Clay											
Kearney R-I School District	Operating Funds-Schools	297,907,451	3.5023	3.5023	E	300,074,898	4.1961	4.0623	12,189,943	BE	
	Debt Service	297,907,451	1.9601	1.1500		300,074,898	2.2149	1.1500	3,450,861		
Smithville R-II School District	Operating Funds-Schools	199,154,724	3.3849	3.3849	E	198,818,707	3.4408	3.4407	6,840,755	E	
	Debt Service	199,154,724	2.1306	0.9600		198,818,707	1.9785	0.9600	1,908,660		
Excelsior Springs 40 School Dist	Operating Funds-Schools	198,677,557	4.2500	4.2500	E	200,962,292	4.2500	4.2500	8,540,897	E	
	Debt Service	198,677,557	1.1995	0.9000		200,962,292	1.2149	0.9500	1,909,142		
Liberty 53 School District	Operating Funds-Schools	761,296,334	4.9000	4.9000	E	758,722,958	4.9000	4.9000	37,177,425	E	
	Debt Service	761,296,334	2.4305	1.1950		758,722,958	2.4744	1.1950	9,066,739		
Missouri City 56 School District	Operating Funds-Schools	6,017,980	4.6870	4.4036		6,297,429	4.5656	4.2756	269,253		
North Kansas City 74 School Dist	Operating Funds-Schools	1,934,246,117	4.8698	4.8698	E	1,860,080,168	4.8698	4.8698	90,582,184	E	
	Debt Service	1,934,246,117	1.0200	1.0200		1,860,080,168	1.0200	1.0200	18,972,818		
Clay County	General Revenue	3,476,270,684	0.1731	0.1600		3,411,376,215	0.1647	0.1300	4,434,789		
	Parks & Recreation	3,476,270,684	0.0000	0.0000		3,411,376,215	0.0000	0.0000	0		
	Road & Bridge	3,476,270,684	0.0865	0.0800		3,411,376,215	0.0823	0.0800	2,729,101		
	Senior Services	3,476,270,684	0.0500	0.0499		3,411,376,215	0.0500	0.0499	1,702,277		
Clinton											
Cameron Ambulance District	General Revenue	103,467,758	0.1959	0.1959		102,566,126	0.1990	0.1990	204,107		
Tri-County Ambulance District	General Revenue	200,605,066	0.2633	0.2633		196,223,645	0.2700	0.2700	529,804		
Cameron Spec Rd Dist Clinton Co	Road & Bridge	58,745,219	0.2478	0.2478		58,196,319	0.2519	0.2519	146,597		
	Special Road and Bridge	58,745,219	0.3500	0.3500	A	58,196,319	0.3500	0.3500	203,687		2013
Plattsburg Spec Rd Dist Clinton Co	Road & Bridge	36,596,852	0.2671	0.2671		36,700,173	0.2674	0.2674	98,136		
	Special Road and Bridge	36,596,852	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		36,700,173	0.3557	0.3557	130,543	A	2014
City of Cameron	General Revenue	70,576,149	0.5917	0.5917		71,595,663	0.5917	0.5917	423,632		
	Parks & Recreation	70,576,149	0.1453	0.1453		71,595,663	0.1453	0.1453	104,028		
	Library	70,576,149	0.1662	0.1662		71,595,663	0.1662	0.1662	118,992		
	Band Revenue	70,576,149	0.0830	0.0830		71,595,663	0.0830	0.0830	59,424		
City of Gower	General Revenue	13,520,862	0.5372	0.5372		13,550,750	0.5402	0.5402	73,201		
City of Lathrop	General Revenue	20,313,692	0.5548	0.5548		20,356,646	0.5577	0.5577	113,529		
	Parks & Recreation	20,313,692	0.1460	0.1460		20,356,646	0.1468	0.1468	29,884		
	Debt Service	20,313,692	0.6487	0.4984		20,356,646	0.7287	0.5165	105,142		
City of Plattsburg	General Revenue	25,443,831	0.5865	0.5843		25,605,746	0.5843	0.5806	148,667		
	Lights	25,443,831	0.2500	0.0804		25,605,746	0.0804	0.0799	20,459		2012
	Police	25,443,831	0.2225	0.2216		25,605,746	0.2216	0.2202	56,384		
	Cemetary	25,443,831	0.0200	0.0188		25,605,746	0.0188	0.0187	4,788		2012
	Park	25,443,831	0.1415	0.1415		25,605,746	0.1415	0.1406	36,002		
	Recreation	25,443,831	0.0500	0.0491		25,605,746	0.0491	0.0488	12,496		
City of Trimble	General Revenue	6,555,921	0.3253	0.3253		6,475,792	0.3305	0.3305	21,402		
	Debt Service	6,555,921	0.5916	0.5916		6,475,792	0.6804	0.6804	44,061		
Village of Turney	General Revenue	1,197,248	0.3494	0.3494		1,342,271	0.3254	0.3254	4,368		
Gower Fire Protection District	General Revenue	44,191,946	0.2631	0.2631		42,257,817	0.2631	0.2631	111,180		
Lathrop Fire Protection District	General Revenue	58,163,909	0.2568	0.2568		57,572,135	0.2687	0.2687	154,696		
Plattsburg Fire Protection District	General Revenue	62,751,453	0.3493	0.3493		60,652,718	0.3500	0.3500	212,285		
Cameron Fire Protection District	General Revenue	40,535,677	0.2778	0.2778		40,218,884	0.2851	0.2851	114,664		
Clinton County Health Department	General Revenue	274,867,079	0.0872	0.0872		270,665,734	0.0905	0.0905	244,952		
Cameron R-I School District	Operating Funds-Schools	111,141,970	3.5159	3.5159	E	109,569,248	3.5811	3.5811	3,923,784	E	
	Debt Service	111,141,970	0.4854	0.4800		109,569,248	0.4977	0.4800	525,932		
Lathrop R-II School District	Operating Funds-Schools	62,299,633	4.3175	4.3175	E	59,074,472	4.3900	4.3900	2,593,369	E	
	Debt Service	62,299,633	1.0989	0.4225		59,074,472	1.1177	0.4727	279,245		
Clinton County R-III School Dist	Operating Funds-Schools	76,790,005	3.9134	3.9134	E	72,589,551	3.9134	3.9134	2,840,719	E	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Clinton											
Clinton County R-III School Dist	Debt Service	76,790,005	1.0873	1.0000		72,589,551	1.0202	1.0000	725,896		
Clinton County	General Revenue	274,867,079	0.3393	0.2514		270,665,734	0.3520	0.2750	744,331		
	Common Road District	274,867,079	0.1826	0.1826		270,665,734	0.1894	0.1894	512,641		
	Special Road and Bridge	179,525,008	0.3500	0.3500		**	**	**			2010
	Senate Bill 40	274,867,079	0.0872	0.0872		270,665,734	0.0905	0.0905	244,952		
	Special Road and Bridge	**	**	**		270,665,734	0.3685	0.3500	947,330	A	2014
Cole											
Village of Centertown	General Revenue	3,630,971	0.7408	0.7408		4,054,741	0.7470	0.7470	30,289		
City of Jefferson City	General Revenue	855,920,306	0.5483	0.4600		846,042,720	0.4712	0.4600	3,891,797		
	Firemen Retirement	855,920,306	0.0968	0.0961		846,042,720	0.0984	0.0961	813,047		
City of Lohman	General Revenue	2,101,029	0.2707	0.2707		2,067,264	0.2782	0.2782	5,751		
	Debt Service	2,101,029	0.3332	0.3332		2,067,264	0.3410	0.3410	7,049		
City of Russellville	General Revenue	7,484,084	0.7393	0.7393		7,460,133	0.7466	0.7466	55,697		
City of Taos	General Revenue	11,008,447	0.2765	0.2709		14,490,907	0.2709	0.2709	39,256		
Jeff City/Cole County Library Dist	General Revenue	1,308,201,268	0.1956	0.1956		1,312,503,941	0.1977	0.1977	2,594,820		
Cole County Fire Protection Dist	General Revenue	173,586,582	0.3000	0.3000		175,474,533	0.3000	0.3000	526,424		
Regional West Fire Protection Dist	General Revenue	164,403,371	0.2911	0.2911		169,180,170	0.2911	0.2911	492,483		
Osage Fire Protection District	General Revenue	106,214,761	0.2984	0.2984		109,291,558	0.2984	0.2984	326,126		
Russellville-Lohman Fire Prot Dist	General Revenue	45,361,228	0.2964	0.2964		46,129,489	0.2967	0.2967	136,866		
Cole Co R-I School District	Operating Funds-Schools	49,158,678	3.2446	3.2446	E	49,619,176	3.2353	3.2353	1,605,329	E	
	Debt Service	49,158,678	1.0638	0.8800		49,619,176	1.2259	0.8800	436,649		
Cole Co R-II School District	Operating Funds-Schools	86,489,227	2.7547	2.7500	E	88,938,650	2.7500	2.7500	2,445,813	E	
	Debt Service	86,489,227	1.3453	0.9100		88,938,650	1.3822	0.9100	809,342		
Cole Co. R-V School District	Operating Funds-Schools	59,325,449	3.3623	2.9500	F	59,529,009	3.3756	2.9500	1,756,106	F	
	Debt Service	59,325,449	0.7947	0.7000		59,529,009	0.9285	0.7000	416,703		
Jefferson City School District	Operating Funds-Schools	1,188,913,175	3.7642	3.5156		1,194,621,119	3.7642	3.5000	41,811,739		
	Debt Service	1,188,913,175	0.3505	0.1614		1,194,621,119	0.3565	0.1770	2,114,479		
Cole County	General Revenue	1,308,201,268	0.3421	0.1176		1,312,503,941	0.1188	0.1151	1,510,692		
	Road & Bridge	1,308,201,268	0.2760	0.2700		1,312,503,941	0.2728	0.2700	3,543,761		
	Senate Bill 40	1,308,201,268	0.0881	0.0881		1,312,503,941	0.0890	0.0890	1,168,129		
Cooper											
Cooper County Ambulance District	General Revenue	216,024,906	0.1200	0.0900		*	*	*			
Cooper County Memorial Hospital	General Revenue	216,024,906	0.1500	0.1500		221,055,579	0.1500	0.1500	331,583		
Cooper Co Nursing Home District	General Revenue	34,990,353	0.1419	0.1419		35,725,697	0.1419	0.1419	50,695		
City of Blackwater	General Revenue	1,202,290	0.9483	0.9483		1,202,290	0.9483	0.9483	11,401		
	Debt Service	1,202,290	0.1946	0.1946		1,202,290	0.4691	0.4691	5,640		
City of Boonville	General Revenue	92,869,770	0.6632	0.6500		92,869,770	0.6727	0.6500	603,654		
City of Bunceton	General Revenue	1,910,844	1.0000	1.0000		1,910,844	1.0000	1.0000	19,108		
City of Otterville	General Revenue	2,852,636	0.8214	0.8214		2,880,075	0.8277	0.8277	23,838		
City of Pilot Grove	General Revenue	4,968,199	0.7159	0.7159		4,931,518	0.7252	0.7252	35,763		
City of Prairie Home	General Revenue	1,994,962	0.9584	0.9584		1,981,537	0.9649	0.9649	19,120		
Village of Wooldridge	General Revenue	242,917	0.7000	0.7000		237,010	0.7000	0.7000	1,659		
Cooper Co Fire Protection Dist	General Revenue	56,224,125	0.4800	0.4800		58,198,228	0.4771	0.4771	277,664		
	Debt Service	56,224,125	0.3268	0.3268		58,198,228	0.3638	0.3638	211,725		
Otterville Fire Protection District	General Revenue	12,208,132	0.2973	0.2973		12,676,632	0.2938	0.2938	37,244		
Prairie Home Rural Fire Prot Dist	General Revenue	11,063,211	0.2600	0.2600		11,401,076	0.2600	0.2600	29,643		
Cooper County Public Health Center	General Revenue	216,024,906	0.1950	0.1900		221,055,579	0.1900	0.1900	420,006		
Blackwater R-II School District	Operating Funds-Schools	7,727,517	3.4931	3.4931	E	7,852,666	3.3971	3.3971	266,763	E	
Cooper Co. R-IV School District	Operating Funds-Schools	8,238,298	4.6000	4.4881	E	8,408,189	4.4902	4.4881	377,368	E	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Cooper											
Cooper Co. R-IV School District	Debt Service	8,238,298	1.0901	0.6001		8,408,189	0.6873	0.6001	50,458		
Prairie Home R-V School District	Operating Funds-Schools	11,777,199	4.5657	4.5657	E	12,031,031	4.4695	4.4695	537,727	E	
	Debt Service	11,777,199	0.2732	0.2732		12,031,031	0.3803	0.3803	45,754		
Otterville R-VI School District	Operating Funds-Schools	12,800,037	3.9039	3.9039	E	12,829,190	3.9097	3.9097	501,583	E	
	Debt Service	12,800,037	0.6458	0.6200		12,829,190	0.6819	0.6203	79,579		
Pilot Grove C-4 School District	Operating Funds-Schools	16,471,797	3.2820	3.2820	E	16,356,155	3.2919	3.2919	538,428	E	
	Operating Funds - Temp	16,471,797	0.6983	0.6983		16,356,155	0.6983	0.6983	114,215		2026
	Debt Service	16,471,797	1.0526	0.9000		16,356,155	0.9524	0.9000	147,205		
Boonville R-I School District	Operating Funds-Schools	133,647,754	3.4100	3.4100	E	132,327,082	3.4711	3.4711	4,593,205	E	
	Debt Service	133,647,754	1.1666	0.7827		132,327,082	1.1503	0.7827	1,035,724		
Cooper County	General Revenue	216,024,906	0.4331	0.2522		221,055,579	0.4331	0.2390	528,323		
	Road & Bridge	216,024,906	0.3197	0.3197		221,055,579	0.3197	0.3197	706,715		
	Senate Bill 40	216,024,906	0.2000	0.2000		221,055,579	0.2000	0.2000	442,111		
Crawford											
North Crawford Co Ambulance Dist	General Revenue	174,897,079	0.2710	0.1738		180,490,720	0.2710	0.1098	198,179		
Steelville Ambulance District	General Revenue	62,696,206	0.3180	0.1811		64,585,575	0.3180	0.1310	84,607		
City of Bourbon	General Revenue	9,601,187	0.6733	0.6733		9,886,243	0.6740	0.6740	66,633		
	Parks & Recreation	9,601,187	0.1000	0.1000		9,886,243	0.1000	0.1000	9,886		
	Police	9,601,187	0.3195	0.3195		9,886,243	0.3198	0.3198	31,616		
Village of Leasburg	General Revenue	1,496,060	0.4836	0.4836		1,544,833	0.4893	0.4893	7,559		
City of Steelville	General Revenue	13,529,369	0.3505	0.3505		18,862,048	0.3563	0.3563	67,205		
Crawford County Library District	General Revenue	251,871,441	0.0925	0.0925		257,001,636	0.0929	0.0929	238,755		
Bourbon Fire District	General Revenue	43,573,556	0.2700	0.1908		44,562,441	0.2700	0.1604	71,478		
Steelville Fire Protection Dist	General Revenue	71,024,871	0.1960	0.1960		73,580,432	0.1960	0.1960	144,218		
Crawford Co R-I School District	Operating Funds-Schools	58,461,041	3.0578	3.0578	E	59,201,121	3.0593	3.0593	1,811,140	E	
	Debt Service	58,461,041	1.1399	0.9350		59,201,121	1.0847	0.9350	553,530		
Crawford Co R-II School District	Operating Funds-Schools	104,981,194	2.9616	2.7500	F	109,657,985	2.9559	2.7500	3,015,595	F	
	Debt Service	104,981,194	1.0260	0.5600		109,657,985	1.0450	0.5600	614,085		
Steelville R-III School District	Operating Funds-Schools	52,227,401	3.1196	3.1195	E	53,987,751	3.0999	3.0999	1,673,566	E	
	Debt Service	52,227,401	1.4356	0.6700		53,987,751	1.3082	0.6700	361,718		
Crawford County	General Revenue	290,714,026	0.2651	0.1051		300,049,998	0.2635	0.1035	310,552		
	Road & Bridge	290,714,026	0.1881	0.1881		300,049,998	0.1869	0.1869	560,793		
	Senate Bill 40	290,714,026	0.0854	0.0854		300,049,998	0.0849	0.0849	254,742		
	Senior Services	290,714,026	0.0427	0.0427		300,049,998	0.0424	0.0424	127,221		
Dade											
Dade County Nursing Home	General Revenue	70,955,227	0.1208	0.1208		72,438,418	0.1208	0.1208	87,506		
Good Shepherd Nursing Home Dist	General Revenue	25,378,452	0.1543	0.1543		25,762,538	0.1543	0.1543	39,752		
	Debt Service	25,378,452	0.5522	0.4300		25,762,538	0.5418	0.4300	110,779		
Bona Special Road Dist Dade Co	Road & Bridge	688,304	0.4149	0.4149		708,175	0.4150	0.4150	2,939		
Dry Bone Special Road Dist Dade Co	Road & Bridge	403,635	0.3314	0.3314		428,135	0.3315	0.3315	1,419		
Maize Creek Spec Road Dist Dade Co	Road & Bridge	426,385	0.5000	0.5000		446,825	0.5000	0.5000	2,234		
Sac Special Road Dist #1 Dade Co	Road & Bridge	1,042,268	0.3010	0.3010		1,055,017	0.3015	0.3015	3,181		
Sac Special Road Dist #2 Dade Co	Road & Bridge	1,151,990	0.2360	0.2360		1,167,391	0.2360	0.2360	2,755		
Southeast Special Road Dist Dade Co	Road & Bridge	383,710	0.3684	0.3684		397,505	0.3685	0.3685	1,465		
Birchwood Special Road District	Road & Bridge	969,929	0.2681	0.2681		1,012,855	0.2689	0.2689	2,724		
Village of Dadeville	General Revenue	1,444,947	0.4500	0.4500		1,424,878	0.4500	0.4500	6,412		
City of Everton	General Revenue	1,740,747	1.0000	1.0000		1,684,130	1.0000	1.0000	16,841		
	Parks & Recreation	1,740,747	0.1000	0.1000		1,684,130	0.1000	0.1000	1,684		
City of Greenfield	General Revenue	12,092,377	0.4171	0.4171		11,987,761	0.4226	0.4226	50,660		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Dade											
City of Greenfield	Parks & Recreation	12,092,377	0.1330	0.0000		11,987,761	0.1348	0.0000	0		
	Streets	12,092,377	0.1686	0.1686		11,987,761	0.1708	0.1708	20,475		
Village of South Greenfield	General Revenue	687,961	0.5009	0.5009		718,992	0.4869	0.4869	3,501		
City of Lockwood	General Revenue	7,294,083	0.5672	0.5672		7,306,370	0.5679	0.5679	41,493		
	Parks & Recreation	7,294,083	0.1512	0.1512		7,306,370	0.1514	0.1514	11,062		
	Library	7,294,083	0.1797	0.1797		7,306,370	0.1799	0.1799	13,144		
Dade County Library District	General Revenue	89,129,353	0.0932	0.0932		90,958,741	0.0932	0.0932	84,774		
Cedar Township of Dade Co	Road & Bridge	4,374,295	0.3929	0.3929		4,422,158	0.3929	0.3929	17,375		
	Special Road and Bridge	4,374,295	0.1300	0.1300		**	**	**			2010
	Special Road and Bridge	**	**	**		4,422,158	0.1319	0.1319	5,833	A	2014
Center Township of Dade Co	Road & Bridge	20,357,112	0.3386	0.3386		20,501,776	0.3398	0.3398	69,665		
Ernest Township of Dade Co	Road & Bridge	1,728,822	0.4868	0.4868		1,585,309	0.5000	0.5000	7,927		
Grant Township of Dade Co	Road & Bridge	4,268,592	0.3596	0.3596		4,283,447	0.3596	0.3596	15,403		
Lockwood Township of Dade Co	Road & Bridge	14,290,871	0.3026	0.3026		14,605,780	0.3024	0.3024	44,168		
Marion Township of Dade Co	Road & Bridge	4,619,111	0.3581	0.3581		4,710,007	0.3581	0.3581	16,867		
North Morgan Township of Dade Co	Road & Bridge	1,703,234	0.2381	0.2381		2,018,743	0.2099	0.2099	4,237		
North Township of Dade Co	Road & Bridge	3,941,387	0.4097	0.4097		4,047,722	0.4067	0.4067	16,462		
Pilgrim Township of Dade Co	Road & Bridge	2,350,633	0.3389	0.3389		2,490,581	0.3305	0.3305	8,231		
	Special Road and Bridge	2,350,633	0.2248	0.2248		**	**	**			2010
	Special Road and Bridge	**	**	**		2,490,581	0.2300	0.2300	5,728	A	2014
Polk Township of Dade Co	Road & Bridge	6,476,701	0.3275	0.3275		6,529,191	0.3281	0.3281	21,422		
	Special Road and Bridge	6,476,701	0.3300	0.3300		6,529,191	0.3300	0.3300	21,546		2011
Rock Prairie Township of Dade Co	Road & Bridge	11,200,106	0.3433	0.3433		11,344,008	0.3433	0.3433	38,944		
	Special Road and Bridge	11,200,106	0.2300	0.2300		**	**	**			2010
Sac Township of Dade Co	Road & Bridge	3,590,590	0.2826	0.2826		4,049,905	0.2737	0.2737	11,085		
Smith Township of Dade Co	Road & Bridge	2,225,354	0.4408	0.4408		2,217,231	0.4424	0.4424	9,809		
	Special Road and Bridge	2,225,354	0.2469	0.2469		2,217,231	0.2469	0.2469	5,474		2012
South Township of Dade Co	Road & Bridge	2,977,039	0.4011	0.4011		3,074,940	0.3960	0.3960	12,177		
	Special Road and Bridge	2,977,039	0.3400	0.3400		3,074,940	0.3357	0.3357	10,323		2012
South Morgan Township of Dade Co	Road & Bridge	3,334,242	0.3687	0.3687		3,136,011	0.3924	0.3924	12,306		
Washington Township of Dade Co	Road & Bridge	3,854,474	0.3007	0.3007		4,056,761	0.2929	0.2929	11,882		
Dadeville Rural Fire Prot Dist	General Revenue	9,960,880	0.1803	0.1803		10,186,169	0.1796	0.1796	18,294		
Dade Co R-4 Rural Fire Prot Dist	General Revenue	38,131,880	0.1869	0.1869		39,061,825	0.1869	0.1869	73,007		
Dade County Health Department	General Revenue	96,376,407	0.0925	0.0925		98,200,941	0.0925	0.0925	90,836		
Lockwood R-I School District	Operating Funds-Schools	26,794,696	3.0116	3.0116	E	27,308,098	3.0006	3.0006	819,407	E	
	Debt Service	26,794,696	1.4053	0.5500		27,308,098	1.1102	0.6000	163,849		
Dadeville R-II School District	Operating Funds-Schools	9,700,292	3.5016	3.4300	E	9,774,323	3.4321	3.4300	335,259	E	
Everton R-III School District	Operating Funds-Schools	9,791,685	4.5317	4.4034	E	9,845,803	4.3406	4.3406	427,367	E	
	Debt Service	9,791,685	0.4494	0.4266		9,845,803	0.5312	0.4266	42,002		
Greenfield R-IV School District	Operating Funds-Schools	34,079,093	2.9131	2.9131	E	34,498,275	2.9113	2.9113	1,004,348	E	
	Debt Service	34,079,093	0.5903	0.5869		34,498,275	0.4064	0.4064	140,201		
Dade County	General Revenue	96,376,407	0.2505	0.1400		98,200,941	0.1400	0.1400	137,481		
	Township Tax	96,376,407	0.0925	0.0925		98,200,941	0.0925	0.0925	90,836		
Dallas											
City of Buffalo	General Revenue	29,142,396	0.5270	0.5270		29,657,444	0.5270	0.5200	154,219		
City of Urbana	General Revenue	2,692,227	0.5798	0.5798		2,915,465	0.5737	0.5737	16,726		
Dallas County Library	General Revenue	147,646,530	0.0995	0.0995		148,883,218	0.0996	0.0996	148,288		
Southern Dallas Co Fire Prot Dist	General Revenue	20,177,640	0.3000	0.2900		20,456,726	0.2900	0.2900	59,325		
Elkland Fire Protection District	General Revenue	12,887,338	0.3000	0.3000		12,948,506	0.3000	0.3000	38,846		
Dallas County Health Department	General Revenue	147,646,530	0.1002	0.1002		148,883,218	0.1003	0.1003	149,330		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Dallas										
Dallas Co R-I School District	Operating Funds-Schools	107,383,686	3.3500	3.3500	E	107,678,784	3.3500	3.3500	3,607,239	E
Dallas County	General Revenue	147,646,530	0.3558	0.1692		148,883,218	0.3561	0.1651	245,806	
	Road & Bridge	147,646,530	0.2643	0.2643		148,883,218	0.2646	0.2646	393,945	
Daviess										
Community Ambulance District	General Revenue	91,446,224	0.3500	0.3500		94,255,653	0.3500	0.3500	329,895	
West Fork of Big Creek Watershed	Main & Op	997,979	0.1504	0.1504		1,016,310	0.1506	0.1506	1,531	
Jamesport Spec Rd Dist Daviess Co	Road & Bridge	8,240,992	0.3728	0.3728		8,559,229	0.3698	0.3698	31,652	
	Special Road and Bridge	8,240,992	0.2700	0.2700		8,559,229	0.2678	0.2678	22,922	2012
Lock Springs Special Road District	Road & Bridge	2,982,014	0.3316	0.3316		3,217,137	0.3220	0.3220	10,359	
	Special Road and Bridge	2,982,014	0.3272	0.3272		3,217,137	0.3178	0.3178	10,224	2012
Daviess County Special Rd Dist #1	Road & Bridge	19,796,998	0.2118	0.2118		20,282,504	0.2118	0.2118	42,958	
	Special Road and Bridge	19,796,998	0.3500	0.3500		20,282,504	0.3500	0.3500	70,989	2011
	Debt Service	19,796,998	0.4470	0.3200		20,282,504	0.2667	0.2667	54,093	
Village of Altamont	General Revenue	801,341	0.6500	0.6500		791,626	0.6500	0.6500	5,146	
City of Coffey	General Revenue	476,895	0.9772	0.9772		457,481	1.0000	1.0000	4,575	
City of Gallatin	General Revenue	12,425,011	0.6275	0.6275		12,501,786	0.6275	0.6275	78,449	
	Parks & Recreation	12,425,011	0.2232	0.2232		12,501,786	0.2232	0.2232	27,904	
	Band	12,425,011	0.0200	0.0200		12,501,786	0.0200	0.0200	2,500	
City of Jamesport	General Revenue	3,019,046	0.7135	0.7135		2,996,989	0.7221	0.7221	21,641	
	Parks & Recreation	3,019,046	0.1690	0.1690		2,996,989	0.1710	0.1710	5,125	
Village of Jameson	General Revenue	375,589	0.5000	0.5000		397,529	0.4999	0.4999	1,987	
	General Revenue-Temp	375,589	0.2000	0.2000	A	397,529	0.1999	0.1999	795	2013
Village of Lock Springs	General Revenue	260,290	0.4037	0.3983		220,585	0.4701	0.3983	879	
City of Pattonsburg	General Revenue	1,775,669	1.0000	1.0000		1,806,908	1.0000	1.0000	18,069	
Village of Winston	General Revenue	1,094,841	0.4646	0.4646		1,118,484	0.4646	0.4646	5,196	
	Streets	1,094,841	0.3000	0.3000		**	**	**		2010
	Streets	**	**	**		1,118,484	0.3010	0.3000	3,355	A 2013
Daviess County Library	General Revenue	104,852,037	0.1846	0.1846		107,960,704	0.1846	0.1846	199,295	
Benton Township of Daviess Co	General Revenue	5,218,148	0.1000	0.1000		5,403,928	0.1000	0.1000	5,404	
	Road & Bridge	5,218,148	0.5000	0.5000		5,403,928	0.5000	0.5000	27,020	
Colfax Township of Daviess Co	General Revenue	5,634,992	0.0970	0.0970		5,909,877	0.0970	0.0970	5,733	
	Road & Bridge	5,634,992	0.4855	0.4855		5,909,877	0.4855	0.4855	28,692	
	Special Road and Bridge	5,634,992	0.0025	0.0000		**	**	**		2010
	Special Road & Bridge	5,634,992	0.2480	0.2480		5,909,877	0.2480	0.2480	14,656	2012
Grand River Township of Daviess Co	General Revenue	4,547,446	0.0992	0.0992		4,580,947	0.0992	0.0992	4,544	
	Road & Bridge	4,547,446	0.4959	0.4959		4,580,947	0.4959	0.4959	22,717	
	Special Road and Bridge	4,547,446	0.0035	0.0000		**	**	**		2010
	Special Road & Bridge	4,547,446	0.3490	0.3490		4,580,947	0.3490	0.3490	15,988	2012
Harrison Township of Daviess Co	General Revenue	2,490,319	0.0896	0.0896		2,695,525	0.0862	0.0862	2,324	
	Road & Bridge	2,490,319	0.4423	0.4423		2,695,525	0.4255	0.4255	11,469	
	Special Road and Bridge	2,490,319	0.3307	0.3307		2,695,525	0.3181	0.3181	8,574	2012
Jackson Township of Daviess Co	General Revenue	7,636,180	0.0949	0.0949		8,320,294	0.0933	0.0933	7,763	
	Road & Bridge	4,373,047	0.4873	0.4873		5,103,157	0.4608	0.4608	23,515	
	Special Road and Bridge	4,373,047	0.0035	0.0000		**	**	**		2010
	Special Road & Bridge	4,373,047	0.3479	0.3479		5,103,157	0.3290	0.3290	16,789	2012
Jamesport Township of Daviess Co	General Revenue	8,240,992	0.0901	0.0901		8,559,229	0.0894	0.0894	7,652	
Jefferson Township of Daviess Co	General Revenue	5,101,314	0.1000	0.1000		5,136,955	0.1000	0.1000	5,137	
	Road & Bridge	5,101,314	0.4584	0.4584		5,136,955	0.4584	0.4584	23,548	
	Special Road and Bridge	5,101,314	0.0035	0.0000		**	**	**		2010
	Special Road & Bridge	5,101,314	0.3500	0.3500		5,136,955	0.3500	0.3500	17,979	2012

APPENDIX VII
2011 PROPERTY TAX RATES
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Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Daviess											
Liberty Township of Daviess Co	General Revenue	24,652,436	0.0644	0.0644		25,157,409	0.0644	0.0644	16,201		
	Road & Bridge	4,855,438	0.4837	0.4837		4,874,905	0.4952	0.4952	24,141		
Lincoln Township of Daviess Co	General Revenue	4,114,282	0.1000	0.1000		4,183,807	0.0999	0.0999	4,180		
	Road & Bridge	4,114,282	0.5000	0.5000		4,183,807	0.4994	0.4994	20,894		
	Special Road and Bridge	4,114,282	0.0020	0.0000		**	**	**			2010
	Special Road & Bridge	4,114,282	0.3500	0.3500		4,183,807	0.3496	0.3496	14,627		2012
Marion Township of Daviess Co	General Revenue	4,269,353	0.1000	0.1000		4,408,310	0.1000	0.1000	4,408		
	Road & Bridge	4,269,353	0.5000	0.5000		4,408,310	0.5000	0.5000	22,042		
	Special Road and Bridge	4,269,353	0.0035	0.0000		**	**	**			2010
	Special Road & Bridge	4,269,353	0.3500	0.3500		4,408,310	0.3500	0.3500	15,429		2012
Monroe Township of Daviess Co	General Revenue	2,969,009	0.1000	0.1000		3,003,446	0.1000	0.1000	3,003		
	Road & Bridge	2,969,009	0.4852	0.4852		3,003,446	0.4855	0.4855	14,582		
	Special Road and Bridge	2,969,009	0.0035	0.0000		**	**	**			2010
	Special Road & Bridge	2,969,009	0.3500	0.3500		3,003,446	0.3500	0.3500	10,512		2012
Salem Township of Daviess Co	General Revenue	5,178,616	0.1000	0.1000		5,178,028	0.1000	0.1000	5,178		
	Road & Bridge	5,178,616	0.4941	0.4941		5,178,028	0.4944	0.4944	25,600		
	Special Road and Bridge	5,178,616	0.3482	0.3482		5,178,028	0.3482	0.3482	18,030		2012
Sheridan Township of Daviess Co	General Revenue	4,232,310	0.0965	0.0965		4,418,919	0.0965	0.0965	4,264		
	Road & Bridge	4,232,310	0.4485	0.4485		4,418,919	0.4485	0.4485	19,819		
	Special Road and Bridge	4,232,310	0.3468	0.3468		4,418,919	0.3468	0.3468	15,325		2012
Union Township of Daviess Co	General Revenue	17,557,591	0.0515	0.0500		17,880,935	0.0500	0.0500	8,940		
	Road & Bridge	17,557,591	0.3917	0.3800		17,880,935	0.3800	0.3800	67,948		
Washington Township of Daviess Co	General Revenue	3,009,049	0.1000	0.1000		3,123,095	0.1000	0.1000	3,123		
	Road & Bridge	3,009,049	0.5000	0.5000		3,123,095	0.5000	0.5000	15,615		
	Special Road and Bridge	3,009,049	0.3500	0.3500		3,123,095	0.3500	0.3500	10,931		2012
KAW Fire Protection District	General Revenue	24,843,894	0.4979	0.4979		25,487,931	0.4979	0.4979	126,904		
Jameson Fire Protection District	General Revenue	5,301,884	0.3000	0.3000		5,368,709	0.3000	0.3000	16,106		
Coffey Fire Protection District	General Revenue	4,141,307	0.3000	0.3000		4,092,289	0.3000	0.3000	12,277		
Pattonsburg Rescue & Fire Prot Dist	General Revenue	11,709,859	0.3000	0.3000		12,149,135	0.3000	0.3000	36,447		
Gallatin Fire Protection District	General Revenue	24,576,021	0.2982	0.2982		25,216,974	0.2994	0.2994	75,500		
Daviess County Health Department	General Revenue	104,852,037	0.2419	0.2419		107,960,704	0.2419	0.2419	261,157		
Pattonsburg R-II School District	Operating Funds-Schools	12,132,578	4.6243	4.4376	E	12,499,412	4.4515	4.4376	554,674	E	
	Debt Service	12,132,578	1.3368	0.5623		12,499,412	1.1770	0.5623	70,284		
Winston R-VI School District	Operating Funds-Schools	20,238,524	3.0951	3.0951	E	20,648,963	3.0726	3.0726	634,460	E	
	Debt Service	20,238,524	0.0940	0.0900		20,648,963	0.1057	0.0900	18,584		
North Daviess R-III School District	Operating Funds-Schools	8,925,150	5.4500	5.4500	E	9,011,733	5.4331	5.4331	489,616	E	
Gallatin R-V School District	Operating Funds-Schools	36,457,911	3.7249	3.7249	E	37,423,484	3.7192	3.7192	1,391,854	E	
Tri-County R-VII School District	Operating Funds-Schools	14,667,961	4.1611	4.1611	E	14,928,362	4.1258	4.1258	615,914	E	
	Debt Service	14,667,961	0.0000	0.0000		**	**	**			
Daviess County	General Revenue	104,852,037	0.1213	0.1200		107,960,704	0.1200	0.1200	129,553		
	Senate Bill 40	104,852,037	0.0808	0.0800		107,960,704	0.0800	0.0700	75,572		
	Senior Services	104,852,037	0.0500	0.0500		107,960,704	0.0500	0.0500	53,980		
De Kalb											
DeKalb-Clinton Ambulance Dist No 1	General Revenue	68,748,662	0.2462	0.2462		70,498,805	0.2462	0.2462	173,568		
Grindstone-Lost-Muddy-Creek Sub Dis	General Revenue	30,390,074	0.1299	0.1299		38,938,606	0.1305	0.1305	50,815		
Village of Amity	General Revenue	355,608	0.4676	0.4676		403,136	0.4660	0.4660	1,879		
City of Clarksdale	General Revenue	1,449,355	0.7058	0.7058		1,439,419	0.7111	0.7111	10,236		
	Lights	1,449,355	0.2206	0.2206		1,439,419	0.2222	0.2222	3,198		
	Streets	1,449,355	0.2426	0.2426		1,439,419	0.2444	0.2444	3,518		
	Debt Service	1,449,355	1.0487	1.0487		1,439,419	1.9380	1.9380	27,896		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
De Kalb											
City of Maysville	General Revenue	8,406,993	0.7968	0.7968		8,678,995	0.7968	0.7968	69,154		
	Streets	8,406,993	0.3997	0.3997		8,678,995	0.3997	0.3997	34,690		2012
City of Stewartsville	General Revenue	5,718,993	0.5234	0.5234		5,933,457	0.5247	0.5247	31,133		
	Lights	5,718,993	0.1259	0.1259		5,933,457	0.1262	0.1262	7,488		
City of Union Star	General Revenue	2,051,722	0.4482	0.4482		2,098,485	0.4565	0.4565	9,580		
	Lights	2,051,722	0.3790	0.2000		2,098,485	0.2037	0.2037	4,275		
	Streets	2,051,722	0.3448	0.3448		2,098,485	0.3511	0.3511	7,368		
	Debt Service	2,051,722	0.4366	0.4366		2,098,485	0.3122	0.3122	6,551		
Village of Weatherby	General Revenue	458,531	0.4833	0.4833		480,322	0.4796	0.4796	2,304		
	General Revenue-Temp	458,531	0.2975	0.2975		**	**	**			2010
	General Revenue-Temp	**	**	**		480,322	0.3000	0.3000	1,441	A	2014
City of Osborn	General Revenue	3,481,718	0.7456	0.7456		3,504,642	0.7456	0.7456	26,131		
Adams Township of DeKalb Co	General Revenue	7,131,604	0.1000	0.1000		7,404,955	0.1000	0.1000	7,405		
	Road & Bridge	7,131,604	0.3934	0.3934		7,404,955	0.3934	0.3934	29,131		
	Special Road and Bridge	7,131,604	0.1400	0.1400		**	**	**			2010
	Special Road and Bridge	**	**	**		7,404,955	0.1421	0.1421	10,522	A	2014
Camden Township of DeKalb Co	General Revenue	17,024,912	0.0990	0.0990		17,164,708	0.0995	0.0995	17,079		
	Road & Bridge	17,024,912	0.3514	0.3514		17,164,708	0.3531	0.3514	60,317		
Colfax Township of DeKalb Co	General Revenue	8,728,180	0.1000	0.1000		9,009,143	0.1000	0.1000	9,009		
	Road & Bridge	8,728,180	0.4213	0.4213		9,009,143	0.4213	0.4213	37,956		
	Special Road and Bridge	8,728,180	0.3500	0.3500		9,009,143	0.3500	0.3500	31,532		2011
Dallas Township of DeKalb Co	General Revenue	4,180,836	0.1000	0.1000		4,268,035	0.1000	0.1000	4,268		
	Road & Bridge	4,180,836	0.4239	0.4239		4,268,035	0.4239	0.4239	18,092		
	Special Road and Bridge	4,180,836	0.3500	0.3500	A	4,268,035	0.3500	0.3500	14,938		2013
Grand River Township of DeKalb Co	General Revenue	39,448,504	0.1000	0.1000		39,351,544	0.1000	0.1000	39,352		
	Road & Bridge	39,448,504	0.3729	0.3729		39,351,544	0.3738	0.3738	147,096		
Grant Township of DeKalb Co	General Revenue	4,558,582	0.1000	0.1000		5,025,488	0.1000	0.1000	5,025		
	Road & Bridge	4,558,582	0.5000	0.5000		5,025,488	0.5000	0.5000	25,127		
	Special Road and Bridge	4,558,582	0.3500	0.3500		5,025,488	0.3500	0.3500	17,589		2011
Polk Township of DeKalb Co	General Revenue	8,121,117	0.1000	0.1000		37,089,328	0.1000	0.1000	37,089		
	Road & Bridge	8,121,117	0.4103	0.4103		37,089,328	0.4165	0.4165	154,477		
Sherman Township of DeKalb Co	General Revenue	6,952,751	0.1000	0.1000		7,179,093	0.1000	0.1000	7,179		
	Road & Bridge	6,952,751	0.3961	0.3961		7,179,093	0.3976	0.3976	28,544		
	Special Road and Bridge	6,952,751	0.3500	0.3500		7,179,093	0.3500	0.3500	25,127		2011
Washington Township of DeKalb Co	General Revenue	18,003,270	0.0926	0.0926		18,397,446	0.0926	0.0926	17,036		
	Road & Bridge	18,003,270	0.3499	0.3499		18,397,446	0.3499	0.3499	64,373		
Osborn Fire Protection District	General Revenue	10,700,554	0.2473	0.2473		11,046,574	0.2473	0.2473	27,318		
Stewartsville Fire Protection Dist	General Revenue	17,880,411	0.2803	0.2803		17,692,187	0.2806	0.2806	49,644		
Central DeKalb Co Fire Prot Dist	General Revenue	31,318,000	0.2548	0.2548		31,916,608	0.2548	0.2548	81,324		
Clarksdale Fire Protection District	General Revenue	9,537,592	0.4301	0.4301		9,646,991	0.4301	0.4301	41,492		
Union Star Fire Protection District	General Revenue	10,266,951	0.2848	0.2848		26,174,257	0.2848	0.2848	74,544		
Osborn R-O School District	Operating Funds-Schools	8,929,524	4.7399	4.7399	E	9,220,400	4.7435	4.7345	436,540	E	
	Debt Service	8,929,524	0.5588	0.4600		9,220,400	0.7577	0.4600	42,414		
Maysville R-I School District	Operating Funds-Schools	40,808,063	3.5560	3.5560	E	41,837,496	3.5560	3.5560	1,487,741	E	
	Operating Funds - Temp	40,808,063	0.3752	0.3752	A	41,837,496	0.3752	0.3752	156,974		2014
Union Star R-II School District	Operating Funds-Schools	9,622,256	5.0175	5.0175	E	25,540,000	5.0797	5.0175	1,281,470	E	
Stewartsville C-2 School District	Operating Funds-Schools	13,418,252	4.0736	4.0729	E	13,669,844	4.0726	4.0726	556,718	E	
	Debt Service	13,418,252	0.5572	0.4887		13,669,844	0.7683	0.4890	66,846		
DeKalb County	General Revenue	114,149,674	0.3030	0.0000		144,906,286	0.3030	0.0000	0		
	Senate Bill 40	114,149,674	0.0900	0.0900		144,906,286	0.0900	0.0900	130,416		
	Senior Services	114,149,674	0.0300	0.0300		144,906,286	0.0300	0.0300	43,472		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Dent											
Salem Memorial Hospital District	General Revenue	225,729,529	0.2400	0.1950		237,133,222	0.1902	0.1902	451,027		
City of Salem	General Revenue	45,457,836	0.6412	0.6240		46,193,862	0.6240	0.6240	288,250		
	Library	45,457,836	0.2818	0.2818		46,193,862	0.2818	0.2818	130,174		
Dent County Fire Protection Dist	General Revenue	91,158,265	0.2273	0.2273		92,505,972	0.2274	0.2274	210,359		
Dent County Health Center	General Revenue	149,736,066	0.0932	0.0932		151,995,389	0.0932	0.0932	141,660		
Salem R-80 School District	Operating Funds-Schools	63,818,946	2.7500	2.7500	E	64,932,890	2.7500	2.7500	1,785,654	E	
Oak Hill R-I School District	Operating Funds-Schools	12,972,020	3.0315	3.0304	E	13,194,280	3.0445	3.0304	399,839	E	
Green Forest R-II School District	Operating Funds-Schools	17,172,050	2.7500	2.7500	E	17,860,190	2.7500	2.7500	491,155	E	
	Operating Funds-Temp	17,172,050	0.2259	0.0000		17,860,190	0.0000	0.0000	0		2011
Dent-Phelps R-III School District	Operating Funds-Schools	28,186,497	2.7500	2.7500	E	28,578,173	2.7500	2.7500	785,900	E	
North Wood R-IV School District	Operating Funds-Schools	17,673,337	2.7500	2.7500	E	17,961,265	2.7500	2.7500	493,935	E	
Dent County	General Revenue	149,736,066	0.0360	0.0350		151,995,389	0.0350	0.0350	53,198		
	Road & Bridge	149,736,066	0.2622	0.2550		151,995,389	0.2550	0.2550	387,588		
	Senate Bill 40	149,736,066	0.1543	0.1500		151,995,389	0.1500	0.1500	227,993		
	Senior Services	149,736,066	0.0466	0.0466		151,995,389	0.0466	0.0466	70,830		
Douglas											
Ava Ambulance District	General Revenue	97,229,521	0.1137	0.0000		98,689,813	0.1137	0.0000	0		
Douglas County Library	General Revenue	128,091,139	0.0827	0.0827		130,725,913	0.0827	0.0827	108,110		
Douglas County Health Department	General Revenue	128,091,139	0.2056	0.2056		130,725,913	0.2056	0.2056	268,772		
Skyline R-II School District	Operating Funds-Schools	8,539,521	2.8535	2.8535	E	8,776,474	2.8723	2.8723	252,087	E	
Plainview R-VIII School District	Operating Funds-Schools	5,670,483	2.8811	2.8811	E	5,729,420	2.8906	2.8906	165,615	E	
Ava R-I School District	Operating Funds-Schools	88,859,366	2.7500	2.7500	E	89,053,690	2.7500	2.7500	2,448,976	E	
Douglas County	General Revenue	128,091,139	0.3000	0.1275		130,725,913	0.3000	0.1275	166,676		
	Road & Bridge	128,091,139	0.2171	0.2171		130,725,913	0.2171	0.2171	283,806		
	Senate Bill 40	128,091,139	0.0827	0.0827		130,725,913	0.0827	0.0827	108,110		
Dunklin											
City of Arbyrd	General Revenue	3,784,165	1.0000	1.0000		3,845,070	1.0000	1.0000	38,451		
City of Campbell	General Revenue	8,966,095	0.0000	0.0000		9,131,346	0.0000	0.0000	0		
City of Cardwell	General Revenue	2,793,033	0.5651	0.5651		2,713,739	0.5821	0.5821	15,797		
	Streets	2,793,033	0.1720	0.1720		2,713,739	0.1772	0.1772	4,809		
City of Clarkton	General Revenue	5,018,269	0.6488	0.6488		5,038,489	0.6569	0.6569	33,098		
City of Holcomb	General Revenue	3,337,175	0.6950	0.6950		3,272,939	0.7114	0.7114	23,284		
City of Hornersville	General Revenue	3,246,817	0.8198	0.8198		3,252,400	0.8233	0.8233	26,777		
City of Kennett	General Revenue	87,768,231	0.5608	0.5608		87,332,082	0.5659	0.5659	494,212		
	Parks & Recreation	87,768,231	0.1500	0.1500		87,332,082	0.1500	0.1500	130,998		
	Special Park	87,768,231	0.1000	0.1000		87,332,082	0.1000	0.1000	87,332		
City of Malden	General Revenue	27,336,375	0.7313	0.7313		26,701,422	0.7539	0.7539	201,302		
City of Senath	General Revenue	8,773,174	0.6496	0.6496		8,845,216	0.6546	0.6546	57,901		
	Health	8,773,174	0.1140	0.1140		8,845,216	0.1149	0.1149	10,163		
Buffalo Township of Dunklin Co	General Revenue	9,501,578	0.1000	0.1000		9,372,275	0.1000	0.1000	9,372		
	Road & Bridge	9,501,578	0.3037	0.3037		9,372,275	0.3086	0.3086	28,923		
Clay Township of Dunklin Co	General Revenue	16,967,541	0.1000	0.1000		16,958,351	0.1000	0.1000	16,958		
	Road & Bridge	16,967,541	0.3241	0.3241		16,958,351	0.3272	0.3272	55,488		
Cotton Hill Township of Dunklin Co	General Revenue	43,849,869	0.1000	0.1000		43,719,635	0.1000	0.1000	43,720		
	Road & Bridge	43,849,869	0.2995	0.2995		43,719,635	0.3020	0.3020	132,033		
Freeborn Township of Dunklin Co	General Revenue	11,875,977	0.0996	0.0996		11,679,380	0.1000	0.1000	11,679		
	Road & Bridge	11,875,977	0.2561	0.2561		11,679,380	0.2610	0.2610	30,483		
Holcomb Township of Dunklin Co	General Revenue	12,113,338	0.1000	0.1000		11,512,588	0.1000	0.1000	11,513		
	Road & Bridge	12,113,338	0.2469	0.2469		11,512,588	0.2611	0.2469	28,425		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Dunklin										
Independence Township of Dunklin Co	General Revenue	112,555,802	0.1000	0.1000		111,473,458	0.1000	0.1000	111,473	
	Road & Bridge	112,555,802	0.2545	0.2545		111,473,458	0.2580	0.2580	287,602	
Salem Township of Dunklin Co	General Revenue	27,517,535	0.1000	0.1000		27,398,064	0.1000	0.1000	27,398	
	Road & Bridge	27,517,535	0.2999	0.2999		27,398,064	0.3022	0.3022	82,797	
Union Township of Dunklin Co	General Revenue	58,304,022	0.1000	0.1000		58,570,441	0.1000	0.1000	58,570	
	Road & Bridge	58,304,022	0.3483	0.3483		58,570,441	0.3488	0.3488	204,294	
Dunklin County Health Department	General Revenue	292,685,662	0.1000	0.1000		290,684,192	0.1000	0.1000	290,684	
Malden R-I School District	Operating Funds-Schools	43,170,342	3.5415	3.4300	E	42,907,382	3.5265	3.5216	1,511,026	E
	Debt Service	43,170,342	0.4077	0.0000		42,907,382	0.3557	0.0000	0	
Campbell R-II School District	Operating Funds-Schools	50,419,276	3.3954	3.2722	E	50,648,732	3.2833	3.2722	1,657,328	E
	Debt Service	50,419,276	0.7635	0.7635		50,648,732	0.7824	0.7635	386,703	
Holcomb R-III School District	Operating Funds-Schools	20,600,056	3.1516	3.1248	E	20,435,605	3.1906	3.1906	652,018	E
	Debt Service	20,600,056	0.7063	0.7063		20,435,605	0.7405	0.7405	151,326	
Clarkton C-4 School District	Operating Funds-Schools	11,987,556	3.5428	3.4300	E	11,766,106	3.5110	3.4300	403,577	E
Senath-Hornersville C-8 School Dist	Operating Funds-Schools	44,588,480	3.4830	3.4830	E	44,792,235	3.4568	3.4568	1,548,378	E
Southland C-9 School District	Operating Funds-Schools	15,507,020	3.1815	3.1815	E	15,511,100	3.2413	3.2413	502,761	E
Kennett 39 School District	Operating Funds-Schools	89,023,723	3.6524	3.5000	E	88,485,394	3.5425	3.5000	3,096,989	E
	Debt Service	89,023,723	0.6516	0.6500		88,485,394	0.7164	0.7000	619,398	
Dunklin County	General Revenue	292,685,662	0.0000	0.0000		290,684,192	0.0000	0.0000	0	
	Library	292,685,662	0.2500	0.2500		290,684,192	0.2500	0.2500	726,710	
	Johnson Grass	292,685,662	0.0000	0.0000		290,684,192	0.0000	0.0000	0	
	Ambulance	292,685,662	0.1357	0.1357		290,684,192	0.1372	0.1372	398,819	
	Senate Bill 40	292,685,662	0.1000	0.1000		290,684,192	0.1000	0.1000	290,684	
Franklin										
Gerald Ambulance District	General Revenue	111,080,199	0.2859	0.2859		109,838,911	0.2926	0.2926	321,389	
Meramec Ambulance District	General Revenue	529,308,658	0.2594	0.2020		518,640,193	0.2678	0.2113	1,095,887	
	Dispatch	529,308,658	0.0270	0.0270		518,640,193	0.0279	0.0279	144,701	
St. Clair Ambulance District	General Revenue	212,877,100	0.3219	0.2498		212,447,221	0.3273	0.2466	523,895	
Union Ambulance District	General Revenue	325,296,640	0.1654	0.1654		326,947,198	0.1675	0.1675	547,637	
Washington Area Ambulance District	General Revenue	463,401,847	0.1667	0.0000		465,476,730	0.1504	0.0000	0	
New Haven Ambulance District	General Revenue	90,837,229	0.3000	0.2317		89,423,345	0.3000	0.2218	198,341	
City of Berger	General Revenue	1,858,287	0.8211	0.8211		1,921,303	0.8227	0.8227	15,807	
City of Gerald	General Revenue	17,010,841	0.7895	0.7845		16,560,085	0.8181	0.7845	129,914	
	Parks & Recreation	17,010,841	0.2171	0.2157		16,560,085	0.2249	0.2157	35,720	
Village of Leslie	General Revenue	1,126,006	0.4852	0.4800		1,130,662	0.4829	0.4800	5,427	
City of New Haven	General Revenue	36,053,432	0.6039	0.6039		34,470,431	0.6358	0.6358	219,163	
	Parks & Recreation	36,053,432	0.2300	0.2300		34,470,431	0.2300	0.2300	79,282	
Village of Oak Grove	General Revenue	11,905,560	0.1636	0.1600		11,307,912	0.1702	0.1600	18,093	
City of Pacific	General Revenue	123,310,849	0.3710	0.3710		117,261,763	0.3947	0.3947	462,832	
Village of Parkway	General Revenue	5,516,153	0.4063	0.3000		5,566,713	0.3052	0.3052	16,990	
City of St. Clair	General Revenue	58,473,909	0.4818	0.4818		57,691,759	0.4961	0.4961	286,209	
	Parks & Recreation	58,473,909	0.1504	0.1504		57,691,759	0.1549	0.1549	89,365	
	Debt Service	58,473,909	0.0000	0.0000		**	**	**		
City of Sullivan	General Revenue	82,088,702	0.3874	0.3874		80,066,136	0.3993	0.3993	319,704	
	Library	79,989,974	0.1008	0.1008		78,243,801	0.1036	0.1036	81,061	
City of Union	General Revenue	166,145,690	0.5286	0.5286		167,291,604	0.5386	0.5386	901,033	
	Parks & Recreation	166,145,690	0.1273	0.1273		167,291,604	0.1297	0.1297	216,977	
City of Washington	General Revenue	330,419,429	0.5962	0.5962		330,522,718	0.6020	0.6020	1,989,747	
Franklin County Library District	General Revenue	1,601,420,660	0.0759	0.0759		1,582,960,601	0.0777	0.0777	1,229,960	
Washington Public Library	General Revenue	157,829,417	0.0914	0.0914		156,893,638	0.0927	0.0927	145,440	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Franklin										
Beaufort Leslie Fire Prot Dist	General Revenue	55,567,208	0.4558	0.4558		55,319,927	0.4654	0.4654	257,459	
Boles Fire Protection District	General Revenue	277,222,699	0.5545	0.5545		273,966,817	0.5755	0.5755	1,576,679	
	Debt Service	277,222,699	0.0700	0.0700		273,966,817	0.2629	0.2629	720,259	
Pacific Fire Protection District	General Revenue	243,448,713	0.6235	0.6235		235,979,090	0.6497	0.6497	1,533,156	
	Pension	243,448,713	0.0443	0.0443		235,979,090	0.0462	0.0462	109,022	
	Joint Dispatch	243,448,713	0.0443	0.0443		235,979,090	0.0462	0.0462	109,022	
	Debt Service	243,448,713	0.0648	0.0648		235,979,090	0.0697	0.0697	164,477	
St. Clair Fire Protection District	General Revenue	222,468,043	0.5574	0.4799		222,046,118	0.5669	0.4797	1,065,155	
Sullivan Fire Protection District	General Revenue	190,731,838	0.3617	0.1252		188,226,013	0.3701	0.1307	246,011	
Union Fire Protection District	General Revenue	315,171,493	0.2692	0.2692		316,317,504	0.2728	0.2728	862,914	
Gerald-Rosebud Fire Protection Dist	General Revenue	65,631,905	0.2389	0.2389		65,005,631	0.2440	0.2440	158,614	
New Haven-Berger Fire Prot Dist	General Revenue	95,813,271	0.2500	0.2500		94,704,078	0.2500	0.2500	236,760	
Gray Summit Sewer District	General Revenue	2,249,037	0.4251	0.4250		2,511,350	0.3888	0.3888	9,764	
Beauty View Sewer District	General Revenue	825,409	0.5566	0.5566		825,097	0.5822	0.5822	4,804	
Crestview Sewer District	General Revenue	1,120,958	0.4564	0.4564		1,117,180	0.4627	0.4627	5,169	
St. Clair Sewer District	General Revenue	9,662,355	0.3070	0.3070		9,575,156	0.3116	0.3116	29,836	
Sylvan Manor Sunset Acres Sew Dist	General Revenue	1,692,480	0.5253	0.5253		1,661,400	0.5356	0.5356	8,898	
Calvey Creek Sewer District	General Revenue	17,454,331	0.3592	0.3592		17,281,833	0.3655	0.3655	63,165	
East Central College	General Revenue	1,648,910,752	0.3488	0.3488		1,646,915,740	0.3544	0.3544	5,836,669	
	Debt Service	1,648,910,752	0.1085	0.0841		1,646,915,740	0.0999	0.0841	1,385,056	
Franklin Co R-II School District	Operating Funds-Schools	26,118,882	3.5297	3.2700	E	25,022,876	3.4447	3.4447	861,963	E
Meramec Valley R-III School Dist	Operating Funds-Schools	327,259,862	3.6108	3.6108	F	313,764,603	3.6200	3.6200	11,358,279	F
	Debt Service	327,259,862	1.1090	0.6900		313,764,603	1.3349	0.6900	2,164,976	
Union R-XI School District	Operating Funds-Schools	299,041,557	2.8059	2.7900	F	297,593,753	2.8542	2.7900	8,302,866	F
	Debt Service	299,041,557	1.1215	0.9100		297,593,753	1.1081	0.9600	2,856,900	
Lonedell R-XIV School District	Operating Funds-Schools	38,762,653	3.4963	3.4800	E	38,040,989	3.6090	3.4800	1,323,826	E
	Debt Service	38,762,653	0.3071	0.2100		38,040,989	0.2676	0.2100	79,886	
Spring Bluff R-XV School District	Operating Funds-Schools	24,134,317	3.0851	3.0851	BE	24,128,610	3.1659	3.1400	757,638	E
	Debt Service	24,134,317	0.8194	0.6149		24,128,610	0.9278	0.7000	168,900	
Franklin County R-XVI School Dist	Operating Funds-Schools	11,063,060	3.0857	3.0857	E	10,987,353	3.1733	3.1733	348,662	E
	Debt Service	11,063,060	0.2041	0.1300		10,987,353	0.2487	0.1300	14,284	
St. Clair R-XIII School District	Operating Funds-Schools	147,701,226	2.7500	2.7500	E	145,650,394	2.7500	2.7500	4,005,386	E
	Debt Service	147,701,226	0.8511	0.6200		145,650,394	0.9087	0.6200	903,032	
Sullivan C-2 School District	Operating Funds-Schools	160,729,082	2.8759	2.8759	E	157,997,538	2.9157	2.9157	4,606,734	E
	Debt Service	160,729,082	1.8194	1.0955		157,997,538	1.8564	1.0955	1,730,863	
New Haven School District	Operating Funds-Schools	35,314,366	4.3500	3.9448	E	34,738,217	4.0840	3.9448	1,370,353	E
	Debt Service	35,314,366	1.0540	0.5300		34,738,217	1.0799	0.5300	184,113	
Washington School District	Operating Funds-Schools	740,141,088	3.4960	3.4960	E	737,144,980	3.5075	3.5075	25,855,360	E
	Debt Service	740,141,088	0.3606	0.2900		737,144,980	0.3650	0.2985	2,200,378	
Franklin County	General Revenue	1,843,296,621	0.2695	0.1382		1,827,956,631	0.2750	0.1382	2,526,236	
	Road & Bridge	1,843,296,621	0.1938	0.1938		1,827,956,631	0.1978	0.1978	3,615,698	
	Senate Bill 40	1,843,296,621	0.0916	0.0916		1,827,956,631	0.0935	0.0935	1,709,139	
Gasconade										
Owensville Ambulance District	General Revenue	86,516,666	0.3239	0.1424		86,103,589	0.3239	0.1179	101,516	
Hermann Area Ambulance District	General Revenue	122,619,956	0.2860	0.1415		124,420,170	0.2860	0.1460	181,653	
Hermann Area Hospital District	General Revenue	115,386,461	0.7009	0.7009		117,225,662	0.7009	0.7009	821,635	
Morrison Levee Dist Gasconade Co	General Revenue	78,130	0.7168	0.7168		78,110	0.7169	0.7169	560	
Morrison Sp Rd Dist #4 Gasconade Co	Road & Bridge	5,158,326	0.2604	0.2604		5,368,532	0.2559	0.2559	13,738	
City of Bland	General Revenue	3,489,018	0.9043	0.0943		3,424,724	0.9211	0.9211	31,545	
	Parks & Recreation	3,489,018	0.2420	0.2420		3,424,724	0.2465	0.2465	8,442	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Gasconade										
City of Bland	Debt Service	3,489,018	0.5102	0.5102		3,424,724	0.8477	0.8477	29,031	
City of Gasconade	General Revenue	1,452,589	0.6269	0.6269		1,480,791	0.6244	0.6244	9,246	
	Debt Service	1,452,589	1.9834	1.9834		1,480,791	2.3001	2.3001	34,060	
City of Hermann	General Revenue	35,891,177	0.3537	0.3535		35,823,080	0.3550	0.3535	126,635	
	Parks & Recreation	35,891,177	0.0092	0.0092		35,823,080	0.0092	0.0092	3,296	
	Band	35,891,177	0.0100	0.0100		35,823,080	0.0100	0.0100	3,582	
City of Morrison	General Revenue	1,194,850	0.5392	0.5392		1,210,281	0.5393	0.5393	6,527	
City of Owensville	General Revenue	35,863,028	0.3174	0.3174		35,378,270	0.3232	0.3232	114,343	
	Parks & Recreation	35,863,028	0.3174	0.3174		35,378,270	0.3232	0.3232	114,343	
	Debt Service	35,863,028	0.9955	0.6298		35,378,270	0.8960	0.8960	316,989	
City of Rosebud	General Revenue	4,182,690	0.4193	0.4193		4,150,697	0.4233	0.4233	17,570	
Gasconade County Library District	General Revenue	209,715,859	0.0957	0.0957		209,666,105	0.0964	0.0964	202,118	
Bland Fire Protection District	General Revenue	19,175,887	0.2206	0.2206		20,153,784	0.2170	0.2170	43,734	
Gasconade County Health Depart	General Revenue	209,715,859	0.0957	0.0957		209,666,105	0.0964	0.0964	202,118	
Gasconade Co R-II School District	Operating Funds-Schools	149,278,175	3.3410	3.1800	F	147,305,442	3.4117	3.1800	4,684,313	F
	Debt Service	149,278,175	0.6841	0.6700		147,305,442	0.6977	0.6700	986,946	
Gasconade County R-I School Dist	Operating Funds-Schools	107,462,480	2.9746	2.9746	E	107,608,908	2.9974	2.9974	3,225,469	E
	Debt Service	107,462,480	1.4553	0.7500		107,608,908	1.6628	0.7500	807,067	
Gasconade County	General Revenue	209,715,859	0.3606	0.1692		209,666,105	0.3633	0.1769	370,899	
	Common Road District	204,557,533	0.2638	0.2638		204,297,575	0.2661	0.2661	543,636	
	Mental Health	209,715,859	0.0800	0.0800		209,666,105	0.0800	0.0800	167,733	
	Senate Bill 40	209,715,859	0.0957	0.0957		209,666,105	0.0964	0.0964	202,118	
Gentry										
Grand River Regional Ambulance Dist	General Revenue	107,414,749	0.1800	0.1800		140,301,700	0.1800	0.1800	252,543	
City of Albany	General Revenue	14,952,509	0.6257	0.6257		15,423,062	0.6257	0.6257	96,502	
	Parks & Recreation	14,952,509	0.2772	0.2772		15,423,062	0.2772	0.2772	42,753	
	Library	14,952,509	0.4600	0.4600		15,423,062	0.4600	0.4600	70,946	
	Health	14,952,509	0.1746	0.1746		15,423,062	0.1746	0.1746	26,929	
Village of Darlington	General Revenue	280,085	0.4999	0.4999		300,164	0.4998	0.4998	1,500	
Village of Gentry	General Revenue	279,970	0.4820	0.4820		261,261	0.5000	0.5000	1,306	
City of King City	General Revenue	6,071,477	0.7254	0.7254		6,779,301	0.7043	0.7043	47,747	
	Parks & Recreation	6,071,477	0.1787	0.1787		6,779,301	0.1735	0.1735	11,762	
	Health	6,071,477	0.1787	0.1787		6,779,301	0.1735	0.1735	11,762	
	Police	6,071,477	0.1500	0.1500	A	6,779,301	0.1456	0.1456	9,871	2013
City of McFall	General Revenue	553,976	0.7070	0.7070		591,766	0.6967	0.6967	4,123	
City of Stanberry	General Revenue	9,126,474	0.6313	0.6313		10,023,793	0.6371	0.6371	63,862	
	Parks & Recreation	9,126,474	0.1672	0.1672		10,023,793	0.1687	0.1687	16,910	
	Streets	9,126,474	0.3726	0.3726		10,023,793	0.3760	0.3760	37,689	
Gentry County Library Dist	General Revenue	66,465,054	0.2000	0.2000		69,243,634	0.2000	0.2000	138,487	
	Debt Service	66,465,054	0.1206	0.1206		69,243,634	0.1001	0.1001	69,313	
Athens Township of Gentry Co	General Revenue	22,398,405	0.1000	0.1000		22,837,250	0.1000	0.1000	22,837	
	Road & Bridge	22,398,405	0.3825	0.3825		22,837,250	0.3825	0.3825	87,352	
	Special Road District	22,398,405	0.1971	0.1971		22,837,250	0.1971	0.1971	45,012	2012
	Special Road and Bridge	22,398,405	0.2500	0.2500		22,837,250	0.2500	0.2500	57,093	2011
Bogle Township of Gentry Co	General Revenue	4,645,997	0.1000	0.1000		4,801,836	0.1000	0.1000	4,802	
	Road & Bridge	4,645,997	0.5000	0.5000		4,801,836	0.5000	0.5000	24,009	
	Special Road and Bridge	4,645,997	0.3200	0.3200		4,801,836	0.3200	0.3200	15,366	2011
	Gravel	4,645,997	0.3500	0.3500		4,801,836	0.3500	0.3500	16,806	2011
	Gravel & Maintenance	4,645,997	0.4500	0.4500	A	4,801,836	0.4500	0.4500	21,608	2013
Cooper Township of Gentry Co	General Revenue	16,355,141	0.1000	0.1000		17,531,357	0.1000	0.1000	17,531	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Gentry											
Cooper Township of Gentry Co	Road & Bridge	16,355,141	0.4834	0.4834		17,531,357	0.4834	0.4834	84,747		
	Special Road and Bridge	16,355,141	0.1500	0.1500		17,531,357	0.1500	0.1500	26,297		2011
Howard Township of Gentry Co	General Revenue	2,037,874	0.1000	0.1000		2,138,411	0.0992	0.0992	2,121		
	Road & Bridge	2,037,874	0.5000	0.5000		2,138,411	0.4959	0.4959	10,604		
	Special Road and Bridge	2,037,874	0.3500	0.3500		2,138,411	0.3472	0.3472	7,425		2011
	Gravel	2,037,874	0.3000	0.3000		2,138,411	0.2976	0.2976	6,364		2011
Huggins Township of Gentry Co	General Revenue	2,770,956	0.1000	0.1000		2,965,294	0.1000	0.1000	2,965		
	Road & Bridge	2,770,956	0.5000	0.5000		2,965,294	0.5000	0.5000	14,826		
	Special Road and Bridge	2,770,956	0.3300	0.3300		2,965,294	0.3300	0.3300	9,785		2011
Jackson Township of Gentry Co	General Revenue	21,251,756	0.1000	0.1000		22,112,248	0.1000	0.1000	22,112		
	Road & Bridge	21,251,756	0.4779	0.4779		22,112,248	0.4782	0.4782	105,741		
	Special Road District	21,251,756	0.2500	0.2500		**	**	**			2010
	Special Road and Bridge	21,251,756	0.1200	0.1200		22,112,248	0.1200	0.1200	26,535		2011
	Special Road District	**	**	**		22,112,248	0.2539	0.2539	56,143	A	2014
Miller Township of Gentry Co	General Revenue	8,168,107	0.1000	0.1000		8,236,942	0.1000	0.1000	8,237		
	Road & Bridge	8,168,107	0.5000	0.5000		8,236,942	0.5000	0.5000	41,185		
	Special Road District	8,168,107	0.2900	0.2900		8,236,942	0.2900	0.2900	23,887		2012
	Special Road and Bridge	8,168,107	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		8,236,942	0.3537	0.3537	29,134	A	2014
Wilson Township of Gentry Co	General Revenue	3,789,326	0.1000	0.1000		3,943,358	0.0996	0.0996	3,928		
	Road & Bridge	3,789,326	0.5000	0.5000		3,943,358	0.4982	0.4982	19,646		
	Special Road and Bridge	3,789,326	0.2900	0.2900		3,943,358	0.2889	0.2889	11,392		2012
	Gravel	3,789,326	0.3000	0.3000	A	3,943,358	0.2989	0.2989	11,787		2011
	Gravel & Maintenance	3,789,326	0.3000	0.3000	A	3,943,358	0.2989	0.2989	11,787		2013
Albany Community Fire Prot Dist	General Revenue	34,000,737	0.1669	0.1669		34,893,208	0.1669	0.1669	58,237		
	Fire	34,000,737	0.1500	0.1500		34,893,208	0.1500	0.1500	52,340		
Stanberry Fire Protection Dist	General Revenue	21,666,209	0.4000	0.4000		23,432,679	0.4000	0.4000	93,731		
McFall Fire Protection District	General Revenue	3,607,054	0.2974	0.2974		3,714,743	0.2974	0.2974	11,048		
King City Fire Protection District	General Revenue	29,611,322	0.3000	0.3000		43,968,304	0.3000	0.3000	131,905		
King City R-I School District	Operating Funds-Schools	29,898,920	4.3600	4.0768		43,974,749	4.3600	4.1925	1,843,641		
	Debt Service	29,898,920	0.8876	0.5100		43,974,749	0.6407	0.5100	224,271		
Stanberry R-II School District	Operating Funds-Schools	21,193,495	4.1000	4.1000	E	23,048,909	4.1000	4.1000	945,005	E	
	Operating Funds-Temp	21,193,495	1.3300	1.3300		23,048,909	1.3300	1.3300	306,550		2026
Albany R-III School District	Operating Funds-Schools	33,001,176	4.4893	4.4893	E	33,854,296	4.4893	4.4893	1,519,821	E	
Gentry County	General Revenue	81,419,196	0.3484	0.3484		84,569,096	0.3484	0.3484	294,639		
	Senior Services	81,419,196	0.0500	0.0500		84,569,096	0.0500	0.0500	42,285		
	General Revenue-Temp	81,419,196	0.1900	0.1900		**	**	**			2010
	General Revenue-Temp	**	**	**		84,569,096	0.1921	0.1921	162,457	A	2014
Greene											
City of Ash Grove	General Revenue	13,078,473	0.5431	0.5431		12,865,433	0.5522	0.5522	71,043		
City of Battlefield	General Revenue	47,995,874	0.3389	0.3389		49,766,851	0.3366	0.3366	167,515		
	Debt Service	47,995,874	0.2050	0.2050		49,766,851	0.0248	0.0248	12,342		
City of Fair Grove	General Revenue	14,980,828	0.4976	0.4976		14,172,414	0.5302	0.5302	75,142		
	Debt Service	14,980,828	0.2255	0.2255		14,172,414	0.2108	0.2108	29,875		
City of Republic	General Revenue	150,447,700	0.4202	0.4202		159,164,303	0.4090	0.4090	650,982		
	Parks & Recreation	150,447,700	0.1131	0.1131		159,164,303	0.1101	0.1101	175,240		
	Lights	150,447,700	0.0646	0.0646		159,164,303	0.0629	0.0629	100,114		
City of Springfield	Parks & Recreation	2,596,634,449	0.1809	0.1809		2,663,770,699	0.1807	0.1807	4,813,434		
	Health	2,596,634,449	0.1234	0.1234		2,663,770,699	0.1232	0.1232	3,281,766		
	Art Museum	2,596,634,449	0.0378	0.0378		2,663,770,699	0.0378	0.0378	1,006,905		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Greene											
City of Springfield	General Revenue-Temp	2,596,634,449	0.2595	0.2595		2,663,770,699	0.2592	0.2592	6,904,494		2025
City of Strafford	General Revenue	24,477,076	0.3542	0.3542		25,208,667	0.3503	0.3503	88,306		
City of Walnut Grove	General Revenue	5,256,040	0.5576	0.5576		4,924,023	0.5952	0.5952	29,308		
City of Willard	General Revenue	43,966,566	0.3941	0.3941		43,887,523	0.4014	0.4014	176,165		
	Parks & Recreation	43,966,566	0.1206	0.1206		43,887,523	0.1228	0.1228	53,894		
Springfield Greene County Library	General Revenue	4,240,869,507	0.2412	0.2412		4,268,034,318	0.2418	0.2418	10,320,107		
Battlefield Fire Protection Dist	General Revenue	512,590,744	0.3327	0.3327		502,063,839	0.3418	0.3418	1,716,054		
Strafford Fire Protection District	General Revenue	137,002,603	0.7235	0.7235		135,077,234	0.7432	0.7432	1,003,894		
Fair Grove Fire Protection District	General Revenue	64,972,058	0.4720	0.3000		60,786,052	0.3237	0.3000	182,358		
Brookline Fire Protection District	General Revenue	101,387,893	0.2409	0.2409		102,993,876	0.2486	0.2486	256,043		
Logan-Rogersville Fire Prot Dist	General Revenue	367,675,011	0.3603	0.3603		352,244,149	0.3657	0.3657	1,288,157		
Willard Fire Protection District	General Revenue	136,725,067	0.2492	0.2492		134,594,792	0.2562	0.2562	344,832		
Walnut Grove Fire Protection Dist	General Revenue	34,449,577	0.3000	0.3000		32,718,267	0.3000	0.3000	98,155		
West Republic Fire Protection Dist	General Revenue	24,399,526	0.2616	0.2616		23,847,941	0.2684	0.2684	64,008		
Ebenezer Fire Protection District	General Revenue	105,249,876	0.2869	0.2869		98,648,652	0.8579	0.8579	846,307	B	
Bois D'Arc Fire Protection District	General Revenue	23,109,005	0.3053	0.3053		22,201,154	0.3193	0.3193	70,888		
Ash Grove Fire Protection District	General Revenue	24,473,779	0.3544	0.3544		23,500,022	0.3544	0.3544	83,284		
Pleasant View Fire Protection Dist	General Revenue	30,407,370	0.3000	0.3000		28,257,260	0.3000	0.3000	84,772		
C and E Community Improvement Dist	General Revenue	**	**	**		19,149,140	2.3251	2.3251	445,237		
Ozarks Technical Community College	General Revenue	5,524,423,414	0.0931	0.0931		5,540,565,118	0.0937	0.0937	5,191,510		
	General Revenue-Temp	5,524,423,414	0.0465	0.0465		5,540,565,118	0.0468	0.0468	2,592,984		2019
Willard R-II School District	Operating Funds-Schools	324,014,660	3.2164	3.1995	E	320,351,810	3.2655	3.1995	10,249,656	E	
	Debt Service	324,014,660	1.8095	0.7905		320,351,810	1.6517	0.7905	2,532,381		
Republic R-III School District	Operating Funds-Schools	289,611,216	3.4400	3.4400	E	284,988,972	3.4400	3.4400	9,803,621	E	
	Building-Temp	283,451,486	0.0000	0.0000		**	**	**			2010
	Debt Service	289,611,216	1.7372	0.8400		284,988,972	1.6927	0.8400	2,393,907		
Ash Grove R-IV School District	Operating Funds-Schools	52,394,174	3.0755	2.7500	F	51,811,039	3.1180	3.1180	1,615,468	E	
	Debt Service	52,394,174	0.7176	0.5000		51,811,039	0.7677	0.5000	259,055		
Walnut Grove R-V School District	Operating Funds-Schools	17,631,210	3.3648	3.3648	E	17,054,825	4.0530	3.8559	657,617	BE	
Strafford R-VI School District	Operating Funds-Schools	164,077,544	2.7500	2.7500	F	165,963,377	2.7500	2.7500	4,563,993	F	
	Debt Service	164,077,544	0.7061	0.7000		165,963,377	0.7893	0.7000	1,161,744		
Logan-Rogersville R-VIII School Dis	Operating Funds-Schools	208,179,081	3.0284	3.0100	E	207,311,259	3.0589	3.0100	6,240,069	E	
	Debt Service	208,179,081	0.9826	0.9300		207,311,259	1.0250	0.9300	1,927,995		
Springfield R-XII School District	Operating Funds-Schools	3,147,982,070	3.1126	3.1126	E	3,184,997,630	3.1269	3.1269	99,591,691	E	
	Debt Service	3,147,982,070	0.7513	0.5100		3,184,997,630	0.6849	0.5100	16,243,488		
Fair Grove R-X School District	Operating Funds-Schools	61,357,264	2.8328	2.7500	F	62,519,818	2.8575	2.7500	1,719,295	F	
	Debt Service	61,357,264	1.2270	0.9000		62,519,818	1.1888	0.9000	562,678		
Greene County	General Revenue	4,240,869,507	0.2491	0.1321		4,268,034,318	0.2497	0.1307	5,578,321		
	Road & Bridge	4,240,869,507	0.2491	0.1321		4,268,034,318	0.2497	0.1307	5,578,321		
	Senate Bill 40	4,240,869,507	0.0462	0.0462		4,268,034,318	0.0463	0.0463	1,976,100		
	Senior Services	4,240,869,507	0.0492	0.0492		4,268,034,318	0.0493	0.0493	2,104,141		
Grundy											
Grundy County Nursing Home District	General Revenue	106,023,046	0.1500	0.1500		110,821,513	0.1498	0.1498	166,011		
Spickard Special Road District	Special Road and Bridge	1,392,813	0.3389	0.3389	A	1,503,714	0.3279	0.3279	4,931		2013
Village of Brimson	General Revenue	262,269	0.2210	0.2000		270,069	0.2037	0.2000	540		
City of Galt	General Revenue	808,198	1.0000	1.0000		855,844	0.9999	0.9999	8,558		
City of Laredo	General Revenue	885,173	0.7000	0.7000		859,485	0.7000	0.7000	6,016		
	Streets	885,173	0.3000	0.3000		859,485	0.3000	0.3000	2,578		
City of Spickard	General Revenue	1,071,602	0.9854	0.9854		1,139,093	0.9648	0.9648	10,990		
City of Tindall	General Revenue	418,220	0.4500	0.4500		510,059	0.4500	0.4500	2,295		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied	2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Grundy									
City of Trenton	General Revenue	52,752,115	0.8585	0.8585	54,313,132	0.8683	0.8683	471,601	
	Parks & Recreation	52,752,115	0.1586	0.1586	54,313,132	0.1604	0.1604	87,118	
Grundy Co Jewett Norris Library	General Revenue	106,023,046	0.2000	0.2000	110,821,513	0.1997	0.1997	221,311	
Franklin Township of Grundy Co	General Revenue	4,194,080	0.1000	0.1000	4,652,590	0.0955	0.0955	4,443	
	Road & Bridge	4,194,080	0.4410	0.4410	4,652,590	0.4211	0.4211	19,592	
	Special Road and Bridge	4,194,080	0.3500	0.3500	**	**	**		2010
	Special Road and Bridge	**	**	**	4,652,590	0.3500	0.3500	16,284	A 2014
Harrison Township of Grundy Co	General Revenue	1,844,371	0.1000	0.1000	1,927,050	0.1000	0.1000	1,927	
	Road & Bridge	1,844,371	0.5000	0.5000	1,927,050	0.5000	0.5000	9,635	
	Special Road and Bridge	1,844,371	0.3500	0.3500	1,927,050	0.3500	0.3500	6,745	2012
Jackson Township of Grundy Co	General Revenue	3,557,281	0.0995	0.0995	3,736,369	0.0978	0.0978	3,654	
	Road & Bridge	3,557,281	0.4086	0.4086	3,736,369	0.4016	0.4016	15,005	
	Special Road and Bridge	3,557,281	0.3483	0.3483	**	**	**		2010
	Special Road and Bridge	**	**	**	3,736,369	0.3500	0.3500	13,077	A 2014
	Debt Service	**	**	**	3,736,369	0.3658	0.3658	13,668	
Jefferson Township of Grundy Co	General Revenue	5,978,182	0.0955	0.0955	6,412,768	0.0938	0.0938	6,015	
	Road & Bridge	5,978,182	0.4846	0.4846	6,412,768	0.4762	0.4762	30,538	
	Special Road and Bridge	5,978,182	0.3393	0.3393	**	**	**		2010
	Special Road and Bridge	**	**	**	6,412,768	0.3500	0.3500	22,445	A 2014
Liberty Township of Grundy Co	General Revenue	3,397,729	0.1000	0.1000	3,563,384	0.1000	0.1000	3,563	
	Road & Bridge	3,397,729	0.5000	0.5000	3,563,384	0.5000	0.5000	17,817	
	Special Road and Bridge	3,397,729	0.3482	0.3482	3,563,384	0.3482	0.3482	12,408	2012
Lincoln Township of Grundy Co	General Revenue	6,944,113	0.0995	0.0995	7,626,911	0.0961	0.0961	7,329	
	Road & Bridge	6,944,113	0.3019	0.3019	7,626,911	0.2914	0.2914	22,225	
	Special Road and Bridge	6,944,113	0.3426	0.3426	7,626,911	0.3307	0.3307	25,222	2012
Madison Township of Grundy Co	General Revenue	6,060,303	0.1000	0.1000	5,987,510	0.1000	0.1000	5,988	
	Road & Bridge	6,060,303	0.5000	0.5000	5,987,510	0.5000	0.5000	29,938	
	Special Road and Bridge	6,060,303	0.3500	0.3500	**	**	**		2010
	Special Road and Bridge	**	**	**	5,987,510	0.3627	0.3627	21,717	A 2014
Marion Township of Grundy Co	General Revenue	4,414,127	0.1000	0.1000	4,702,478	0.0978	0.0978	4,599	
	Road & Bridge	4,414,127	0.5000	0.5000	4,702,478	0.4892	0.4892	23,005	
	Special Road and Bridge	4,414,127	0.3500	0.3500	**	**	**		2010
	Special Road and Bridge	**	**	**	4,702,478	0.3500	0.3500	16,459	A 2014
	Debt Service	4,414,127	0.2926	0.2926	4,702,478	0.2747	0.2747	12,918	
Myers Township of Grundy County	General Revenue	1,820,104	0.1000	0.1000	1,887,259	0.0995	0.0995	1,878	
	Road & Bridge	1,820,104	0.5000	0.5000	1,887,259	0.4975	0.4975	9,389	
	Special Road and Bridge	1,820,104	0.3500	0.3500	**	**	**		2010
	Special Road and Bridge	**	**	**	1,887,259	0.3500	0.3500	6,605	A 2014
Taylor Township of Grundy Co	General Revenue	1,709,353	0.1000	0.1000	1,751,045	0.1000	0.1000	1,751	
	Road & Bridge	1,709,353	0.4718	0.4718	1,751,045	0.4718	0.4718	8,261	
	Special Road and Bridge	1,709,353	0.3494	0.3494	1,751,045	0.3494	0.3494	6,118	2012
Trenton Township of Grundy Co	General Revenue	60,816,215	0.0626	0.0626	62,826,354	0.0628	0.0628	39,455	
	Road & Bridge	60,816,215	0.2803	0.2803	62,826,354	0.2811	0.2811	176,605	
Wilson Township of Grundy Co	General Revenue	3,925,496	0.1000	0.1000	4,312,013	0.0980	0.0980	4,226	
	Road & Bridge	3,925,496	0.5000	0.5000	4,312,013	0.4900	0.4900	21,129	
	Special Road and Bridge	3,925,496	0.3500	0.3500	**	**	**		2010
	Special Road and Bridge	**	**	**	4,312,013	0.3500	0.3500	15,092	A 2014
Washington Township of Grundy Co	General Revenue	1,361,461	0.0963	0.0963	1,435,787	0.0963	0.0963	1,383	
	Road & Bridge	1,361,461	0.4818	0.4818	1,435,787	0.4818	0.4818	6,918	
	Special Road and Bridge	1,361,461	0.3500	0.3500	**	**	**		2010
Grundy County Rural Fire Prot Dist	General Revenue	28,156,124	0.2994	0.2994	31,008,383	0.2828	0.2828	87,692	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Grundy											
Laredo Fire Protection District	General Revenue	9,233,560	0.2878	0.2800		9,933,095	0.2758	0.2758	27,395		
Spickard Fire Protection District	General Revenue	11,800,388	0.2980	0.2980		12,719,920	0.2910	0.2910	37,015		
Grundy County Health Department	General Revenue	106,023,046	0.3000	0.3000		110,821,513	0.2996	0.2996	332,021		
North Central Missouri College	General Revenue	78,705,009	0.4000	0.4000		79,601,528	0.4000	0.4000	318,406		
Grundy Co R-V School District	Operating Funds-Schools	11,137,620	5.9207	5.9207	E	11,574,074	5.9207	5.9207	685,266	E	
Spickard R-II School District	Operating Funds-Schools	3,677,020	4.3906	4.3906	E	3,834,873	4.3923	4.3923	168,439	E	
Pleasant View R-VI School District	Operating Funds-Schools	6,429,018	4.4856	4.4856	E	8,697,469	4.3927	4.3927	382,054	E	
Laredo R-VII School District	Operating Funds-Schools	4,946,910	4.9000	4.9000	E	5,238,697	4.9000	4.8979	256,586	E	
	Operating Funds-Temp	4,946,910	1.4000	1.4000		5,238,697	1.4000	1.3000	68,103		2013
Trenton R-IX School District	Operating Funds-Schools	70,920,986	3.7126	3.6000	E	71,049,969	3.5285	3.5285	2,506,998	E	
	Debt Service	70,920,986	1.3011	0.9000		71,049,969	0.9218	0.9000	639,450		
Grundy County	General Revenue	106,023,046	0.3904	0.1894		110,821,513	0.3899	0.1894	209,896		
	Developmentally Disabled	106,023,046	0.1000	0.1000		110,821,513	0.0999	0.0999	110,711		
	Senior Services	106,023,046	0.0500	0.0500		110,821,513	0.0499	0.0499	55,300		
Harrison											
North Harrison Co Ambulance Dist	General Revenue	28,130,660	0.5000	0.5000		29,176,357	0.4960	0.4960	144,715		
Noel Adams Ambulance District	General Revenue	72,902,469	0.2789	0.0000		74,750,167	0.2809	0.0000	0		
Harrison County Hospital District	General Revenue	95,771,014	0.4500	0.4500		98,590,376	0.4500	0.4500	443,657		
Panther Creek Watershed Sub Dist	General Revenue	1,534,074	0.2400	0.2400		1,562,470	0.2400	0.2400	3,750		
West Fork of Big Creek Sub Dist	General Revenue	11,758,779	0.3902	0.3902		11,601,746	0.4000	0.4000	46,407		
East Fork of Big Creek Subdistrict	General Revenue	4,661,968	0.4000	0.4000		4,609,948	0.4000	0.4000	18,440		
City of Bethany	General Revenue	28,323,130	0.5493	0.5493		28,753,173	0.5493	0.5493	157,941		
	Parks & Recreation	28,323,130	0.0000	0.0000		28,753,173	0.0000	0.0000	0		
	Road	28,323,130	0.3105	0.3105		28,753,173	0.3105	0.3105	89,279		
Village of Blythedale	General Revenue	727,578	0.9043	0.9043		716,332	0.9392	0.9392	6,728		
City of Cainsville	General Revenue	1,538,007	0.5169	0.5169		1,564,112	0.5169	0.5169	8,085		
	Fire	1,538,007	0.0000	0.0000		1,564,112	0.0000	0.0000	0		
	General Revenue-Temp	1,538,007	0.3000	0.3000		**	**	**			2010
	Gravel	1,538,007	0.5169	0.5169		1,564,112	0.5169	0.5169	8,085		
	Debt Service	1,538,007	0.2790	0.2790		1,564,112	0.2692	0.2692	4,211		
City of Gilman City	General Revenue	1,543,253	0.5149	0.5149		1,650,671	0.5149	0.5149	8,499		
	Parks & Recreation	1,543,253	0.0500	0.0500		1,650,671	0.0500	0.0500	825		
	Streets	1,543,253	0.1864	0.1864		1,650,671	0.1864	0.1864	3,077		
Village of Mount Moriah	General Revenue	436,347	0.4958	0.4958		437,271	0.4967	0.4967	2,172		
City of New Hampton	General Revenue	1,057,575	0.6800	0.6800		972,326	0.6800	0.6800	6,612		
	Lights	1,057,575	0.1500	0.1500		972,326	0.1500	0.1500	1,458		
	Streets	1,057,575	0.3000	0.3000		972,326	0.3000	0.3000	2,917		
City of Ridgeway	General Revenue	1,802,712	1.0000	1.0000		1,857,119	1.0000	1.0000	18,571		
	Parks & Recreation	1,802,712	0.0500	0.0500		1,857,119	0.0500	0.0500	929		
Adams Township of Harrison Co	General Revenue	2,263,409	0.1000	0.1000		2,533,586	0.0999	0.0999	2,531		
	Road & Bridge	2,263,409	0.5000	0.5000		2,533,586	0.4997	0.4997	12,660		
	Special Road and Bridge	2,263,409	0.3500	0.3500		2,533,586	0.3498	0.3498	8,862		2011
Bethany Township of Harrison County	General Revenue	35,524,057	0.0982	0.0982		35,948,793	0.1000	0.1000	35,949		
	Road & Bridge	35,524,057	0.3263	0.3263		35,948,793	0.3327	0.3327	119,602		
Butler Township of Harrison Co	General Revenue	1,972,140	0.1000	0.1000		2,025,479	0.1000	0.1000	2,025		
	Road & Bridge	1,972,140	0.4384	0.4384		2,025,479	0.4384	0.4384	8,880		
	Special Road and Bridge	1,972,140	0.3500	0.3500		2,025,479	0.3500	0.3500	7,089		2011
Clay Township of Harrison Co	General Revenue	2,439,148	0.1000	0.1000		2,595,108	0.0994	0.0994	2,580		
	Road & Bridge	2,439,148	0.5000	0.5000		2,595,108	0.4972	0.4972	12,903		
	Special Road and Bridge	2,439,148	0.3500	0.3500		2,595,108	0.3480	0.3480	9,031		2011

APPENDIX VII
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Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied	2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Harrison									
Colfax Township of Harrison Co	General Revenue	5,882,593	0.1000	0.1000	6,067,686	0.0999	0.0999	6,062	
	Road & Bridge	5,882,593	0.4720	0.4720	6,067,686	0.4714	0.4714	28,603	
	Special Road and Bridge	5,882,593	0.3500	0.3500	6,067,686	0.3496	0.3496	21,213	2011
Cypress Township of Harrison Co	General Revenue	2,415,091	0.1000	0.1000	2,552,716	0.1000	0.1000	2,553	
	Road & Bridge	2,415,091	0.4086	0.4086	2,552,716	0.4086	0.4086	10,430	
	Special Road and Bridge	2,415,091	0.3500	0.3500	2,552,716	0.3500	0.3500	8,935	2011
Dallas Township of Harrison Co	General Revenue	2,110,621	0.1000	0.1000	2,191,120	0.1000	0.1000	2,191	
	Road & Bridge	2,110,621	0.4345	0.4345	2,191,120	0.4356	0.4356	9,545	
	Special Road and Bridge	2,110,621	0.3500	0.3500	2,191,120	0.3500	0.3500	7,669	2011
Fox Creek Township of Harrison Co	General Revenue	1,952,929	0.1000	0.1000	2,011,186	0.1000	0.1000	2,011	
	Road & Bridge	1,952,929	0.4625	0.4625	2,011,186	0.4625	0.4625	9,302	
	Special Road and Bridge	1,952,929	0.3500	0.3500	2,011,186	0.3500	0.3500	7,039	2011
Grant Township of Harrison Co	General Revenue	3,336,316	0.1000	0.1000	3,426,050	0.1000	0.1000	3,426	
	Road & Bridge	3,336,316	0.5000	0.5000	3,426,050	0.5000	0.5000	17,130	
	Special Road and Bridge	3,336,316	0.3500	0.3500	3,426,050	0.3500	0.3500	11,991	2011
Hamilton Township of Harrison Co	General Revenue	2,580,991	0.1000	0.1000	2,682,172	0.0988	0.0988	2,650	
	Road & Bridge	2,580,991	0.5000	0.5000	2,682,172	0.4942	0.4942	13,255	
	Special Road and Bridge	2,580,991	0.3500	0.3500	2,682,172	0.3459	0.3459	9,278	2011
Jefferson Township of Harrison Co	General Revenue	3,672,536	0.1000	0.1000	3,726,225	0.1000	0.1000	3,726	
	Road & Bridge	3,672,536	0.4738	0.4738	3,726,225	0.4738	0.4738	17,655	
	Special Road and Bridge	3,672,536	0.3500	0.3500	3,726,225	0.3500	0.3500	13,042	2011
Lincoln Township of Harrison Co	General Revenue	2,038,499	0.1000	0.1000	2,119,370	0.0998	0.0998	2,115	
	Road & Bridge	2,038,499	0.5000	0.5000	2,119,370	0.4992	0.4992	10,580	
	Special Road and Bridge	2,038,499	0.3500	0.3500	2,119,370	0.3494	0.3494	7,405	2011
Madison Township of Harrison Co	General Revenue	4,241,657	0.1000	0.1000	4,604,611	0.0971	0.0971	4,471	
	Road & Bridge	4,241,657	0.5000	0.5000	4,604,611	0.4854	0.4854	22,351	
	Special Road and Bridge	4,241,657	0.3500	0.3500	4,604,611	0.3398	0.3398	15,646	2011
Marion Township of Harrison Co	General Revenue	5,229,369	0.1000	0.1000	5,164,474	0.1000	0.1000	5,164	
	Road & Bridge	5,229,369	0.4495	0.4495	5,164,474	0.4599	0.4599	23,751	
	Special Road and Bridge	5,229,369	0.3500	0.3500	5,164,474	0.3500	0.3500	18,076	2011
Sherman Township of Harrison Co	General Revenue	3,582,541	0.0996	0.0996	3,843,358	0.0996	0.0996	3,828	
	Road & Bridge	3,582,541	0.4980	0.4980	3,843,358	0.4980	0.4980	19,140	
	Special Road and Bridge	3,582,541	0.3497	0.3497	3,843,358	0.3497	0.3497	13,440	2011
Sugar Creek Township of Harrison Co	General Revenue	3,498,927	0.1000	0.1000	3,705,006	0.1000	0.1000	3,705	
	Road & Bridge	3,498,927	0.3949	0.3949	3,705,006	0.3949	0.3949	14,631	
	Special Road and Bridge	3,498,927	0.3500	0.3500	3,705,006	0.3500	0.3500	12,968	2011
Trail Creek Township of Harrison Co	General Revenue	3,259,671	0.1000	0.1000	3,297,634	0.1000	0.1000	3,298	
	Road & Bridge	3,259,671	0.5000	0.5000	3,297,634	0.5000	0.5000	16,488	
	Special Road and Bridge	3,259,671	0.3500	0.3500	3,297,634	0.3500	0.3500	11,542	2011
Union Township of Harrison Co	General Revenue	3,838,304	0.1000	0.1000	4,051,328	0.1000	0.1000	4,051	
	Road & Bridge	3,838,304	0.4990	0.4990	4,051,328	0.4990	0.4990	20,216	
	Special Road and Bridge	3,838,304	0.3500	0.3500	4,051,328	0.3500	0.3500	14,180	2011
Washington Township of Harrison Co	General Revenue	1,871,278	0.1000	0.1000	1,892,560	0.1000	0.1000	1,893	
	Road & Bridge	1,871,278	0.4985	0.4985	1,892,560	0.4985	0.4985	9,434	
	Special Road and Bridge	1,871,278	0.3500	0.3500	1,892,560	0.3500	0.3500	6,624	2011
White Oak Township of Harrison Co	General Revenue	4,060,937	0.1000	0.1000	4,151,914	0.1000	0.1000	4,152	
	Road & Bridge	4,060,937	0.4689	0.4689	4,151,914	0.4689	0.4689	19,468	
	Special Road and Bridge	4,060,937	0.3500	0.3500	4,151,914	0.3500	0.3500	14,532	2011
Ridgeway Fire Protection District	General Revenue	7,232,727	0.2981	0.2981	7,174,257	0.3000	0.3000	21,523	
Gilman City Fire Protection Dist	General Revenue	9,500,777	0.3000	0.3000	10,306,482	0.2983	0.2983	30,744	
New Hampton Fire Protection Dist	General Revenue	9,266,056	0.3000	0.3000	9,475,152	0.3000	0.3000	28,425	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Harrison										
North Harrison Fire Protection Dist	Fire	16,130,206	0.2973	0.2973		16,734,029	0.2973	0.2973	49,750	
Cainsville Fire Protection District	General Revenue	7,048,308	0.3000	0.3000		7,236,982	0.3000	0.3000	21,711	
Harrison County Health Department	General Revenue	95,771,014	0.1400	0.1400		98,590,376	0.3040	0.3040	299,715	B
Cainsville R-I School District	Operating Funds-Schools	5,084,194	6.3697	6.0000	E	5,246,433	6.0740	6.0000	314,786	E
South Harrison Co R-II School Dist	Operating Funds-Schools	58,075,194	3.5987	3.5987	E	59,056,088	3.6700	3.6700	2,167,358	E
North Harrison Co R-III School Dist	Operating Funds-Schools	15,411,465	4.4905	4.4905	E	15,844,586	4.5000	4.5000	713,006	E
Gilman City R-IV School District	Operating Funds-Schools	9,397,645	5.0673	5.0673	E	9,858,148	5.1472	5.0649	499,305	E
Ridgeway R-V School District	Operating Funds-Schools	6,793,240	5.5000	4.9480		6,734,268	6.1236	5.9480	400,554	BE
Harrison County	General Revenue	95,771,014	0.3773	0.3773		98,590,376	0.3773	0.3773	371,981	
	Senior Services	95,771,014	0.0500	0.0500		98,590,376	0.0500	0.0500	49,295	
Henry										
Windsor Ambulance District	General Revenue	41,542,157	0.3000	0.3000		45,862,476	0.2791	0.2791	128,002	
Bethlehem Spec Rd Dist #2 Henry Co	Road & Bridge	2,295,703	0.6068	0.6068		2,380,523	0.6068	0.6068	14,445	
Deerfield Creek SRD, Henry Co	Road & Bridge	4,768,805	0.2026	0.2026		5,461,613	0.1822	0.1822	9,951	
Fields Creek Sp Rd Dist #1 Henry Co	Road & Bridge	20,115,398	0.3614	0.3614		20,965,046	0.3529	0.3529	73,986	
Honey Creek Sp Rd Dist #1 Henry Co	Road & Bridge	2,060,119	0.3951	0.3951		2,052,100	0.3968	0.3968	8,143	
Montrose Spec Rd Dist Henry Co	Road & Bridge	3,405,669	0.3144	0.3144		3,471,774	0.3144	0.3144	10,915	
Mt Hope Spec Rd Dist Henry Co	Road & Bridge	1,174,349	0.4900	0.4900		1,270,155	0.4685	0.4685	5,951	
Osage Spec Rd Dist #1 Henry Co	Road & Bridge	5,056,067	0.3414	0.3414		5,076,108	0.3418	0.3418	17,350	
Shawnee Spec Rd Dist #1 Henry Co	Road & Bridge	4,270,070	0.2621	0.2621		4,746,404	0.2450	0.2450	11,629	
Wagner Spec Rd Dist Henry Co	Road & Bridge	655,216	0.4861	0.4861		798,408	0.4318	0.4318	3,448	
Windsor Spec Rd Dist Henry Co	Road & Bridge	28,678,525	0.2800	0.2800		30,021,691	0.2749	0.2749	82,530	
Clinton Country Club Spec Rd Dist	Special Road District	1,908,338	0.3000	0.3000	A	2,063,926	0.2836	0.2836	5,853	2013
	Special Road and Bridge	1,908,338	0.2760	0.2760		2,063,926	0.2609	0.2609	5,385	
City of Blairstown	General Revenue	533,629	0.9999	0.9999		493,781	1.0000	1.0000	4,938	
	Streets	533,629	0.5000	0.5000	A	493,781	0.5000	0.5000	2,469	2012
Village of Brownington	General Revenue	383,268	0.8208	0.8208		440,525	0.8318	0.8318	3,664	
City of Calhoun	General Revenue	1,685,155	0.6733	0.6733		1,904,376	0.6426	0.6426	12,238	
	Police	1,685,155	0.2500	0.2500		1,904,376	0.2386	0.2386	4,544	2012
	Fire	1,685,155	0.2000	0.2000		1,904,376	0.1909	0.1909	3,635	2012
City of Clinton	General Revenue	111,639,539	0.5275	0.5275		116,997,433	0.5237	0.5237	612,716	
	Parks & Recreation	111,639,539	0.1477	0.1477		116,997,433	0.1466	0.1466	171,518	
City of Deepwater	General Revenue	2,242,061	0.8600	0.8600		2,431,659	0.8383	0.8383	20,385	
	Lights	2,242,061	0.1478	0.1478		2,431,659	0.1441	0.1441	3,504	
	Cemetery	2,242,061	0.1000	0.1000		2,431,659	0.0975	0.0975	2,371	
City of Montrose	General Revenue	2,819,574	0.9548	0.9548		2,957,261	0.9395	0.9395	27,783	
	Debt Service	2,819,574	0.4749	0.4749		2,957,261	0.4406	0.4406	13,030	
City of Urich	General Revenue	2,923,886	0.9869	0.9869		3,165,575	0.9357	0.9357	29,620	
	Parks & Recreation	2,923,886	0.3046	0.3046		3,165,575	0.2888	0.2888	9,142	
City of Windsor	General Revenue	21,156,697	0.6202	0.6202		22,068,653	0.6100	0.6100	134,619	
	Library	21,156,697	0.0000	0.0000		22,068,653	0.0000	0.0000	0	
	Park	21,156,697	0.2400	0.2400		22,068,653	0.2361	0.2361	52,104	
	Pool	21,156,697	0.1200	0.1200		22,068,653	0.1180	0.1180	26,041	
	Recreation	21,156,697	0.0600	0.0600		22,068,653	0.0590	0.0590	13,021	
Henry County Library District	General Revenue	280,366,067	0.2000	0.2000		295,248,156	0.1956	0.1956	577,505	
Bear Creek Township of Henry Co	General Revenue	3,152,851	0.1996	0.1996		3,406,799	0.1915	0.1915	6,524	
	Road & Bridge	3,152,851	0.3493	0.3493		3,406,799	0.3352	0.3352	11,420	
	Special Road and Bridge	3,152,851	0.2600	0.2600	A	3,406,799	0.2495	0.2495	8,500	2013
Bethlehem Township of Henry County	General Revenue	10,337,504	0.1220	0.1220		10,976,615	0.1193	0.1193	13,095	
	Road & Bridge	7,661,388	0.2728	0.2728		8,193,542	0.2671	0.2671	21,885	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Henry											
Bogard Township of Henry Co	General Revenue	7,873,085	0.1789	0.1789		8,509,291	0.1722	0.1722	14,653		
	Road & Bridge	7,873,085	0.3787	0.3787		8,509,291	0.3646	0.3646	31,025		
	Special Road and Bridge	7,873,085	0.2495	0.2495		8,509,291	0.2402	0.2402	20,439		2012
Clinton Township of Henry Co	General Revenue	100,154,167	0.0512	0.0512		103,760,819	0.0508	0.0508	52,710		
	Road & Bridge	100,154,167	0.1024	0.1024		103,760,819	0.1017	0.1017	105,525		
Davis Township of Henry Co	General Revenue	11,947,572	0.2000	0.2000		12,246,486	0.1981	0.1981	24,260		
	Road & Bridge	11,947,572	0.5000	0.5000		12,246,486	0.4952	0.4952	60,645		
Deepwater Township of Henry Co	General Revenue	6,996,487	0.1714	0.1714		7,455,036	0.1668	0.1668	12,435		
	Road & Bridge	1,761,253	0.3600	0.3600		1,914,699	0.3469	0.3469	6,642		
Deer Creek Township of Henry Co	General Revenue	7,159,165	0.1539	0.1539		7,694,692	0.1481	0.1481	11,396		
	Road & Bridge	4,321,362	0.4647	0.4647		4,630,661	0.4476	0.4476	20,727		
Fairview Township of Henry Co	General Revenue	6,415,187	0.1641	0.1641		6,975,199	0.1560	0.1560	10,881		
	Road & Bridge	6,415,187	0.3501	0.3501		6,975,199	0.3328	0.3328	23,213		
Fields Creek Township of Henry Co	General Revenue	35,373,811	0.1682	0.1682		37,976,625	0.1634	0.1634	62,054		
	Road & Bridge	11,799,486	0.3100	0.3100		13,012,621	0.3071	0.3071	39,962		
Honey Creek Township of Henry Co	General Revenue	3,336,865	0.1523	0.1523		3,392,195	0.1521	0.1521	5,160		
	Road & Bridge	1,276,746	0.1516	0.1516		1,340,095	0.1466	0.1466	1,965		
Leesville Township of Henry Co	General Revenue	14,650,711	0.1321	0.1321		14,989,692	0.1316	0.1316	19,726		
	Road & Bridge	14,650,711	0.2645	0.2645		14,989,692	0.2636	0.2636	39,513		
Osage Township of Henry Co	General Revenue	9,291,363	0.1343	0.1343		9,806,144	0.1308	0.1308	12,826		
	Road & Bridge	4,235,296	0.2868	0.2868		4,730,036	0.2680	0.2680	12,676		
Shawnee Township of Henry Co	General Revenue	7,111,747	0.1688	0.1688		7,802,718	0.1596	0.1596	12,453		
	Road & Bridge	2,841,667	0.4414	0.4414		3,056,314	0.4251	0.4251	12,992		
Springfield Township of Henry Co	General Revenue	3,565,449	0.2000	0.2000		3,979,763	0.1890	0.1890	7,522		
	Road & Bridge	3,565,449	0.5000	0.5000		3,979,763	0.4724	0.4724	18,800		
Tebo Township of Henry Co	General Revenue	7,542,102	0.1863	0.1863		8,236,957	0.1779	0.1779	14,654		
	Road & Bridge	7,542,102	0.4058	0.4058		8,236,957	0.3875	0.3875	31,918		
	Special Road and Bridge	7,542,102	0.1800	0.1800		**	**	**			2010
Walker Township of Henry Co	General Revenue	5,149,133	0.1967	0.1967		6,124,127	0.1724	0.1724	10,558		
	Road & Bridge	5,149,133	0.4916	0.4916		6,124,127	0.4309	0.4309	26,389		
White Oak Township of Henry Co	General Revenue	6,810,058	0.1962	0.1962		7,227,200	0.1896	0.1896	13,703		
	Road & Bridge	6,810,058	0.4139	0.4139		7,227,200	0.3999	0.3999	28,902		
Windsor Township of Henry Co	General Revenue	28,678,525	0.1477	0.1477		30,021,691	0.1450	0.1450	43,531		
Big Creek Township of Henry Co	General Revenue	4,824,575	0.1663	0.1663		5,298,908	0.1579	0.1579	8,367		
	Road & Bridge	4,824,575	0.2703	0.2703		5,298,908	0.2567	0.2567	13,602		
Tightwad Fire Protection District	General Revenue	14,652,731	0.3000	0.3000		14,936,394	0.3000	0.3000	44,809		
Henry County Health Center	General Revenue	280,370,357	0.1000	0.1000		295,880,957	0.0976	0.0976	288,780		
Henry County R-I School District	Operating Funds-Schools	39,545,613	3.4622	2.7500	F	41,102,117	3.3220	2.7500	1,130,308	F	
	Debt Service	39,545,613	1.0021	0.5000		41,102,117	0.9975	0.5000	205,511		
Shawnee R-III School District	Operating Funds-Schools	8,291,362	4.2000	4.2000	E	8,939,896	4.1192	4.1192	368,252	E	
	Debt Service	8,291,362	0.6413	0.3067		8,939,896	0.5760	0.3067	27,419		
Calhoun R-VIII School District	Operating Funds-Schools	8,764,486	4.2400	4.2400	E	9,392,394	4.1625	4.1625	390,958	E	
Leesville R-IX School District	Operating Funds-Schools	14,117,083	3.5197	3.5197	E	14,465,386	3.4691	3.4691	501,819	E	
Davis R-XII School District	Operating Funds-Schools	16,143,981	3.5600	3.5600	E	16,465,315	3.5329	3.5329	581,703	E	
	Debt Service	16,143,981	0.2220	0.2000		16,465,315	0.2247	0.2000	32,931		
Montrose R-XIV School District	Operating Funds-Schools	9,340,964	4.6695	4.6695	E	9,954,293	4.5920	4.5920	457,101	E	
Clinton School District	Operating Funds-Schools	150,018,677	3.5615	3.5615	E	156,512,249	3.5269	3.5269	5,520,031	E	
	Operating Funds-Temp	150,018,677	0.8500	0.8500		156,512,249	0.8459	0.8459	1,323,937		2027
Henry County	General Revenue	280,370,357	0.2547	0.0536		295,880,957	0.2487	0.0546	161,551		
	Senior Services	280,370,357	0.0500	0.0500		295,880,957	0.0488	0.0488	144,390		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Hickory										
City of Cross Timbers	General Revenue	798,420	0.5012	0.5012		825,762	0.4961	0.4961	4,097	
City of Hermitage	General Revenue	5,132,010	0.4715	0.4715		5,066,250	0.4797	0.4797	24,303	
City of Weaubleau	General Revenue	2,372,965	0.3739	0.3739		2,453,184	0.3739	0.3739	9,172	
City of Wheatland	General Revenue	3,472,355	0.3404	0.3404		3,568,348	0.3404	0.3404	12,147	
Hickory County Library District	General Revenue	106,396,837	0.1295	0.1295		108,304,067	0.1295	0.1295	140,254	
Hickory County Health Department	General Revenue	106,396,837	0.1508	0.1508		108,304,077	0.1508	0.1508	163,323	
Hickory Co. R-I School District	Operating Funds-Schools	38,409,834	2.8839	2.8839	E	38,664,573	2.9141	2.9141	1,126,724	E
	Debt Service	38,409,834	1.8385	0.7500		38,664,573	1.6045	0.7500	289,984	
Wheatland R-II School District	Operating Funds-Schools	32,243,280	2.9661	2.9661	E	32,889,052	2.9618	2.9618	974,108	E
	Debt Service	32,243,280	0.4138	0.4138		32,889,052	0.7457	0.4138	136,095	
Weaubleau R-III School District	Operating Funds-Schools	20,807,963	2.7500	2.7500	E	21,156,218	2.7500	2.7500	581,796	E
	Debt Service	20,807,963	1.1649	0.8900		21,156,218	1.0794	0.8900	188,290	
Hermitage R-IV School District	Operating Funds-Schools	38,183,232	2.7500	2.7500	E	38,567,381	2.7500	2.7500	1,060,603	E
	Debt Service	38,183,232	0.5967	0.5500		38,567,381	0.7313	0.5500	212,121	
Hickory County	General Revenue	106,396,837	0.3144	0.1761		108,304,077	0.3144	0.1960	212,276	
	Road & Bridge	106,396,837	0.2404	0.2404		108,304,077	0.2404	0.2404	260,363	
Holt										
Corning Special Road Dist Holt Co	Special Road and Bridge	2,643,078	0.3433	0.3433	A	2,729,758	0.3394	0.3394	9,265	2013
South Union Twsp Indpt Sp Rd Holt	Special Road and Bridge	2,156,539	0.3488	0.3488		2,120,106	0.3488	0.3488	7,395	2012
Village of Bigelow	General Revenue	398,204	0.7564	0.7564		389,896	0.7758	0.7758	3,025	
Village of Corning	General Revenue	152,867	0.5000	0.5000		158,815	0.4881	0.4881	775	
	Lights	152,867	0.2500	0.2500		158,815	0.2444	0.2444	388	
City of Craig	General Revenue	1,311,272	0.9916	0.9916		1,314,855	1.0000	1.0000	13,149	
	Motor Fuel	1,311,272	0.3966	0.3966		1,314,855	0.4000	0.4000	5,259	
	Debt Service	1,311,272	1.3581	1.3581		1,314,855	1.4094	1.4094	18,532	
City of Forest City	General Revenue	2,509,174	0.9808	0.9808		2,540,321	0.9855	0.9855	25,035	
Village of Fortescue	General Revenue	382,723	0.6964	0.6964		396,502	0.7000	0.7000	2,776	
City of Maitland	General Revenue	1,943,898	0.9597	0.9597		2,012,441	0.9629	0.9629	19,378	
	Lights	1,943,898	0.3500	0.3500		2,012,441	0.3500	0.3500	7,044	
	Health	1,943,898	0.1500	0.1500		2,012,441	0.1500	0.1500	3,019	
	General Revenue - Temp	1,943,898	0.2383	0.2383		2,012,441	0.2383	0.2383	4,796	2012
City of Mound City	General Revenue	10,978,248	0.7321	0.7321		11,144,667	0.7574	0.7574	84,410	
	Parks & Recreation	10,978,248	0.2615	0.2615		11,144,667	0.2705	0.2705	30,146	
	Library	10,978,248	0.4080	0.4080		11,144,667	0.4080	0.4080	45,470	
	Health	10,978,248	0.1569	0.1569		11,144,667	0.1623	0.1623	18,088	
	Street Lights	10,978,248	0.2984	0.2000		11,144,667	0.2069	0.2069	23,058	2012
City of Oregon	General Revenue	6,754,877	0.9301	0.9301		6,763,954	1.0000	1.0000	67,640	B
	Library	6,754,877	0.3895	0.3895		6,763,954	0.3895	0.3895	26,346	
	Health	6,754,877	0.1699	0.1699		6,763,954	0.1723	0.1723	11,654	
	Debt Service	6,754,877	0.6675	0.6675		6,763,954	0.5907	0.5907	39,955	
Village of Big Lake	General Revenue	5,382,042	0.2324	0.2324		5,322,604	0.2521	0.2521	13,418	
	Health	5,382,042	0.1032	0.1032		5,322,604	0.1119	0.1119	5,956	
Mound City Rural Fire Prot Dist	General Revenue	31,579,286	0.2212	0.2212		34,020,966	0.2172	0.2172	73,894	
Southern Fire Protection District	General Revenue	32,979,675	0.2261	0.2261		34,607,526	0.2258	0.2258	78,144	
Northwest Holt Co Fire Prot Dist	General Revenue	13,581,966	0.4703	0.4703		14,400,069	0.4528	0.4528	65,204	
Maitland Volunteer Fire Prot Dist	General Revenue	5,109,253	0.2947	0.2947		5,291,162	0.2947	0.2947	15,593	
Craig R-III School District	Operating Funds-Schools	18,641,679	4.8966	4.8966	E	19,418,070	4.8217	4.8181	935,582	E
Mound City R-2 School District	Operating Funds-Schools	25,560,994	3.7276	3.7276	E	27,012,935	3.5247	3.5247	952,125	E
South Holt Co R-I School District	Operating Funds-Schools	27,118,516	3.9368	3.9368	E	28,398,799	3.7307	3.7307	1,059,474	E
Holt County	General Revenue	95,852,741	0.4314	0.3424		101,176,399	0.4291	0.3305	334,388	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Holt										
Holt County	Johnson Grass	95,852,741	0.0396	0.0396		101,176,399	0.0394	0.0394	39,864	
	Road & Bridge	95,852,741	0.4314	0.4314		101,176,399	0.4291	0.4291	434,148	
	Senior Services	95,852,741	0.0495	0.0495		101,176,399	0.0492	0.0492	49,779	
Howard										
Howard County Ambulance District	General Revenue	107,481,297	0.2962	0.2962		109,696,243	0.2962	0.2962	324,920	
Moniteau Creek Watershed Sub Dist	General Revenue	15,388,579	0.3160	0.3160		13,194,786	0.3200	0.3200	42,223	
Armstrong Spec Rd Dist Howard Co	General Revenue	7,604,928	0.3500	0.3500		8,106,046	0.3422	0.3422	27,739	2012
Glasgow Spec Rd Dist #60 Howard Co	General Revenue	19,156,779	0.2300	0.2300		19,882,183	0.2271	0.2271	45,152	2012
City of Armstrong	General Revenue	1,445,242	0.8800	0.8800		1,517,272	0.8800	0.8800	13,352	
City of Fayette	General Revenue	16,382,010	0.5467	0.5467		16,176,389	0.5546	0.5546	89,714	
City of Franklin	General Revenue	489,415	0.9593	0.9593		505,236	0.9538	0.9538	4,819	
City of New Franklin	General Revenue	7,185,382	0.6048	0.6048		7,159,720	0.6127	0.6127	43,868	
City of Glasgow	General Revenue	10,329,590	0.5399	0.5399		10,195,194	0.5564	0.5564	56,726	
	Parks & Recreation	10,329,590	0.2539	0.2539		10,195,194	0.2617	0.2617	26,681	
	Library	10,329,590	0.2500	0.2500		10,195,194	0.2500	0.2500	25,488	
Howard County Library	General Revenue	97,620,224	0.1000	0.1000		100,015,480	0.1000	0.1000	100,015	
Howard Co Fire Protection District	General Revenue	62,261,564	0.2917	0.2917		63,343,106	0.2934	0.2934	185,849	
	Debt Service	62,261,564	0.2673	0.1472		63,343,106	0.2291	0.1407	89,124	
Armstrong Fire Protection District	General Revenue	13,017,484	0.3000	0.3000		13,952,712	0.2918	0.2918	40,714	
Glasgow Fire Protection District	General Revenue	25,804,632	0.3000	0.3000		29,003,670	0.2731	0.2731	79,209	
New Franklin R-I School District	Operating Funds-Schools	24,583,566	3.4390	3.4390	E	24,965,849	3.4363	3.4363	857,901	E
	Debt Service	24,583,566	0.7451	0.5230		24,965,849	0.7032	0.5257	131,245	
Fayette R-III School District	Operating Funds-Schools	45,810,315	3.4856	3.4856	E	46,088,326	3.4567	3.4567	1,593,135	E
	Debt Service	45,810,315	0.8484	0.7385		46,088,326	1.1560	0.7528	346,953	
Howard Co R-II School District	Operating Funds-Schools	22,694,391	4.0427	4.0427	E	22,346,971	4.0427	4.0427	903,421	E
Howard County	General Revenue	107,481,297	0.4038	0.2732		109,696,243	0.4038	0.2760	302,762	
	Road & Bridge	87,719,590	0.2710	0.2710		81,708,014	0.2967	0.2967	242,428	
	Senate Bill 40	107,481,297	0.1000	0.1000		109,696,243	0.1000	0.1000	109,696	
Howell										
South Howell Co Ambulance District	General Revenue	280,131,950	0.1972	0.1972		301,857,397	0.1976	0.1976	596,470	
Willow Springs Ambulance District	General Revenue	63,812,060	0.2076	0.1900		74,325,405	0.1797	0.1797	133,563	
Mountain-View Summersville Amb Dis	General Revenue	71,040,425	0.1834	0.1834		72,618,476	0.1887	0.1887	137,031	
City of Mountain View	General Revenue	22,408,519	0.0000	0.0000		24,383,717	0.0000	0.0000	0	
	Library	22,408,519	0.0000	0.0000		24,383,717	0.0000	0.0000	0	
City of West Plains	General Revenue	128,394,638	0.2971	0.2971		137,240,730	0.2971	0.2971	407,742	
	Library	128,394,638	0.2000	0.2000		137,240,730	0.2000	0.2000	274,481	
City of Willow Springs	General Revenue	17,888,622	0.4783	0.4783		18,686,400	0.4783	0.4783	89,377	
	Library	17,888,622	0.1527	0.1527		18,686,400	0.1527	0.1527	28,534	
Howell County Rural Fire Dist #1	General Revenue	88,243,554	0.2589	0.2589		96,737,430	0.2610	0.2610	252,485	
Pomona Fire Protection District	General Revenue	19,351,126	0.3000	0.3000		23,594,562	0.2825	0.2825	66,655	
Brandsville Fire Protection Dist	General Revenue	8,050,538	0.2930	0.2930		8,654,898	0.2931	0.2931	25,368	
Howell County Health Department	General Revenue	387,109,602	0.1000	0.0950		415,737,782	0.1000	0.0975	405,344	
Howell Valley R-I School District	Operating Funds-Schools	20,632,500	4.1505	3.9600	E	24,033,720	3.9594	3.9594	951,591	E
Mountain View-Birch Tree R-III SD	Operating Funds-Schools	60,555,985	2.7231	2.7193	E	64,096,867	2.6806	2.6806	1,718,181	E
	Operating - Temp	60,555,985	0.8607	0.8607		64,096,867	0.8607	0.8607	551,682	2028
Willow Springs R-IV School District	Operating Funds-Schools	60,340,353	2.7500	2.7500	E	66,222,015	2.7500	2.7500	1,821,105	E
Richards R-V School District	Operating Funds-Schools	34,864,820	2.7500	2.7500	F	36,739,270	2.7500	2.7500	1,010,330	F
West Plains R-VII School District	Operating Funds-Schools	132,368,750	3.6558	3.6558	E	140,765,400	3.6763	3.6536	5,143,005	E
Glenwood R-VIII School District	Operating Funds-Schools	22,449,650	3.0673	3.0673	E	24,701,820	3.0044	3.0044	742,141	E

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Howell											
Junction Hill C-12 School District	Operating Funds-Schools	15,503,000	2.8880	2.8880	E	16,215,330	2.8671	2.8671	464,910	E	
Fairview R-XI School District	Operating Funds-Schools	39,845,970	3.6778	3.4500	E	41,405,547	3.5520	3.4500	1,428,491	E	
Howell County	General Revenue	387,109,602	0.2574	0.0000		419,501,942	0.2773	0.0000	0		
	Road & Bridge	387,109,602	0.1173	0.0800		419,501,942	0.0978	0.0978	410,273		
	Senate Bill 40	387,109,602	0.0524	0.0524		419,501,942	0.0564	0.0564	236,599		
Iron											
Iron County Ambulance District	General Revenue	172,920,751	0.1423	0.0083		187,400,967	0.1344	0.0918	172,034		
Road District #1	Road & Bridge	172,920,751	0.2863	0.2863		187,400,967	0.2705	0.2705	506,920		
City of Annapolis	General Revenue	9,159,491	0.5500	0.5500		9,218,363	0.5500	0.5500	50,701		
City of Arcadia	General Revenue	4,832,846	0.4775	0.4775		4,898,825	0.4784	0.4784	23,436		
Village of Des Arc	General Revenue	558,894	0.4627	0.4627		567,173	0.4673	0.4627	2,624		
City of Ironton	General Revenue	13,317,237	0.5328	0.5328		13,464,614	0.5328	0.5328	71,739		
	Parks & Recreation	13,317,237	0.1523	0.1523		13,464,614	0.1523	0.1523	20,507		
City of Pilot Knob	General Revenue	6,440,307	0.3876	0.3876		6,207,369	0.4022	0.4022	24,966		
City of Viburnum	General Revenue	7,917,993	1.0000	1.0000		8,075,195	1.0000	1.0000	80,752		
	Parks & Recreation	7,917,993	0.2300	0.2300		8,075,195	0.2300	0.2300	18,573		
	Solid Waste Landfill	7,917,993	0.1000	0.1000		8,075,195	0.1000	0.1000	8,075		
	Health	7,917,993	0.2000	0.2000		8,075,195	0.2000	0.2000	16,150		
Iron County Library District	General Revenue	172,920,751	0.0949	0.0949		187,400,967	0.0897	0.0897	168,099		
Quad County Fire Protection Dist	General Revenue	84,056,520	0.3279	0.3279		95,652,206	0.2951	0.2951	282,270		
Southern Iron County Fire Prot Dist	General Revenue	28,874,913	0.2500	0.2500		29,776,037	0.2499	0.2499	74,410		
Pilot Knob Fire Protection District	General Revenue	46,799,623	0.2980	0.2980		47,992,903	0.2967	0.2967	142,395		
Iron County Health Department	General Revenue	172,920,751	0.0949	0.0949		187,400,967	0.0897	0.0897	168,099		
South Iron Co R-I School District	Operating Funds-Schools	27,784,537	3.2000	3.2000	E	28,039,328	3.1875	3.1875	893,754	E	
Arcadia Valley R-II School District	Operating Funds-Schools	43,428,257	2.7500	2.7500	F	43,429,874	2.7500	2.7500	1,194,322	F	
	Debt Service	43,428,257	0.9065	0.6200		43,429,874	0.9766	0.6200	269,265		
Belleview R-III School District	Operating Funds-Schools	8,835,620	2.7500	2.7500	E	8,941,220	2.7500	2.7500	245,884	E	
Iron Co C-4 School District	Operating Funds-Schools	79,439,279	2.7500	2.7500	E	103,042,137	2.7500	2.7500	2,833,659	E	
Iron County	General Revenue	172,920,751	0.4029	0.3151		187,400,967	0.3806	0.2876	538,965		
	Senate Bill 40	172,920,751	0.0949	0.0949		187,400,967	0.0897	0.0897	168,099		
Jackson											
Public Water Sup Dist 17 Jackson Co	General Revenue	76,463,208	0.0573	0.0573		78,828,747	0.0570	0.0570	44,932		
City of Blue Springs	General Revenue	724,564,229	0.5881	0.5759		718,099,095	0.5988	0.5988	4,299,977		
	Debt Service	724,564,229	0.2905	0.1500		718,099,095	0.3278	0.1501	1,077,867		
City of Buckner	General Revenue	23,810,873	0.6200	0.6200		23,551,734	0.6293	0.6293	148,211		
City of Grain Valley	General Revenue	164,464,692	0.6129	0.5476		158,423,999	0.5718	0.5685	900,640		
	Parks & Recreation	164,464,692	0.1281	0.1207		158,423,999	0.1260	0.1255	198,822		
	Health	164,464,692	0.0530	0.0500		158,423,999	0.0522	0.0500	79,212		
	Debt Service	164,464,692	1.4393	0.9483		158,423,999	1.5975	0.9925	1,572,358		
City of Grandview	General Revenue	265,539,937	1.0000	1.0000		258,787,123	1.0000	1.0000	2,587,871		
	Parks & Recreation	265,539,937	0.1200	0.1200		258,787,123	0.1200	0.1200	310,545		
	Debt Service	265,539,937	0.3836	0.3800		258,787,123	0.4325	0.3800	983,391		
City of Greenwood	General Revenue	64,579,527	0.4472	0.4472		64,564,526	0.4497	0.4472	288,733		
	GR-Fire Temp	64,579,527	0.6069	0.6069		64,564,526	0.6103	0.6069	391,842		2011
	GR-Hydrant Temp	64,579,527	0.0194	0.0194		64,564,526	0.0195	0.0194	12,526		2011
	Debt Service	64,579,527	0.5495	0.5482		64,564,526	0.6841	0.5482	353,943		
City of Independence	General Revenue	1,037,569,092	0.4866	0.4954	C	1,030,991,942	0.4907	0.4924	5,076,604	C	
	Indep. Sq. Spec. Benefit	4,963,112	0.5011	0.5011		4,444,121	0.5596	0.5596	24,869		
	Public Health-Recreation	1,037,569,092	0.2292	0.2334	C	1,030,991,942	0.2311	0.2312	2,383,653	C	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year	
Jackson											
City of Kansas City	General Revenue	7,131,058,347	0.6726	0.6663		7,046,981,273	0.6786	0.6786	47,820,815		
	Museum	7,131,058,347	0.0196	0.0185		7,046,981,273	0.0188	0.0188	1,324,832		
	Health	7,131,058,347	0.4892	0.4846		7,046,981,273	0.4935	0.4935	34,776,853		
	Health-Temp	7,131,058,347	0.2200	0.2200		7,046,981,273	0.2200	0.2200	15,503,359	2013	
	Debt Service	7,131,058,347	0.6137	0.1400		7,046,981,273	0.7610	0.1400	9,865,774		
City of Lake Lotawana	General Revenue	67,298,426	0.4600	0.4600		66,699,973	0.4600	0.4600	306,820		
City of Lake Tapawingo	General Revenue	15,395,860	0.3485	0.3485		15,490,666	0.3494	0.3494	54,124		
	Debt Service	15,395,860	1.1265	1.1265		15,490,666	1.1630	1.1630	180,156		
City of Levasy	General Revenue	846,788	0.8548	0.7815		798,678	0.8286	0.8286	6,618		
City of Lone Jack	General Revenue	16,388,015	0.7558	0.7558		16,442,106	0.7624	0.7558	124,269		
	Debt Service	16,388,015	0.9194	0.9194		16,442,106	1.0745	0.9194	151,169		
City of Oak Grove	General Revenue	86,974,407	0.6451	0.6451		85,533,924	0.6607	0.6607	565,123		
	Debt Service	86,974,407	1.0039	0.1985		85,533,924	1.4772	0.1985	169,785		
City of Raytown	General Revenue	299,573,342	0.3662	0.3662		302,434,638	0.3662	0.3662	1,107,516		
	Parks & Recreation	299,573,342	0.1829	0.1829		302,434,638	0.1829	0.1829	553,153		
Village of Sibley	General Revenue	3,395,667	0.4007	0.4007		3,497,459	0.4007	0.4007	14,014		
City of Sugar Creek	General Revenue	47,771,075	1.0000	1.0000		46,352,034	1.0000	1.0000	463,520		
	Health	47,771,075	0.1300	0.1300		46,352,034	0.1300	0.1300	60,258		
City of Lee's Summit	General Revenue	1,654,009,573	0.9011	0.8966		1,620,849,484	0.9167	0.8966	14,532,536		
	Parks & Recreation	1,654,009,573	0.1595	0.1595		1,620,849,484	0.1631	0.1595	2,585,255		
	Debt Service	1,654,009,573	0.5182	0.4697		1,620,849,484	0.5592	0.4697	7,613,130		
Village of River Bend	General Revenue	1,806,696	0.4759	0.4759	B	1,659,386	0.4208	0.4208	6,983		
Mid Continent Public Library	General Revenue	11,759,679,783	0.3200	0.3200		11,479,390,171	0.3200	0.3200	36,734,049		
Kansas City Public Library	General Revenue	3,070,720,363	0.4947	0.4999	C	3,061,347,649	0.5000	0.5000	15,306,738		
Central Jackson Co Fire Prot Dist	General Revenue	941,993,591	1.0691	0.9102		932,115,954	1.0929	0.9293	8,662,154		
	Dispatch	941,993,591	0.0195	0.0195		932,115,954	0.0199	0.0199	185,491		
	Debt Service	941,993,591	0.1948	0.1200		932,115,954	0.2054	0.1200	1,118,539		
Lone Jack Community Fire Prot Dist	General Revenue	71,842,676	0.8453	0.8453		72,478,010	0.8482	0.8482	614,758		
	Ambulance	71,449,502	0.3000	0.3000		72,478,010	0.3000	0.3000	217,434		
Prairie Township Fire Prot Dist	General Revenue	109,343,845	0.7400	0.7400		107,528,789	0.7400	0.7400	795,713		
	Ambulance	109,343,845	0.3000	0.3000		107,528,789	0.3000	0.3000	322,586		
Raytown Fire Protection District	General Revenue	303,243,385	0.7800	0.7800		302,434,638	0.7800	0.7800	2,358,990		
	Pension	303,243,385	0.0500	0.0500		302,434,638	0.0500	0.0500	151,217		
	Debt Service	303,243,385	0.1902	0.1900		302,434,638	0.1800	0.1800	544,382		
Lotawana Fire Protection District	General Revenue	80,974,980	0.4966	0.4966		80,743,345	0.5004	0.5004	404,040		
	Ambulance	80,974,980	0.2358	0.2358		80,743,345	0.2376	0.2376	191,846		
	Debt Service	80,974,980	0.1500	0.1500		80,743,345	0.1500	0.1500	121,115		
Fort Osage Fire Protection District	General Revenue	159,227,262	0.8630	0.8630		163,135,280	0.8630	0.8630	1,407,857		
	Ambulance	159,227,262	0.4994	0.4994		163,135,280	0.4994	0.4994	814,698		
	Dispatch	159,227,262	0.0300	0.0300		163,135,280	0.0300	0.0300	48,941		
	Debt Service	159,227,262	0.4288	0.2500		163,135,280	0.4469	0.2500	407,838		
Inter City Fire Protection District	General Revenue	8,685,339	0.6092	0.6092		9,522,728	0.6092	0.5352	50,966		
	Debt Service	8,685,339	0.4355	0.4355		9,522,728	0.4365	0.4355	41,471		
Jackson County Health Department	General Revenue	9,285,019,702	0.2456	0.1556		9,201,363,298	0.2280	0.1526	14,041,280		
Metropolitan Community College Dist	General Revenue	12,542,344,207	0.2321	0.2329	C	12,528,508,243	0.2335	0.2335	29,254,067		
Fort Osage R-I School District	Operating Funds-Schools	262,507,251	4.5500	4.5500	E	259,002,207	4.5500	4.5500	11,784,600		E
	Debt Service	262,507,251	0.8447	0.8312		259,002,207	1.2047	0.9500	2,460,521		
Blue Springs R-IV School District	Operating Funds-Schools	1,232,829,298	5.1340	4.7412		1,216,723,859	5.1340	4.7273	57,518,187		
	Debt Service	1,232,829,298	1.9215	0.9874		1,216,723,859	1.8665	1.0013	12,183,056		
Grain Valley R-V School District	Operating Funds-Schools	247,083,355	3.8954	3.8954	E	243,331,311	3.9723	3.9723	9,665,850		E
	Debt Service	247,083,355	2.4768	1.5933		243,331,311	2.6640	1.5933	3,876,998		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year	
Jackson											
Oak Grove R-VI School District	Operating Funds-Schools	123,931,439	3.7154	3.7154	E	120,194,663	3.8239	3.8200	4,591,436	E	
	Debt Service	123,931,439	1.6314	1.1500		120,194,663	1.6652	1.3000	1,562,531		
Lee's Summit R-VII School District	Operating Funds-Schools	1,659,341,019	5.1022	4.9848	FC	1,620,817,669	5.2124	5.0350	81,608,170	F	
	Debt Service	1,659,341,019	1.8204	1.0700		1,620,817,669	1.9362	1.0700	17,342,749		
Hickman Mills C-1 School District	Operating Funds-Schools	377,631,752	5.4717	5.4717	E	365,277,816	5.4717	5.4717	19,986,906	E	
	Debt Service	377,631,752	1.3516	0.8000		365,277,816	1.4186	0.8500	3,104,861		
Raytown C-2 School District	Operating Funds-Schools	605,778,080	5.1500	5.1500	E	617,339,470	5.1500	5.1500	31,792,983	E	
	Debt Service	605,778,080	1.6760	1.1700		617,339,470	1.4433	1.1700	7,222,872		
Grandview C-4 School District	Operating Funds-Schools	432,544,063	5.0936	5.0936	E	424,351,578	5.0936	5.0936	21,614,772	E	
	Debt Service	432,544,063	1.0389	0.8000		424,351,578	0.8692	0.8000	3,394,813		
Lone Jack C-6 School District	Operating Funds-Schools	48,325,428	4.1265	4.1265	E	48,545,393	4.1482	4.1439	2,011,673	E	
	Debt Service	48,325,428	1.7603	1.3875		48,545,393	2.2269	1.3875	673,567		
Independence 30 School District	Operating Funds-Schools	940,627,778	4.4300	4.4300	E	934,233,285	4.4300	4.4300	41,386,535	E	
	Debt Service	940,627,778	1.5232	1.0000		934,233,285	1.9793	1.1500	10,743,683		
Kansas City 33 School District	Operating Funds-Schools	2,785,114,682	3.2302	2.9317	G	2,747,076,379	3.3000	2.9883	82,090,883	G	
	99 Article X, Section 11g	2,785,114,682	2.0183	2.0183		**	**	**			2010
	Article X, Section 11 g	**	**	**		2,747,076,379	1.9617	1.9617	53,889,397		2011
Center 58 School District	Operating Funds-Schools	394,480,140	4.9551	4.9551	E	386,553,164	5.9330	5.7151	22,091,900	BE	
	Debt Service	394,480,140	0.9423	0.8600		386,553,164	1.1231	0.8600	3,324,357		
Jackson County	General Revenue	9,285,019,702	0.2868	0.1544		9,201,363,298	0.2667	0.1487	13,682,427		
	Parks & Recreation	9,285,019,702	0.1534	0.0920		9,201,363,298	0.1425	0.0898	8,262,824		
	Road & Bridge	9,285,019,702	0.2165	0.1410		9,201,363,298	0.2010	0.1387	12,762,291		
	Developmentally Disabled	9,285,019,702	0.0806	0.0748		9,201,363,298	0.0758	0.0748	6,882,620		
	Mental Health	9,285,019,702	0.1312	0.1218		9,201,363,298	0.1234	0.1218	11,207,260		
Jasper											
Carl Junction Sp Rd Dist Jasper Co	Road & Bridge	58,375,622	0.3038	0.3038		59,460,792	0.3038	0.3038	180,642		
Carthage Sp Rd Dist Jasper Co	Road & Bridge	301,995,504	0.2375	0.2375		301,132,521	0.2397	0.2375	715,190		
La Russell Spec Rd Dist Jasper Co	Road & Bridge	8,500,693	0.3500	0.3500		8,679,696	0.3493	0.3493	30,318		
Webb City Spec Rd Dist Jasper Co	Road & Bridge	119,316,691	0.1943	0.1943		*	*	*			
Joplin Road Dist Newton & Jasper Co	Road & Bridge	1,099,739,562	0.2031	0.2031		1,077,892,570	0.2087	0.2087	2,249,562		
City of Alba	General Revenue	3,577,614	0.6125	0.6125		3,452,424	0.6347	0.6346	21,909		
	Parks & Recreation	3,577,614	0.1616	0.1616		3,452,424	0.1674	0.1674	5,779		
City of Asbury	General Revenue	4,866,053	0.6370	0.6370		4,915,142	0.6370	0.6270	30,818		
Village of Avilla	General Revenue	791,159	0.2000	0.2000		848,484	0.1899	0.1899	1,611		
City of Carl Junction	General Revenue	75,187,516	0.4792	0.4792		75,332,043	0.4811	0.4807	362,121		
	Debt Service	75,187,516	0.6975	0.2766		75,332,043	0.4049	0.4049	305,019		
City of Carterville	General Revenue	9,278,243	0.6319	0.6319		9,277,018	0.6375	0.6375	59,141		
City of Carthage	General Revenue	113,959,140	0.3475	0.3475		114,680,960	0.3491	0.3483	399,434		
	Parks & Recreation	113,959,140	0.1499	0.1499		114,680,960	0.1506	0.1503	172,365		
	Library	113,959,140	0.1735	0.1735		114,680,960	0.1743	0.1739	199,430		
	Health	113,959,140	0.0790	0.0790		114,680,960	0.0794	0.0792	90,827		
City of Duenweg	General Revenue	7,730,314	0.7428	0.7428		8,088,740	0.7500	0.7500	60,666		
City of Jasper	General Revenue	7,077,398	0.7201	0.7201		6,715,105	0.7595	0.7595	51,001		
City of La Russell	General Revenue	765,038	0.2467	0.0000		851,643	0.0000	0.0000	0		
City of Neck City	General Revenue	964,440	0.2436	0.2436		1,026,829	0.2436	0.2436	2,501		
City of Oronogo	General Revenue	18,974,301	0.2717	0.2717		19,044,548	0.2725	0.2725	51,896		
	Streets	18,974,301	0.1297	0.1297		19,044,548	0.1301	0.1301	24,777		
City of Purcell	General Revenue	2,161,602	0.3295	0.3295		2,176,345	0.3298	0.3298	7,178		
Village of Reeds	General Revenue	703,737	0.1787	0.1750		729,716	0.1713	0.1700	1,241		
City of Sarcoxie	General Revenue	9,486,222	0.5659	0.5659		9,482,687	0.5708	0.5708	54,127		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Jasper										
City of Sarcoxie	Parks & Recreation	9,486,222	0.1082	0.1082		9,482,687	0.1091	0.1091	10,346	
	Health	9,486,222	0.0000	0.0000		9,482,687	0.0000	0.0000	0	
City of Waco	General Revenue	541,910	0.2500	0.2500		568,838	0.2417	0.2417	1,375	
City of Webb City	General Revenue	86,175,847	0.3817	0.3836	C	89,955,060	0.3753	0.3750	337,331	
	Parks & Recreation	86,175,847	0.0866	0.0871	C	89,955,060	0.0851	0.0851	76,552	
	Library	86,175,847	0.2570	0.2570		89,955,060	0.2527	0.2512	225,967	
City of Joplin	Parks & Recreation	548,310,493	0.0491	0.0491		536,653,699	0.0507	0.0507	272,083	
	Library	494,492,396	0.2545	0.2545		480,838,897	0.2545	0.2545	1,223,735	
	Health	548,310,493	0.0491	0.0491		536,653,699	0.0507	0.0507	272,083	
	Garbage	548,310,493	0.0491	0.0491		536,653,699	0.0507	0.0507	272,083	
Carthage Fire Protection District	General Revenue	137,983,614	0.2705	0.2700		138,094,951	0.2712	0.2700	372,856	
Duenweg Fire Protection District	General Revenue	94,217,479	0.2935	0.2935		85,438,162	0.3000	0.3000	256,314	
Carl Junction Fire Protection Dist	General Revenue	195,394,497	0.2508	0.2508		196,926,937	0.2508	0.2508	493,893	
Oronogo Fire Protection District	General Revenue	41,573,246	0.2656	0.2656		42,225,420	0.2656	0.2656	112,151	
Central Jasper Co Fire Prot Dist	General Revenue	25,513,227	0.2859	0.2859		25,919,673	0.2859	0.2859	74,104	
Tri-Cities Fire Protection District	Fire	25,230,141	0.3179	0.3179		26,769,649	0.3154	0.3154	84,431	
Asbury Fire Protection District	General Revenue	12,818,116	0.3000	0.2800		13,250,901	0.2769	0.2769	36,692	
Carl Junction R-I School District	Operating Funds-Schools	210,598,830	3.0317	3.0000	E	211,351,501	3.0056	3.0000	6,340,545	E
	Debt Service	210,598,830	1.4305	0.8200		211,351,501	1.0590	0.8200	1,733,082	
Avilla R-XIII School District	Operating Funds-Schools	18,149,550	3.5800	3.5800	E	18,977,605	3.5269	3.5269	669,321	E
Jasper County R-V School District	Operating Funds-Schools	33,381,483	3.5363	3.2100	F	34,467,278	3.4795	3.2100	1,106,400	F
Sarcoxie R-II School District	Operating Funds-Schools	33,211,330	2.7500	2.7500	F	34,080,372	2.7500	2.7500	937,210	F
	Debt Service	33,211,330	1.0433	0.5500		34,080,372	1.1191	0.5500	187,442	
Carthage R-IX School District	Operating Funds-Schools	284,141,800	2.8422	2.7500	F	280,728,574	2.8823	2.7500	7,720,036	F
	Debt Service	284,141,800	1.1748	0.8300		280,728,574	1.3596	0.8300	2,330,047	
Webb City R-VII School District	Operating Funds-Schools	207,752,180	2.7500	2.7500	E	210,336,916	2.7500	2.7500	5,784,265	E
	Debt Service	207,752,180	1.0716	0.6800		210,336,916	1.0229	0.6800	1,430,291	
Joplin R-VIII School District	Operating Funds-Schools	861,374,915	2.7500	2.7500	E	832,108,467	2.7806	2.7500	22,882,983	E
	Debt Service	861,374,915	0.9118	0.5600		832,108,467	0.8887	0.5600	4,659,807	
Jasper County	General Revenue	1,514,606,977	0.2879	0.1041		1,486,164,162	0.2953	0.0993	1,475,761	
	Common Road District	222,230,055	0.2054	0.2054		345,166,079	0.2033	0.2033	701,723	
	Mental Health	1,509,094,107	0.0788	0.0788		1,486,164,162	0.0805	0.0805	1,196,362	
	Senate Bill 40	1,509,094,107	0.0788	0.0788		1,486,164,162	0.0805	0.0805	1,196,362	
Jefferson										
Big River Ambulance District	General Revenue	271,240,081	0.4034	0.3062		278,890,550	0.4034	0.3074	857,310	
Joachim-Plattin Ambulance District	General Revenue	818,220,145	0.3118	0.1668		801,205,376	0.3200	0.1651	1,322,790	
North Jefferson Co. Ambulance Dist.	General Revenue	329,068,900	0.4947	0.4947		332,919,678	0.4947	0.4947	1,646,954	
	Pension	329,068,900	0.0489	0.0489		332,919,678	0.0493	0.0493	164,129	
Valle Ambulance District	General Revenue	353,049,451	0.4509	0.4509		364,159,931	0.4509	0.4509	1,641,997	
Rock Township Ambulance District	General Revenue	1,099,252,957	0.2100	0.1361		1,115,047,468	0.2100	0.1323	1,475,208	
Festus Spec Rd Dist Jefferson Co	Road & Bridge	490,881,977	0.1748	0.1748		492,359,136	0.1756	0.1756	864,583	
Hillsboro Spec Rd Dist Jefferson Co	Road & Bridge	24,374,274	0.1959	0.1959		24,581,687	0.1962	0.1962	48,229	
City of Arnold	General Revenue	267,406,930	0.3973	0.3973		268,725,723	0.3988	0.3973	1,067,647	
Village of Cedar Hill Lakes	General Revenue	2,016,851	0.4663	0.4663		2,030,261	0.4663	0.4663	9,467	
City of Crystal City	General Revenue	74,529,250	0.4985	0.4985		74,585,119	0.5012	0.4985	371,807	
	Parks & Recreation	74,529,250	0.1316	0.1316		74,585,119	0.1323	0.1316	98,154	
	Library	74,529,250	0.1316	0.1316		74,585,119	0.1323	0.1316	98,154	
City of De Soto	General Revenue	65,254,300	0.4339	0.4339		65,907,968	0.4339	0.4339	285,975	
	Parks & Recreation	65,254,300	0.1107	0.1107		65,907,968	0.1107	0.1107	72,960	
	Library	65,254,300	0.1847	0.1847		65,907,968	0.1847	0.1847	121,732	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Jefferson										
City of Festus	General Revenue	153,860,222	0.1593	0.1500		155,986,819	0.1503	0.1500	233,980	
	Parks & Recreation	153,860,222	0.1105	0.1100		155,986,819	0.1102	0.1100	171,586	
	Library	153,860,222	0.1105	0.1100		155,986,819	0.1102	0.1100	171,586	
	Health	153,860,222	0.0828	0.0800		155,986,819	0.0802	0.0800	124,789	
City of Herculaneum	General Revenue	70,230,776	0.6532	0.6532		68,632,050	0.6818	0.6818	467,933	
City of Hillsboro	General Revenue	32,065,282	0.4534	0.4534		32,389,002	0.4588	0.4588	148,601	
	Parks & Recreation	32,065,282	0.0813	0.0813		32,389,002	0.0823	0.0823	26,656	
City of Kimmswick	General Revenue	2,317,308	0.5007	0.4500		2,306,252	0.4544	0.0000	0	
City of Olympian Village	General Revenue	4,237,632	0.2433	0.2433		4,355,328	0.2433	0.2433	10,597	
	Road	4,237,632	0.1264	0.1264		4,355,328	0.1264	0.1264	5,505	
Village of Parkdale	General Revenue	1,409,702	0.0966	0.0966		1,455,886	0.0966	0.0966	1,406	
City of Pevely	General Revenue	100,011,355	0.7797	0.7797		98,702,749	0.7950	0.7950	784,687	
Village of Scotsdale	General Revenue	2,691,893	0.3310	0.3310		2,744,503	0.3310	0.3310	9,084	
City of Byrnes Mill	General Revenue	34,725,104	0.4096	0.4096		35,204,549	0.4125	0.4096	144,198	
Village of Lake Tekakwitha	General Revenue	1,719,270	0.5000	0.5000	B	1,738,970	0.5000	0.5000	8,695	
Village of Peaceful Village	General Revenue	*	*	*		390,761	0.0000	0.0000	0	
Northwest Library Subdistrict	General Revenue	565,136,510	0.1886	0.1886		576,106,555	0.1887	0.1887	1,087,113	
Windsor-Fox Library Subdistrict	General Revenue	1,075,359,063	0.1739	0.1739		1,090,496,052	0.1740	0.1740	1,897,463	
Antonia Fire Protection District	General Revenue	183,773,728	0.8642	0.8642		189,779,116	0.8642	0.8121	1,541,196	
	Pension	183,773,728	0.0453	0.0453		189,779,116	0.0453	0.0453	85,970	
	Dispatch	183,773,728	0.0271	0.0271		189,779,116	0.0271	0.0271	51,430	
	Debt Service	183,773,728	0.2125	0.2125		189,779,116	0.1871	0.1871	355,077	
Cedar Hill Fire Protection District	General Revenue	155,691,652	0.8172	0.8172		161,074,360	0.8172	0.8172	1,316,300	
	Pension	155,691,652	0.0466	0.0466		161,074,360	0.0466	0.0466	75,061	
Dunklin Fire Protection District	General Revenue	158,493,172	0.6675	0.6675		159,169,436	0.6675	0.6675	1,062,456	
	Pension	158,493,172	0.0479	0.0479		159,169,436	0.0481	0.0481	76,560	
Goldman Fire Protection District	General Revenue	56,788,812	0.8903	0.8903		58,100,576	0.8903	0.8903	517,269	
	Dispatch	56,788,812	0.0474	0.0474		58,100,576	0.0474	0.0474	27,540	
Hematite Fire Protection District	General Revenue	65,887,674	0.4722	0.4722		68,037,679	0.4722	0.4722	321,274	
High Ridge Fire Protection District	General Revenue	393,803,871	0.7751	0.6231		399,233,212	0.7791	0.6311	2,519,561	
	Pension	393,803,871	0.0748	0.0748		399,233,212	0.0752	0.0752	300,223	
	Dispatch	393,803,871	0.0467	0.0467		399,233,212	0.0469	0.0469	187,240	
	Debt Service	393,803,871	0.0901	0.0901		399,233,212	0.0921	0.0921	367,694	
Hillsboro Fire Protection District	General Revenue	119,113,398	0.6412	0.6412		121,390,122	0.6412	0.6412	778,353	
Jefferson R7 Fire Prot Dist	General Revenue	200,120,565	0.2500	0.2500		183,726,069	0.2500	0.2500	459,315	
	Fire - Temporary	200,120,565	0.0500	0.0500	A	183,726,069	0.0500	0.0500	91,863	2014
Rock Community Fire Prot Dist	General Revenue	708,697,156	0.7773	0.5771		714,432,576	0.7781	0.5730	4,093,699	
	Pension	708,697,156	0.0927	0.0927		714,432,576	0.0928	0.0928	662,993	
	Communications	708,697,156	0.0457	0.0457		714,432,576	0.0457	0.0457	326,496	
De Soto Rural Fire Protection Dist	General Revenue	185,212,903	0.6591	0.6591		189,238,619	0.6591	0.6591	1,247,272	
Mapaville Fire Protection District	General Revenue	49,307,817	0.5136	0.5136	B	50,356,155	0.5136	0.5136	258,629	
Saline Valley Fire Protection Dist	General Revenue	220,459,787	1.2100	1.2100		224,823,631	1.2100	1.2100	2,720,366	
	Pension	220,459,787	0.0900	0.0900		224,823,631	0.0900	0.0900	202,341	
	Dispatch	220,459,787	0.0400	0.0400		224,823,631	0.0400	0.0400	89,929	
Jefferson County Health Department	General Revenue	2,947,560,235	0.0742	0.0742		2,974,868,822	0.0742	0.0742	2,207,353	
Jefferson College	General Revenue	2,893,448,980	0.3362	0.3362		2,916,247,541	0.3362	0.3362	9,804,424	
Northwest R-I School District	Operating Funds-Schools	534,695,487	3.9515	3.9515	E	543,218,111	3.9756	3.9515	21,465,264	E
	Debt Service	534,695,487	0.4895	0.4895		543,218,111	0.4895	0.4895	2,659,053	
Grandview R-II School District	Operating Funds-Schools	48,752,993	3.2657	3.2657	E	49,624,658	3.2727	3.2727	1,624,066	E
	Debt Service	48,752,993	1.7554	1.5120		49,624,658	1.8420	1.5120	750,325	
Hillsboro R-III School District	Operating Funds-Schools	236,316,154	3.7587	3.6397	E	239,924,165	3.6528	3.6397	8,732,520	E

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Jefferson										
Hillsboro R-III School District	Debt Service	236,316,154	1.0223	0.9493		239,924,165	1.1125	0.9493	2,277,600	
Dunklin R-V School District	Operating Funds-Schools	163,667,299	3.5652	3.5652	E	159,778,763	3.6777	3.6777	5,876,184	E
	Debt Service	163,667,299	0.9052	0.6700		159,778,763	0.8129	0.6700	1,070,518	
Festus R-VI School District	Operating Funds-Schools	236,120,025	2.7500	2.7500	E	240,503,134	2.7500	2.7500	6,613,836	E
	Debt Service	235,610,815	1.0326	0.9900		240,503,134	1.0509	0.9900	2,380,981	
Jefferson Co R-VII School District	Operating Funds-Schools	199,995,648	3.7773	3.6943	E	181,678,695	3.7109	3.6943	6,711,756	E
	Debt Service	199,995,648	0.8929	0.6841		181,678,695	0.8664	0.6841	1,242,864	
Sunrise R-IX School District	Operating Funds-Schools	32,536,031	3.0360	3.0360	E	33,224,531	3.0448	3.0448	1,011,621	E
	Debt Service	32,536,031	1.4212	0.8742		33,224,531	1.3062	0.9300	308,988	
Windsor C-1 School District	Operating Funds-Schools	201,000,102	3.5466	3.5466	E	206,000,125	3.5553	3.5553	7,323,922	E
	Debt Service	201,000,102	1.6428	1.2523		205,650,075	1.8054	1.2523	2,575,356	
Fox C-6 School District	Operating Funds-Schools	836,222,246	4.2571	4.2571	E	844,191,909	4.2744	4.2744	36,084,139	E
	Debt Service	836,222,246	0.5672	0.3300		844,191,909	0.3731	0.3300	2,785,833	
Crystal City 47 School District	Operating Funds-Schools	58,223,619	3.9732	3.9416	E	58,282,950	3.9537	3.9416	2,297,281	E
	Debt Service	58,223,619	0.9397	0.8000		58,282,950	0.9680	0.8000	466,264	
DeSoto 73 School District	Operating Funds-Schools	179,957,145	3.4574	3.4574	E	181,511,328	3.4655	3.4655	6,290,275	E
	Debt Service	179,957,145	0.8710	0.6365		181,511,328	0.9229	0.6804	1,235,003	
Jefferson County	General Revenue	2,947,560,235	0.1857	0.0330		2,974,868,822	0.1857	0.0330	981,707	
	Parks & Recreation	2,947,560,235	0.0279	0.0279		2,974,868,822	0.0279	0.0279	829,988	
	Road & Bridge	2,433,221,475	0.2115	0.2115		2,456,880,363	0.2115	0.2115	5,196,302	
	Developmentally Disabled	2,947,560,235	0.0929	0.0929		2,974,868,822	0.0929	0.0929	2,763,653	
	Mental Health	2,947,560,235	0.0929	0.0929		2,974,868,822	0.0929	0.0929	2,763,653	
Johnson										
Johnson County Ambulance District	General Revenue	521,243,191	0.3000	0.2988		534,106,981	0.2987	0.2987	1,595,378	
Western Missouri Medical Center	General Revenue	526,982,068	0.1507	0.1497		540,063,444	0.1496	0.1496	807,935	
South Fork of Blackwater Watershed	General Revenue	38,009,271	0.1000	0.1000		38,347,698	0.1000	0.1000	38,348	
City of Centerview	General Revenue	1,272,645	0.9000	0.9000		1,275,802	0.9000	0.9000	11,482	
City of Chilhowee	General Revenue	1,418,258	1.0000	1.0000		1,372,336	1.0000	1.0000	13,723	
City of Holden	General Revenue	17,172,562	0.7376	0.7376		17,239,237	0.7403	0.7376	127,157	
	Debt Service	17,172,562	0.2170	0.1186		17,239,237	0.1852	0.1186	20,446	
City of Kingsville	General Revenue	4,196,976	0.7500	0.7500		5,052,184	0.7500	0.7500	37,891	
City of Knob Noster	General Revenue	20,883,623	0.6677	0.6677		21,074,231	0.6716	0.6716	141,535	
	Fire	20,883,623	0.3000	0.3000		21,074,231	0.3000	0.3000	63,223	2012
City of Leeton	General Revenue	3,251,216	0.8691	0.8691		3,182,063	0.8880	0.8880	28,257	
City of Warrensburg	General Revenue	185,622,040	0.3581	0.3543		192,375,712	0.3515	0.3515	676,201	
	Parks & Recreation	185,622,040	0.1945	0.1924		192,375,712	0.1909	0.1909	367,245	
Trails Consolidated Library	General Revenue	882,356,597	0.2618	0.2618		894,175,385	0.2618	0.2618	2,340,951	
Fire District #2 of Johnson County	General Revenue	105,000,080	0.3700	0.3700		108,252,812	0.3662	0.3662	396,422	
Johnson County Fire Prot Dist	General Revenue	191,139,763	0.3590	0.3590		193,991,755	0.3590	0.3590	696,430	
	Debt Service	191,139,763	0.2773	0.1800		193,991,755	0.2563	0.1800	349,185	
Johnson County Community Health	General Revenue	526,982,068	0.1000	0.1000		540,063,444	0.1000	0.1000	540,063	
Kingsville R-I School District	Operating Funds-Schools	21,478,447	3.7500	3.7500	E	22,391,224	3.7500	3.7500	839,671	E
	Debt Service	21,478,447	1.5062	1.0662		22,391,224	1.5034	1.0662	238,735	
Holden R-III School District	Operating Funds-Schools	88,310,634	3.7500	3.7500	E	87,711,593	3.7500	3.7500	3,289,185	E
	Debt Service	88,310,634	1.0682	0.8400		87,711,593	0.8432	0.8400	736,777	
Chilhowee R-IV School District	Operating Funds-Schools	8,889,448	5.6500	5.6000	E	8,829,438	5.5552	5.5552	490,493	E
Johnson Co R-VII School District	Operating Funds-Schools	34,542,878	3.6016	3.5000	E	35,137,098	3.4123	3.4123	1,198,983	E
	Debt Service	34,542,878	1.0313	0.8000		35,137,098	0.9335	0.8000	281,097	
Knob Noster R-VIII School District	Operating Funds-Schools	55,900,206	2.7500	2.7500	E	55,346,151	2.7500	2.7500	1,522,019	E
Leeton R-X School District	Operating Funds-Schools	16,032,362	4.1100	4.0969	E	15,162,259	4.1100	4.0969	621,183	E

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Johnson										
Leeton R-X School District	Debt Service	16,032,362	1.0452	0.8600		15,162,259	1.3164	0.8600	130,395	
Warrensburg R-VI School District	Operating Funds-Schools	250,287,903	3.7680	3.7680	E	256,745,346	3.6970	3.6970	9,491,875	E
	Debt Service	250,287,903	0.9547	0.7200		256,745,346	0.8330	0.7200	1,848,566	
Johnson County	General Revenue	526,982,068	0.3276	0.1262		540,063,444	0.3275	0.1300	702,082	
	Road & Bridge	526,982,068	0.2416	0.2416		540,063,444	0.2415	0.2415	1,304,253	
	Senate Bill 40	526,982,068	0.1200	0.1195		540,063,444	0.1195	0.1194	644,836	
Knox										
Knox County Ambulance District	General Revenue	67,105,947	0.3408	0.3408		60,505,303	0.3500	0.3500	211,769	
	Dispatch	67,105,947	0.0292	0.0292		60,505,303	0.0300	0.0300	18,152	
Knox County Nursing Home District	General Revenue	66,175,373	0.2930	0.2930		59,572,129	0.3000	0.3000	178,716	
City of Baring	General Revenue	872,266	0.8912	0.8912		611,566	1.0000	0.8912	5,450	
City of Edina	General Revenue	10,178,610	0.7500	0.7500		9,253,437	0.7500	0.7500	69,401	
	Lights	10,178,610	0.1423	0.1423		9,253,437	0.1500	0.1500	13,880	
City of Hurdland	General Revenue	826,720	0.7988	0.7988		700,246	0.9497	0.7988	5,594	
	Fire	826,720	0.2955	0.2955		700,246	0.3500	0.2955	2,069	
	Debt Service	826,720	0.6263	0.6263		700,246	0.8608	0.8608	6,028	
City of Knox City	General Revenue	1,321,515	0.9867	0.9867		1,144,337	1.0000	0.9867	11,291	
	Streets	1,321,515	0.2500	0.2500	A	1,144,337	0.2500	0.2500	2,861	2011
Village of Newark	General Revenue	571,996	0.5092	0.5092		434,913	0.6698	0.6698	2,913	
Village of Novelty	General Revenue	660,211	0.9728	0.9728		647,511	1.0000	1.0000	6,475	
	Streets	660,211	0.3000	0.3000	A	647,511	0.3000	0.3000	1,943	2011
Knox County Library	General Revenue	67,105,947	0.0973	0.0973		60,505,303	0.1000	0.1000	60,505	
Knox County Health Department	General Revenue	67,105,947	0.0973	0.0973		60,505,303	0.1000	0.1000	60,505	
Knox Co R-I School District	Operating Funds-Schools	56,962,688	3.6409	3.6409	E	60,368,883	3.6045	3.6045	2,175,996	E
	Debt Service	56,962,688	0.2076	0.2000		60,368,883	0.2196	0.2000	120,738	
Knox County	General Revenue	67,105,947	0.4239	0.2975		60,505,303	0.3341	0.2899	175,405	
	Road & Bridge	67,105,947	0.3074	0.3035		60,505,303	0.3409	0.3409	206,263	
	Special Road and Bridge	67,105,947	0.3500	0.3500	A	60,505,303	0.3500	0.3500	211,769	2013
Laclede										
Lebanon Spec Rd Dist #1 Laclede Co	Special Road and Bridge	234,033,933	0.2000	0.2000	A	245,601,066	0.1949	0.1949	478,676	2013
	Rd & Bridge (County)	234,033,933	0.3411	0.3355		245,601,066	0.3270	0.3270	803,115	
Phillipsburg Spec Rd #3 Laclede Co	Road & Bridge	14,127,590	0.2714	0.2714		13,925,213	0.2765	0.2765	38,503	
	Special Road and Bridge	14,127,590	0.2300	0.2300	A	13,925,213	0.2300	0.2300	32,028	2013
Laclede County Road District	Road & Bridge	124,337,522	0.2177	0.0000		110,955,208	0.2457	0.0000	0	
Conway Spec Road Dist #2 Laclede Co	Road & Bridge	10,860,565	0.2345	0.2345		10,269,858	0.2491	0.2491	25,582	
	Special Road and Bridge	10,860,565	0.3500	0.3500		10,269,858	0.3500	0.3500	35,945	2011
City of Conway	General Revenue	4,231,774	0.0000	0.0000		4,307,139	0.0000	0.0000	0	
City of Lebanon	General Revenue	189,885,475	0.2551	0.2551		188,124,640	0.2595	0.2551	479,906	
	Parks & Recreation	189,885,475	0.2551	0.2551		188,124,640	0.2595	0.2551	479,906	
Village of Phillipsburg	General Revenue	1,209,828	0.4545	0.4545		1,197,362	0.4620	0.4620	5,532	
Village of Evergreen	Building Maint.	1,105,472	0.2511	0.2511	A	1,159,336	0.2511	0.2511	2,911	2013
	Fire Equipment Maint.	1,105,472	0.2511	0.2511	A	1,159,336	0.2511	0.2511	2,911	2013
	Fire Truck #1 Maint.	1,105,472	0.2511	0.2511	A	1,159,336	0.2511	0.2511	2,911	2013
	Fire Truck #2 Maint.	1,105,472	0.2511	0.2511	A	1,159,336	0.2511	0.2511	2,911	2013
	Police Vehicle #2 Maint.	1,105,472	0.2511	0.2511	A	1,159,336	0.2511	0.2511	2,911	2013
	Police Vehilce #1 Maint.	1,105,472	0.2511	0.2511	A	1,159,336	0.2511	0.2511	2,911	2013
Lebanon-Laclede County Library	General Revenue	383,438,533	0.1334	0.1334		383,898,661	0.1342	0.1342	515,192	
Lebanon Rural Fire Protection Dist	General Revenue	101,817,984	0.1855	0.1855		101,795,629	0.1869	0.1869	190,256	
Bennett Spring Fire Protection Dist	General Revenue	9,380,101	0.3000	0.3000		9,665,212	0.2996	0.2996	28,957	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Laclede											
Competition Fire Protection Dist	General Revenue	9,242,271	0.3000	0.3000		9,340,233	0.3000	0.3000	28,021		
Nebo-Falcon Fire Protection Dist	General Revenue	10,320,554	0.3000	0.3000		10,754,644	0.3000	0.3000	32,264		
Lebanon Special Business District	General Revenue	3,816,850	0.6746	0.6746		3,825,660	0.6746	0.6746	25,808		
Laclede County Health Department	General Revenue	383,438,533	0.1000	0.1000		383,898,661	0.1000	0.1000	383,899		
Laclede Co. R-I School District	Operating Funds-Schools	32,532,754	2.7500	2.7500	F	31,977,584	2.7500	2.7500	879,384	F	
Gasconade C-4 School District	Operating Funds-Schools	7,847,514	3.5276	3.4300	E	8,097,842	3.4475	3.4475	279,173	E	
Lebanon R-III School District	Operating Funds-Schools	285,061,669	2.7500	2.7500	F	282,924,912	2.7500	2.7500	7,780,435	F	
	Debt Service	285,061,669	0.5201	0.4700		282,924,912	0.4953	0.4700	1,329,747		
Laclede Co C-5 School District	Operating Funds-Schools	26,275,564	3.3000	3.3000	E	26,706,423	3.3000	3.3000	881,312	E	
Laclede County	General Revenue	383,438,533	0.2977	0.1466		383,898,661	0.2995	0.1311	503,291		
	Senate Bill 40	383,438,533	0.0664	0.0664		383,898,661	0.0668	0.0664	254,909		
	Senate Bill 40-LEEP	383,438,533	0.0664	0.0655		383,898,661	0.0659	0.0655	251,454		
Lafayette											
Little Sni A Bar Watershed Sub Dist	General Revenue	6,892,891	0.0824	0.0824		6,722,549	0.0861	0.0861	5,788		
Tabo Creek Watershed Sub District	General Revenue	16,000,560	0.0750	0.0750		15,610,215	0.0775	0.0775	12,098		
Wellington Napoleon Sub District	General Revenue	4,401,870	0.0826	0.0826		4,431,212	0.0826	0.0826	3,660		
Alma Spec Road Dist Lafayette Co	Special Road and Bridge	10,868,221	0.2978	0.2978		12,371,429	0.2701	0.2701	33,415		2012
Corder Spec Rd Dist Lafayette Co	Special Road and Bridge	8,677,557	0.3000	0.3000		9,914,222	0.2725	0.2725	27,016		2012
Concordia Spec Rd Dist Lafayette Co	Special Road and Bridge	42,002,186	0.3300	0.3300		41,703,930	0.3300	0.3300	137,623		2012
Dover Spec Rd Dist Lafayette Co	Special Road and Bridge	8,460,771	0.3351	0.3351		8,949,878	0.3254	0.3254	29,123		2011
Higginsville Road Dist Lafayette Co	Special Road District	55,538,682	0.2400	0.2400		54,951,879	0.2400	0.2400	131,885		2011
Mayview Spec Rd Dist Lafayette Co	Special Road and Bridge	12,127,108	0.3498	0.3498	A	12,226,311	0.3498	0.3498	42,768		2013
Odessa Spec Rd Dist Lafayette Co	Special Road and Bridge	103,098,765	0.2400	0.2400		**	**	**			2010
	Special Road and Bridge	**	**	**		99,050,058	0.2553	0.2553	252,875	A	2014
Waverly Spec Rd Dist Lafayette Co	Special Road and Bridge	15,540,029	0.2388	0.2388		**	**	**			2010
	Special Road and Bridge	**	**	**		16,863,742	0.2800	0.2800	47,218	A	2014
Wellington Napoleon Rd Lafayette Co	Special Road and Bridge	24,073,429	0.3500	0.3500	B	**	**	**			2010
	Special Road and Bridge	**	**	**		24,993,888	0.3500	0.3500	87,479	A	2013
City of Alma	General Revenue	3,852,712	0.5234	0.5234		3,897,904	0.5234	0.5234	20,402		
	General Revenue - Temp	3,852,712	0.3000	0.3000	A	3,897,904	0.3000	0.3000	11,694		2013
Village of Aullville	General Revenue	572,728	0.4335	0.4335		599,626	0.4336	0.4335	2,599		
City of Bates City	General Revenue	4,278,007	0.2903	0.2903		4,286,096	0.2903	0.2903	12,443		
City of Concordia	General Revenue	26,924,335	0.5334	0.5334		26,124,781	0.5521	0.5521	144,235		
City of Corder	General Revenue	2,614,310	0.5950	0.5950		2,726,342	0.5910	0.5910	16,113		
	Parks & Recreation	2,614,310	0.1465	0.1465		2,726,342	0.1455	0.1455	3,967		
Village of Dover	General Revenue	533,073	0.3000	0.3000		627,362	0.2856	0.2856	1,792		
City of Higginsville	General Revenue	40,777,801	0.4320	0.4320		39,375,803	0.4477	0.4477	176,285		
	Parks & Recreation	40,777,801	0.3439	0.3439		39,375,803	0.3564	0.3564	140,335		
	Library	31,496,787	0.1835	0.1835		30,261,201	0.1900	0.1900	57,496		
City of Lexington	General Revenue	42,457,049	0.5211	0.5211		40,895,900	0.5486	0.5486	224,355		
	Parks & Recreation	42,457,049	0.2647	0.2647		40,895,900	0.2787	0.2787	113,977		
	Health	42,457,049	0.1413	0.1413		40,895,900	0.1487	0.1487	60,812		
City of Mayview	General Revenue	1,376,845	0.6456	0.6456		1,372,936	0.6475	0.6475	8,890		
City of Napoleon	General Revenue	2,143,411	0.7848	0.7848		2,071,961	0.8118	0.8118	16,820		
City of Odessa	General Revenue	49,057,343	0.5569	0.5569		48,186,293	0.5703	0.5703	274,806		
	Parks & Recreation	49,057,343	0.1471	0.1471		48,186,293	0.1506	0.1506	72,569		
City of Waverly	General Revenue	7,087,884	0.5142	0.5142		7,118,619	0.5167	0.5142	36,604		
	Streets	7,087,884	0.2076	0.2076		7,118,619	0.2086	0.2076	14,778		
City of Wellington	General Revenue	6,100,831	0.4848	0.4848		5,916,596	0.4999	0.4999	29,577		
City of Lake Lafayette	General Revenue	1,834,243	1.0000	1.0000		1,767,116	1.0000	1.0000	17,671		

APPENDIX VII
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Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year	
Lafayette											
City of Lake Lafayette	Streets	**	**	**		1,767,116	0.7388	0.0000	0		A
Corder Fire Protection District	General Revenue	14,528,964	0.3308	0.3308		16,347,330	0.3049	0.3049	49,843		
Sni Valley Fire Protection District	General Revenue	170,532,196	0.4869	0.4846		165,498,994	0.5023	0.5023	831,301		
	Dispatch	170,532,196	0.0300	0.0300		165,498,994	0.0300	0.0300	49,650		
	Fire and Ambulance	170,532,196	0.1500	0.1500		165,498,994	0.1500	0.1500	248,248		
	Debt Service	170,532,196	0.1327	0.1327		165,498,994	0.1424	0.1424	235,671		
Concordia Fire Protection District	General Revenue	50,622,266	0.2745	0.2745		51,231,738	0.2745	0.2745	140,631		
Alma Fire Protection District	General Revenue	13,474,542	0.5113	0.4800		15,807,212	0.4235	0.4235	66,944		
Wellington-Napoleon Fire Prot Dist	General Revenue	26,304,215	0.2648	0.2648		26,887,985	0.2642	0.2642	71,038		
	Ambulance	26,304,215	0.3500	0.3500	B	26,887,985	0.3492	0.3492	93,893		
Odessa Fire Protection District	General Revenue	98,542,978	0.4582	0.4582		94,927,037	0.4700	0.4700	446,157		
Wellington-Napoleon R-IX Reg Rec Ds	Parks & Recreation	28,851,343	0.1714	0.1714		24,961,534	0.1991	0.1991	49,698		
Lafayette County Health Department	General Revenue	386,874,016	0.0721	0.0721		384,388,110	0.0731	0.0731	280,988		
Concordia R-II School District	Operating Funds-Schools	46,447,165	3.8158	3.8157	BE	45,124,804	3.9488	3.9488	1,781,888		E
	Debt Service	46,447,165	0.7165	0.3100		45,124,804	0.4093	0.4093	184,696		
Lafayette Co C-1 School District	Operating Funds-Schools	66,135,154	3.1620	3.1620	E	64,458,681	3.8862	3.8862	2,504,993		BE
	Debt Service	66,135,154	1.5648	1.0000		64,458,681	1.6114	1.0000	644,587		
Odessa R-VII School District	Operating Funds-Schools	127,332,431	3.7992	3.7992	E	121,508,025	3.8817	3.7113	4,509,527		E
	Debt Service	127,332,431	2.2453	1.0633		121,508,025	2.4320	1.1512	1,398,800		
Santa Fe R-X School District	Operating Funds-Schools	28,311,480	4.5518	4.5518	BE	28,797,924	4.5420	4.5420	1,308,002		E
	Debt Service	28,311,480	0.8806	0.5400		28,797,924	0.9076	0.5498	158,331		
Wellington-Napoleon R-IX Sch Dist	Operating Funds-Schools	25,165,060	3.8029	3.8029	E	24,960,714	3.7890	3.7890	945,761		E
	Debt Service	25,165,060	1.1157	0.7500		24,960,714	0.7934	0.7500	187,205		
Lexington R-V School District	Operating Funds-Schools	54,974,466	3.4652	3.4652	E	53,598,214	3.5706	3.5706	1,913,778		E
	Debt Service	54,974,466	1.8463	0.9300		53,598,214	1.8309	0.9300	498,463		
Lafayette County	General Revenue	386,874,016	0.2885	0.1850		384,388,110	0.2924	0.1900	730,337		
	Johnson Grass	386,874,016	0.0272	0.0100		384,388,110	0.0101	0.0101	38,823		
	Road & Bridge	386,874,016	0.2164	0.2164		384,388,110	0.2193	0.2193	842,963		
	Common Road District	447,750	0.2999	0.2999		469,880	0.2999	0.2999	1,409	2012	
	Senate Bill 40	386,874,016	0.0632	0.0632		384,388,110	0.0641	0.0641	246,393		
	2-W Common Rd Dist	34,560,706	0.3300	0.3300		32,063,213	0.3300	0.3300	105,809	2012	
	I-E Common Road Dist	13,919,979	0.3500	0.3500		14,073,643	0.3500	0.3500	49,258	2011	
Lawrence											
Mt Vernon Ambulance District	General Revenue	146,428,960	0.1407	0.1407		148,452,341	0.1407	0.1407	208,872		
Lawrence County Nursing Home Dist	General Revenue	403,166,892	0.1089	0.1089		414,971,492	0.1088	0.1088	451,489		
Aurora Spec Road Dist Lawrence Co	Special Road and Bridge	97,764,969	0.1700	0.1700		100,423,778	0.1694	0.1694	170,118	2012	
Buck Prairie Sp Rd Dist Lawrence Co	Special Road and Bridge	35,051,605	0.3100	0.3100	A	35,639,663	0.3100	0.3100	110,483	2013	
Freistatt Spec Rd Dist Lawrence Co	Special Road and Bridge	7,861,651	0.3500	0.3500		**	**	**		2010	
	Special Road and Bridge	**	**	**		7,977,177	0.3538	0.3500	27,920	2014	A
Green Benefit Spec Rd Lawrence Co	Special Road and Bridge	6,943,865	0.2200	0.2200		7,083,048	0.2200	0.2200	15,583	2012	
Midway Benefit Spec Rd Lawrence Co	Special Road and Bridge	2,245,709	0.2400	0.2400	A	2,145,561	0.2400	0.2400	5,149	2013	
Miller Benefit Spec Rd Lawrence Co	Special Road and Bridge	20,119,389	0.1900	0.1900	A	19,808,803	0.1900	0.1900	37,637	2013	
Mt Pleasant Benefit SRD Lawrence Co	Special Road and Bridge	4,237,816	0.2000	0.2000	A	4,205,949	0.2000	0.2000	8,412	2013	
Mt Vernon Benefit Sp Rd Lawrence Co	Special Road and Bridge	95,253,381	0.1600	0.1600	A	95,080,600	0.1600	0.1600	152,129	2013	
Pierce Benefit SRD Lawrence Co	Special Road and Bridge	22,900,875	0.1900	0.1900		23,876,326	0.1885	0.1885	45,007	2012	
Red Oak Benefit Sp Rd Lawrence Co	Special Road and Bridge	4,674,744	0.2000	0.2000	A	4,750,218	0.2000	0.2000	9,500	2013	
Verona Benefit SRD Lawrence Co	Special Road and Bridge	25,946,653	0.1900	0.1900	A	30,592,337	0.1891	0.1891	57,850	2013	
Vineyard Benefit Sp Rd Lawrence Co	Special Road and Bridge	3,961,899	0.2200	0.2200		3,924,412	0.2200	0.2200	8,634	2012	
City of Aurora	General Revenue	72,782,173	0.3667	0.3667		72,807,112	0.3687	0.3687	268,440		
	Parks & Recreation	72,782,173	0.1427	0.1427		72,807,112	0.1435	0.1435	104,478		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year	
Lawrence											
Village of Freistatt	General Revenue	1,021,487	0.2601	0.2601		1,114,349	0.2589	0.2589	2,885		
City of Marionville	General Revenue	15,529,029	0.6095	0.5978		15,607,785	0.6008	0.5978	93,303		
City of Miller	General Revenue	4,329,197	1.0000	1.0000		4,338,951	1.0000	1.0000	43,390		
City of Pierce City	General Revenue	8,925,848	0.4700	0.4700		9,150,632	0.4700	0.4700	43,008		
	Parks & Recreation	8,925,848	0.1200	0.1200		9,150,632	0.1200	0.1200	10,981		
	Fire	8,925,848	0.1200	0.1200		9,150,632	0.1200	0.1200	10,981		
City of Stotts City	General Revenue	938,593	0.4861	0.4861		913,325	0.5060	0.5060	4,621		
City of Verona	General Revenue	8,524,866	0.7593	0.7581		12,336,940	0.7581	0.7581	93,526		
Miller R-II School District	Operating Funds-Schools	42,339,727	3.6418	3.5309	E	42,858,718	3.4770	3.4770	1,490,198	E	
	Operating Funds-Temp	42,339,727	0.4591	0.4591		42,858,718	0.4591	0.4591	196,764		2026
Pierce City R-VI School District	Operating Funds-Schools	35,277,388	2.7500	2.7500	F	35,464,915	2.7500	2.7500	975,285	F	
	Debt Service	35,277,388	0.6718	0.6600		35,464,915	1.3811	0.7900	280,173		
Marionville R-IX School District	Operating Funds-Schools	35,844,267	2.9824	2.7500	F	35,917,626	2.9925	2.7500	987,735	F	
	Debt Service	35,844,267	1.2043	0.8100		35,917,626	1.1606	0.9800	351,993		
Mt. Vernon R-V School District	Operating Funds-Schools	102,905,466	2.7500	2.7500	E	103,891,532	2.7500	2.7500	2,857,017	E	
	Debt Service	102,905,466	0.9266	0.5700		103,891,532	1.4111	0.5700	592,182		
Aurora R-VIII School District	Operating Funds-Schools	104,972,217	2.5762	2.1779	F	104,752,513	2.1688	2.1688	2,271,873	F	
	Operating Funds-Temp	104,972,217	0.3971	0.3971		104,752,513	0.4011	0.4011	420,162		2024
	Debt Service	104,972,217	1.4158	1.1750		104,752,513	1.3575	1.1750	1,230,842		
Verona R-VII School District	Operating Funds-Schools	23,678,624	3.1353	3.1200	E	27,586,149	3.0890	3.0000	827,584	E	
	Debt Service	23,678,624	1.5356	0.8300		27,586,149	1.3721	0.9500	262,068		
Lawrence County	General Revenue	403,166,892	0.2874	0.1483		414,971,492	0.2873	0.1439	597,144		
	Road & Bridge	403,166,892	0.0717	0.0700		414,971,492	0.0700	0.0700	290,480		
	Developmentally Disabled	403,166,892	0.0893	0.0893		414,971,492	0.0893	0.0893	370,570		
	Senior Services	403,166,892	0.0491	0.0491		414,971,492	0.0491	0.0491	203,751		
	Common I Road District	29,230,180	0.2000	0.2000	A	31,293,588	0.1982	0.1982	62,024		2013
	Common II Road District	10,781,858	0.2100	0.2100	A	10,978,206	0.2100	0.2100	23,054		2013
Lewis											
Lewis County Ambulance District	General Revenue	104,217,332	0.2474	0.2474		108,767,886	0.2430	0.2430	264,306		
Lewis County Nursing Home	General Revenue	104,217,332	0.1484	0.1484		108,767,886	0.1458	0.1458	158,584		
Buck & Doe Run Creeks Sub District	General Revenue	3,823,740	0.2423	0.2423		3,935,950	0.2391	0.2391	9,411		
Durgens Creek Watershed Sub Dist	General Revenue	2,653,370	0.3826	0.3826		2,711,480	0.3808	0.3808	10,325		
Troublesome Watershed Sub District	General Revenue	9,916,287	0.3734	0.3734		9,958,889	0.3752	0.3752	37,366		
Grassey Creek Watershed Sub Dist	General Revenue	6,177,890	0.4000	0.4000		6,380,080	0.4000	0.4000	25,520		
Canton Spec Rd Dist Lewis Co	Road & Bridge	26,534,200	0.2493	0.2493		28,153,620	0.2415	0.2415	67,991		
Dickerson Spec Road Dist Lewis Co	Road & Bridge	719,367	0.3500	0.3500		859,031	0.3249	0.3249	2,791		
La Grange Spec Rd Dist Lewis Co	Road & Bridge	17,764,816	0.3488	0.3200		17,963,702	0.3488	0.3200	57,484		
City of Canton	General Revenue	16,496,605	0.7151	0.7151		17,551,109	0.6838	0.6838	120,014		
	Parks & Recreation	16,496,605	0.1991	0.1991		17,551,109	0.1904	0.1904	33,417		
	Library	16,496,605	0.2489	0.2489		17,551,109	0.2380	0.2380	41,772		
	Levee	16,496,605	0.1991	0.1991		17,551,109	0.1904	0.1904	33,417		
City of Ewing	General Revenue	2,582,625	0.6488	0.6400		2,825,697	0.6403	0.6400	18,084		
City of La Belle	General Revenue	3,702,498	0.7827	0.7827		3,913,823	0.7621	0.7621	29,827		
	Streets	3,702,498	0.1000	0.1000		3,913,823	0.0969	0.0969	3,792		2012
	Streets -Temp	3,702,498	0.0000	0.0000		**	**	**			2010
	Streets-Temp	3,702,498	0.3500	0.3500		3,913,823	0.3394	0.3394	13,284		2011
City of La Grange	General Revenue	11,309,349	0.5406	0.4900		11,373,055	0.5417	0.4900	55,728		
	Streets	11,309,349	0.2978	0.2700		11,373,055	0.2985	0.2700	30,707		
	Cemetery	11,309,349	0.1434	0.1300		11,373,055	0.1437	0.1300	14,785		
City of Lewistown	General Revenue	3,746,960	0.6807	0.6807		3,868,466	0.6700	0.6700	25,919		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Lewis										
City of Lewistown	Debt Service	3,746,960	0.2882	0.2882		3,868,466	0.2740	0.2740	10,600	
Village of Monticello	General Revenue	799,832	0.6701	0.6701		938,582	0.6145	0.6145	5,768	
Lewis County Library	General Revenue	87,720,728	0.0987	0.0987		91,050,857	0.0974	0.0974	88,684	
Canton R-V Fire Protection District	General Revenue	39,300,175	0.2525	0.2525		43,112,366	0.2412	0.2412	103,987	
	Debt Service	39,300,175	0.1391	0.1391		43,112,366	0.1066	0.1066	45,958	
Ewing-Maywood R-4 Fire Prot Dist	General Revenue	21,984,925	0.4372	0.4372		23,018,810	0.4352	0.4352	100,178	
Western Lewis County FPD	General Revenue	24,566,174	0.4144	0.4144		27,200,432	0.3967	0.3967	107,904	
	Debt Service	24,566,174	0.1499	0.1499		27,200,432	0.1311	0.1311	35,660	
Lewis County Health Department	General Revenue	104,217,332	0.0990	0.0990		108,767,886	0.0973	0.0973	105,831	
Canton R-V School District	Operating Funds-Schools	30,986,215	3.3710	3.3710	E	32,526,181	3.3139	3.3139	1,077,885	E
	Debt Service	30,986,215	0.7038	0.5500		32,526,181	0.6378	0.5500	178,894	
Lewis Co C-1 School District	Operating Funds-Schools	64,444,972	3.5075	3.5075	E	67,047,731	3.4683	3.4683	2,325,416	E
Lewis County	General Revenue	104,217,332	0.4128	0.2924		108,766,886	0.4055	0.2744	298,456	
	Road & Bridge	59,198,848	0.2758	0.2758		61,791,536	0.2719	0.2719	168,011	
	Common Road District	59,198,848	0.2042	0.2042		61,791,536	0.2013	0.2013	124,386	2012
Lincoln										
Lincoln County Ambulance	General Revenue	663,453,031	0.2745	0.1289		646,386,851	0.2858	0.1386	895,892	
Clarence Cannon Memorial Sub Dist	General Revenue	9,329,050	0.1978	0.1978		9,188,706	0.2008	0.2008	18,451	
City of Elsberry	General Revenue	14,565,763	0.5126	0.5126		14,457,078	0.5180	0.5180	74,888	
	Cemetery	14,565,763	0.1538	0.1538		14,457,078	0.1554	0.1554	22,466	
City of Foley	General Revenue	831,049	0.7018	0.7018		816,680	0.7284	0.7284	5,949	
City of Hawk Point	General Revenue	4,493,095	0.3631	0.3631		4,286,248	0.3807	0.3807	16,318	
City of Moscow Mills	General Revenue	23,875,247	0.2329	0.2329		24,316,287	0.2329	0.2329	56,633	
	GR-Waterworks	23,875,247	0.4561	0.4561		24,316,287	0.4561	0.4561	110,907	
City of Old Monroe	General Revenue	3,434,405	0.3860	0.3860		2,805,079	0.4730	0.4730	13,268	
Village of Silex	General Revenue	1,525,574	0.2546	0.2546		1,118,795	0.3472	0.3472	3,884	
	Debt Service	**	**	**		1,118,795	1.3158	0.2400	2,685	
City of Troy	General Revenue	167,890,240	0.3227	0.3227		161,812,277	0.3372	0.1872	302,913	
City of Winfield	General Revenue	12,119,941	0.3665	0.3665		11,640,503	0.3823	0.3823	44,502	
Village of Truxton	General Revenue	316,629	0.5000	0.5000		299,066	0.5000	0.5000	1,495	
Village of Chain of Rocks	General Revenue	768,770	0.5000	0.5000		811,974	0.4923	0.4923	3,997	
Village of Fountain 'N Lakes	General Revenue	472,610	0.5000	0.5000		421,333	0.5000	0.5000	2,107	
Winfield-Foley Fire Protection Dist	General Revenue	88,256,458	0.2501	0.2501		88,084,420	0.2553	0.2553	224,880	
Lincoln County Fire Protection Dist	General Revenue	406,818,721	0.5242	0.5242		387,721,823	0.5500	0.5500	2,132,470	
Elsberry Fire Protection District	General Revenue	47,143,543	0.3000	0.3000		47,047,282	0.3000	0.3000	141,142	
Hawk Point Fire Protection District	General Revenue	39,205,108	0.2589	0.2589		36,817,919	0.2778	0.2778	102,280	
Old Monroe Fire Protection District	General Revenue	29,524,438	0.2871	0.2871		28,238,540	0.2909	0.2909	82,146	
Lincoln County Health Department	General Revenue	663,453,031	0.1960	0.1960		646,386,851	0.2000	0.2000	1,292,774	
Silex R-I School District	Operating Funds-Schools	28,221,824	3.5449	3.4747	E	28,062,312	3.5359	3.4959	981,030	E
	Debt Service	28,221,824	1.0030	0.7100		28,062,312	1.1556	0.7100	199,242	
Elsberry R-II School District	Operating Funds-Schools	42,765,108	2.8235	2.8235	E	42,399,611	2.8697	2.8697	1,216,742	E
	Debt Service	42,765,108	1.4614	1.2500		42,399,611	1.4716	1.2500	529,995	
Troy R-III School District	Operating Funds-Schools	437,453,793	2.8227	2.7500		413,540,208	3.6284	3.5000	14,473,907	B
	Debt Service	437,453,793	1.7263	1.1100		413,540,208	1.6794	1.1100	4,590,296	
Winfield R-IV School District	Operating Funds-Schools	91,805,320	3.2923	3.2923	E	89,259,873	3.3860	3.3860	3,022,339	E
	Debt Service	91,805,320	1.2746	0.8500		89,259,873	1.3835	0.9000	803,339	
Lincoln County	General Revenue	663,453,031	0.3332	0.1900		646,386,851	0.3469	0.1950	1,260,454	
	Road & Bridge	663,453,031	0.2548	0.2548		646,386,851	0.2653	0.2653	1,714,864	
	Hospital	663,453,031	0.1666	0.1666		646,386,851	0.1734	0.1734	1,120,835	
	Senate Bill 40	663,453,031	0.0979	0.0979		646,386,851	0.1000	0.1000	646,387	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied	2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Lincoln									
Lincoln County	Debt Service	663,453,031	0.1400	0.1400	646,386,851	0.1281	0.1281	828,022	
Linn									
Linn County Ambulance District	General Revenue	136,623,520	0.2865	0.0945	139,904,490	0.2865	0.0955	133,609	
East Yellow Creek Watershed	General Revenue	9,436,266	0.3742	0.3742	9,675,517	0.3672	0.3672	35,528	
Marceline Spec Rd Dist Linn Co	General Revenue	22,879,553	0.1000	0.1000	22,451,762	0.1000	0.1000	22,452	
	Road & Bridge	22,879,553	0.3478	0.3478	22,451,762	0.3566	0.3566	80,063	
Purdin Special Road Dist Linn Co	General Revenue	1,463,338	0.0000	0.0000	1,767,793	0.0000	0.0000	0	
	Road & Bridge	1,463,338	0.5000	0.5000	1,767,793	0.5000	0.5000	8,839	
	Special Road and Bridge	1,463,338	0.3500	0.3500	**	**	**		2010
	Special Road and Bridge	**	**	**	1,767,793	0.3538	0.3538	6,254	A 2014
City of Brookfield	General Revenue	36,733,981	0.7128	0.7128	36,703,908	0.8782	0.8782	322,334	B
	Parks & Recreation	36,733,981	0.2000	0.2000	36,703,908	0.2000	0.2000	73,408	
	Library	36,733,981	0.3672	0.3672	36,703,908	0.3683	0.3683	135,180	
	Cemetery	36,733,981	0.1000	0.1000	36,703,908	0.1000	0.1000	36,704	
City of Browning	General Revenue	814,965	0.9826	0.9826	855,153	0.9826	0.9826	8,403	
City of Bucklin	General Revenue	2,885,997	0.9923	0.9923	2,969,911	0.9923	0.9923	29,470	
	Streets	2,885,997	0.4961	0.4961	2,969,911	0.4961	0.4961	14,734	
	Special Road and Bridge	2,885,997	0.5954	0.5954	**	**	**		2010
	Special Road and Bridge	**	**	**	2,969,911	0.6005	0.6005	17,834	A 2014
City of Laclede	General Revenue	2,014,257	0.8882	0.8882	2,029,508	0.8898	0.8898	18,059	
	Cemetery	2,014,257	0.0994	0.0994	2,029,508	0.0995	0.0995	2,019	
City of Linneus	General Revenue	1,316,189	0.6000	0.6000	1,356,079	0.6000	0.6000	8,136	
	Streets	1,316,189	0.4000	0.4000	1,356,079	0.4000	0.4000	5,424	
City of Marceline	General Revenue	22,059,689	0.4691	0.4691	21,545,891	0.4819	0.4819	103,830	
	Library	22,059,689	0.2100	0.2100	21,545,891	0.2100	0.2100	45,246	
City of Meadville	General Revenue	2,675,043	0.3939	0.3939	2,722,886	0.3959	0.3959	10,780	
City of Purdin	General Revenue	559,669	1.0000	1.0000	820,257	1.0000	1.0000	8,203	
Baker Township of Linn Co	General Revenue	3,322,912	0.0998	0.0998	3,621,497	0.0940	0.0940	3,404	
	Road & Bridge	3,322,912	0.4991	0.4991	3,621,497	0.4698	0.4698	17,014	
	Special Road and Bridge	3,322,912	0.3494	0.3494	**	**	**		2010
	Special Road and Bridge	**	**	**	3,621,497	0.3500	0.3500	12,675	A 2014
North Benton Township of Linn Co	General Revenue	1,825,808	0.1000	0.1000	1,867,124	0.1000	0.1000	1,867	
	Road & Bridge	1,825,808	0.5000	0.5000	1,867,124	0.5000	0.5000	9,336	
	Special Road and Bridge	1,825,808	0.3500	0.3500	**	**	**		2010
	Special Road and Bridge	**	**	**	1,867,124	0.3501	0.3501	6,537	A 2014
Brookfield Township of Linn Co	General Revenue	50,096,563	0.1000	0.1000	51,377,175	0.1000	0.1000	51,377	
	Road & Bridge	50,096,563	0.3789	0.3789	51,377,175	0.3789	0.3789	194,668	
Bucklin Township of Linn Co	General Revenue	8,399,517	0.0978	0.0978	8,611,006	0.0972	0.0972	8,370	
	Road & Bridge	8,399,517	0.4698	0.4698	8,611,006	0.4670	0.4670	40,213	
	Special Road and Bridge	8,399,517	0.3423	0.3423	**	**	**		2010
	Special Road and Bridge	**	**	**	8,611,006	0.3500	0.3500	30,139	A 2014
Clay Township of Linn Co	General Revenue	4,000,251	0.0985	0.0985	4,178,714	0.0990	0.0990	4,137	
	Road & Bridge	4,000,251	0.4924	0.4924	4,178,714	0.4945	0.4945	20,664	
	Special Road and Bridge	4,000,251	0.3447	0.3447	**	**	**		2010
	Special Road and Bridge	**	**	**	4,178,714	0.3516	0.3516	14,692	A 2014
Enterprise Township of Linn Co	General Revenue	1,644,186	0.1000	0.1000	1,754,602	0.0972	0.0972	1,705	
	Road & Bridge	1,644,186	0.5000	0.5000	1,754,602	0.4862	0.4862	8,531	
	Special Road and Bridge	1,644,186	0.3500	0.3500	**	**	**		2010
	Special Road and Bridge	**	**	**	1,754,602	0.3500	0.3500	6,141	A 2014
Grantsville Township of Linn Co	General Revenue	3,206,819	0.1000	0.1000	3,164,182	0.1000	0.1000	3,164	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Linn											
Grantsville Township of Linn Co	Road & Bridge	3,206,819	0.5000	0.5000		3,164,182	0.5000	0.5000	15,821		
	Special Road and Bridge	3,206,819	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		3,164,182	0.3578	0.3578	11,321	A	2014
Jackson Township of Linn Co	General Revenue	2,921,570	0.1000	0.1000		2,990,244	0.1000	0.1000	2,990		
	Road & Bridge	2,921,570	0.5000	0.5000		2,990,244	0.5000	0.5000	14,951		
	Special Road and Bridge	2,921,570	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		2,990,244	0.3518	0.3518	10,520	A	2014
Jefferson Township of Linn Co	General Revenue	9,666,072	0.0982	0.0982		10,097,616	0.0968	0.0968	9,774		
	Road & Bridge	9,666,072	0.3830	0.3830		10,097,616	0.3775	0.3775	38,119		
	Special Road and Bridge	9,666,072	0.3466	0.3466		**	**	**			2010
	Special Road and Bridge	**	**	**		10,097,616	0.3500	0.3500	35,342	A	2014
Locust Creek Township of Linn Co	General Revenue	5,524,650	0.1000	0.1000		5,877,367	0.1000	0.1000	5,877		
	Road & Bridge	5,524,650	0.5000	0.5000		5,877,367	0.5000	0.5000	29,387		
	Special Road and Bridge	5,524,650	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		5,877,367	0.3516	0.3516	20,665	A	2014
Marceline Township of Linn Co	General Revenue	4,796,397	0.0999	0.0999		4,872,479	0.0997	0.0997	4,858		
	Road & Bridge	4,796,397	0.4994	0.4994		4,872,479	0.4984	0.4984	24,284		
	Special Road and Bridge	4,796,397	0.3496	0.3496		**	**	**			2010
	Special Road and Bridge	**	**	**		4,872,479	0.3500	0.3500	17,054	A	2014
North Salem Township of Linn Co	General Revenue	2,223,913	0.1000	0.1000		2,220,729	0.1000	0.1000	2,221		
	Road & Bridge	2,223,913	0.5000	0.5000		2,220,729	0.5000	0.5000	11,104		
	Special Road and Bridge	2,223,913	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		2,220,729	0.3545	0.3545	7,872	A	2014
Parson Creek Township of Linn Co	General Revenue	7,823,347	0.1000	0.1000		7,998,241	0.1000	0.1000	7,998		
	Road & Bridge	7,823,347	0.4768	0.4768		7,998,241	0.4792	0.4792	38,328		
	Special Road and Bridge	7,823,347	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		7,998,241	0.3565	0.3565	28,514	A	2014
Yellow Creek Township of Linn Co	General Revenue	6,828,624	0.0816	0.0816		7,083,959	0.0802	0.0802	5,681		
	Road & Bridge	6,828,624	0.3723	0.3723		7,083,959	0.3661	0.3661	25,934		
	Special Road and Bridge	6,828,624	0.2857	0.2857		**	**	**			2010
	Special Road and Bridge	**	**	**		7,083,959	0.3500	0.3500	24,794	A	2014
Laclede Community Fire Prot Dist	General Revenue	9,666,072	0.2509	0.2509		10,097,616	0.2473	0.2473	24,971		
Linneus Fire Protection District	General Revenue	8,105,036	0.3000	0.3000		8,782,306	0.3000	0.3000	26,347		
Linn County Health Department	General Revenue	136,623,520	0.2371	0.2100		139,934,490	0.2100	0.2100	293,862		
Linn Co R-I School District	Operating Funds-Schools	15,374,219	4.2459	4.2459	E	17,598,875	3.9084	3.9084	687,834	E	
Bucklin R-II School District	Operating Funds-Schools	9,761,338	4.4000	4.4000	E	9,940,707	4.3460	4.3460	432,023	E	
Meadville R-IV School District	Operating Funds-Schools	14,062,106	4.6267	3.9205		14,485,440	4.5484	3.9205	567,902		
	Debt Service	14,062,106	1.2256	1.0200		14,485,440	1.5165	1.0500	152,097		
Marceline R-V School District	Operating Funds-Schools	36,682,470	4.1793	4.0500	E	36,541,680	3.9968	3.9968	1,460,498	E	
	Debt Service	36,682,470	0.7531	0.7500		36,541,680	0.9037	0.8000	292,333		
Brookfield R-III School District	Operating Funds-Schools	57,479,291	3.4097	3.4097	E	58,672,034	3.3780	3.3780	1,981,941	E	
	Debt Service	57,479,291	0.8668	0.6300		58,672,034	0.8304	0.6600	387,235		
Linn County	General Revenue	136,623,520	0.2988	0.0725		139,894,490	0.2988	0.0725	101,424		
	Senate Bill 40	136,623,520	0.1976	0.1976		139,894,490	0.1976	0.1976	276,432		
	Senior Services	136,623,520	0.0497	0.0497		139,894,490	0.0497	0.0497	69,528		
Livingston											
Livingston County Ambulance Dist	General Revenue	158,014,480	0.1315	0.1315		163,716,387	0.1315	0.1100	180,088		
Livingston County Nursing Home Dist	General Revenue	158,014,480	0.1500	0.1500		163,716,387	0.1500	0.1500	245,575		
City of Chillicothe	General Revenue	88,450,576	0.6707	0.6608		92,246,251	0.6583	0.6583	607,257		
	Parks & Recreation	88,450,576	0.1885	0.1857		92,246,251	0.1850	0.1850	170,656		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Livingston											
City of Chillicothe	Temp Gen Indus Imp	88,450,576	0.0000	0.0000		92,246,251	0.0000	0.0000	0		
City of Chula	General Revenue	989,822	0.9999	0.9999		1,045,169	0.9753	0.9753	10,194		
Village of Ludlow	General Revenue	546,841	1.0000	1.0000		618,055	0.9344	0.9344	5,775		
Village of Mooresville	General Revenue	555,459	0.5300	0.5300		638,960	0.4827	0.4827	3,084		
City of Wheeling	General Revenue	876,470	0.7500	0.7500		1,063,087	0.6685	0.6685	7,107		
Livingston County Memorial Library	General Revenue	158,014,480	0.2700	0.2700		163,716,387	0.2700	0.2700	442,034		
	Debt Service	158,014,480	0.1484	0.1484		163,716,387	0.1751	0.1751	286,667		
Blue Mound Township Livingston Co	General Revenue	5,538,404	0.0978	0.0978		5,648,885	0.1000	0.1000	5,649		
	Road & Bridge	5,538,404	0.4739	0.4739		5,648,885	0.5000	0.5000	28,244		
	Special Road and Bridge	5,538,404	0.3228	0.3228		**	**	**			2010
	Special Road and Bridge	**	**	**		5,648,885	0.3482	0.3482	19,669	A	2014
Chillicothe Township, Livingston Co	General Revenue	104,663,538	0.1000	0.1000		106,907,555	0.1000	0.1000	106,908		
	Road & Bridge	104,663,538	0.2788	0.2788		106,907,555	0.2796	0.2796	298,914		
Cream Ridge Township, Livingston Co	General Revenue	5,766,479	0.1000	0.1000		6,076,168	0.0980	0.0980	5,955		
	Road & Bridge	5,766,479	0.4252	0.4252		6,076,168	0.4167	0.4167	25,319		
	Special Road and Bridge	5,766,479	0.2472	0.2472	A	6,076,168	0.2422	0.2422	14,716		2013
Grand River Township, Livingston Co	General Revenue	3,790,122	0.0954	0.0954		3,813,252	0.0954	0.0954	3,638		
	Road & Bridge	3,790,122	0.5000	0.5000		3,813,252	0.5000	0.5000	19,066		
	Special Road and Bridge	3,790,122	0.3470	0.3470		3,813,252	0.3470	0.3470	13,232		2012
Green Township of Livingston Co	General Revenue	3,690,202	0.1000	0.1000		3,996,141	0.0957	0.0957	3,824		
	Road & Bridge	3,690,202	0.5000	0.5000		3,996,141	0.4784	0.4784	19,118		
Jackson Township of Livingston Co	General Revenue	6,807,394	0.1000	0.1000		7,327,516	0.0983	0.0983	7,203		
	Road & Bridge	6,807,394	0.3014	0.3014		7,327,516	0.2964	0.2964	21,719		
	Special Road and Bridge	6,807,394	0.3400	0.3400		**	**	**			2010
	Special Road and Bridge	**	**	**		7,327,516	0.3400	0.3400	24,914	A	2014
Medicine Township of Livingston Co	General Revenue	1,871,214	0.1000	0.1000		2,033,632	0.1000	0.1000	2,034		
	Road & Bridge	1,871,214	0.4252	0.4252		2,033,632	0.4252	0.4252	8,647		
	Special Road and Bridge	1,871,214	0.3000	0.3000		**	**	**			2010
	Special Road and Bridge	**	**	**		2,033,632	0.3045	0.3045	6,192	A	2014
Monroe Township of Livingston Co	General Revenue	3,913,399	0.0976	0.0976		4,148,020	0.0976	0.0976	4,048		
	Road & Bridge	3,913,399	0.4557	0.4557		4,148,020	0.4557	0.4557	18,903		
	Special Road and Bridge	3,913,399	0.3436	0.3436		4,148,020	0.3436	0.3436	14,253		2012
Mooresville Township Livingston Co	General Revenue	3,011,216	0.1000	0.1000		3,644,028	0.0929	0.0929	3,385		
	Road & Bridge	3,011,216	0.5000	0.5000		3,644,028	0.4646	0.4646	16,930		
	Special Road and Bridge	3,011,216	0.3500	0.3500		3,644,028	0.3252	0.3252	11,850		2012
Rich Hill Township of Livingston Co	General Revenue	6,973,695	0.1000	0.1000		7,550,973	0.1000	0.1000	7,551		
	Road & Bridge	6,973,695	0.4564	0.4564		7,550,973	0.4564	0.4564	34,463		
	Special Road and Bridge	6,973,695	0.3354	0.3354		**	**	**			2010
	Special Road and Bridge	**	**	**		7,550,973	0.3367	0.3367	25,424	A	2014
Sampsel Township of Livingston Co	General Revenue	3,817,204	0.1000	0.1000		3,944,793	0.1000	0.1000	3,945		
	Road & Bridge	3,817,204	0.4708	0.4708		3,944,793	0.4708	0.4708	18,572		
	Special Road and Bridge	3,817,204	0.2500	0.2500	A	3,944,793	0.2500	0.2500	9,862		2013
Wheeling Township of Livingston Co	General Revenue	3,466,160	0.1000	0.1000		3,721,214	0.0967	0.0967	3,598		
	Road & Bridge	3,466,160	0.5000	0.5000		3,721,214	0.4838	0.4838	18,003		
	Special Road and Bridge	3,466,160	0.3500	0.3500		3,721,214	0.3386	0.3386	12,600		2012
Fairview Township of Livingston Co	General Revenue	4,705,451	0.1000	0.1000		4,815,639	0.1000	0.1000	4,816		
	Road & Bridge	4,705,451	0.4591	0.4591		4,815,639	0.4591	0.4591	22,109		
	Special Road and Bridge	4,705,451	0.3500	0.3500		4,815,639	0.3500	0.3500	16,855		2012
Green Township Fire District	General Revenue	3,690,202	0.5500	0.5500		3,996,141	0.5263	0.5263	21,032		
Mooresville Township Fire Prot Dist	General Revenue	3,011,216	0.3000	0.3000		3,644,028	0.2788	0.2788	10,160		
Livingston County Health Center	General Revenue	158,014,480	0.2500	0.2500		163,716,387	0.2500	0.2500	409,291		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Livingston											
Southwest Livingston Co R-I Sch Dis	Operating Funds-Schools	10,348,475	4.4577	4.4577	E	10,866,129	4.4700	4.4700	485,716	E	
Livingston Co R-III School Dist	Operating Funds-Schools	5,973,701	5.2114	4.6526		6,208,301	5.2050	4.6571	289,127		
Chillicothe R-II School District	Operating Funds-Schools	129,701,262	3.6300	3.6300	E	132,091,560	3.6300	3.6300	4,794,924	E	
	Capital Projects	129,701,262	0.1200	0.1200		132,091,560	0.1200	0.1200	158,510		2023
	Debt Service	129,701,262	1.0284	0.5000		132,091,560	1.0928	0.5400	713,294		
Livingston County	General Revenue	158,014,480	0.0000	0.0000		163,716,387	0.0000	0.0000	0		
	Developmentally Disabled	158,014,480	0.1000	0.1000		163,716,387	0.1000	0.1000	163,716		
McDonald											
City of Anderson	General Revenue	14,750,655	0.2239	0.2239		14,825,686	0.2243	0.2243	33,254		
	General Revenue-Temp	14,750,655	0.3437	0.3437		14,825,686	0.3443	0.3443	51,045		2012
	Debt Service	**	**	**		14,825,686	0.1300	0.0000	0		
City of Goodman	General Revenue	8,061,983	0.6308	0.6308		8,074,130	0.6332	0.6332	51,125		
City of Lanagan	General Revenue	1,365,770	0.6698	0.6698		1,318,935	0.6936	0.6698	8,834		
City of Pineville	General Revenue	6,156,283	0.4746	0.4746		6,236,476	0.4825	0.4825	30,091		
City of Southwest City	General Revenue	15,712,027	0.6500	0.6500		14,731,163	0.6500	0.6500	95,753		
	Debt Service	15,712,027	0.1747	0.1747		14,731,163	0.1823	0.1823	26,855		
McDonald County Library	General Revenue	241,276,970	0.1000	0.1000		232,618,972	0.1000	0.1000	232,619		
Goodman Area Fire Protection Dist	General Revenue	25,614,668	0.3000	0.3000		26,166,151	0.3000	0.3000	78,498		
McDonald Co R-I School District	Operating Funds-Schools	211,442,978	2.8500	2.7500	F	201,892,847	2.8500	2.7500	5,552,053	F	
	Debt Service	211,442,978	0.6887	0.6700		201,892,847	0.8206	0.6700	1,352,682		
McDonald County	Road & Bridge	241,276,970	0.0000	0.0000		232,618,972	0.0000	0.0000	0		
Macon											
Macon County Ambulance District	General Revenue	182,300,391	0.1450	0.1450		185,338,681	0.1450	0.1450	268,741		
Samaritan Memorial Hospital	General Revenue	182,300,391	0.1934	0.1934		185,338,681	0.1934	0.1934	358,445		
La Plata Nursing Home District	General Revenue	39,992,141	0.1432	0.1432		40,559,651	0.1432	0.1432	58,081		
Macon County Nursing Home District	Maintenance	146,316,975	0.1452	0.1452		149,046,808	0.1452	0.1452	216,416		
Hudson Spec Rd Dist Macon Co	Road & Bridge	76,667,699	0.2830	0.2830		77,333,906	0.2830	0.2830	218,855		
	Special Road and Bridge	76,667,699	0.2000	0.2000		77,333,906	0.2000	0.2000	154,668		2012
La Plata Spec Rd Dist Macon Co	Road & Bridge	14,163,138	0.3051	0.3051		13,983,059	0.3116	0.3116	43,571		
	Special Road and Bridge	14,163,138	0.3452	0.3452		13,983,059	0.3500	0.3500	48,941		2011
City of Atlanta	General Revenue	1,747,992	1.0000	1.0000		1,722,658	1.0000	1.0000	17,227		
City of Bevier	General Revenue	3,341,324	0.7804	0.7804		3,378,579	0.7804	0.7804	26,366		
	Lights	3,341,324	0.2772	0.2772		3,378,579	0.2772	0.2772	9,365		
City of Callao	General Revenue	1,155,935	1.0000	1.0000		1,155,308	1.0000	1.0000	11,553		
	Debt Service	1,155,935	1.8569	1.8569		1,155,308	1.2037	1.2037	13,906		
City of Elmer	General Revenue	386,601	0.9878	0.9878		469,980	0.9700	0.9700	4,559		
City of Ethel	General Revenue	343,582	0.8470	0.8470		360,984	0.8229	0.8229	2,971		
City of La Plata	General Revenue	9,532,734	0.7979	0.7979		9,474,510	0.8084	0.8084	76,592		
	Parks & Recreation	9,532,734	0.1827	0.1827		9,474,510	0.1851	0.1851	17,537		
	Library	9,532,734	0.1827	0.1827		9,474,510	0.1851	0.1851	17,537		
City of Macon	General Revenue	58,253,138	0.5952	0.5952		58,923,657	0.5952	0.5952	350,714		
	Library	58,253,138	0.2381	0.2381		58,923,657	0.2381	0.2381	140,297		
City of New Cambria	General Revenue	1,028,664	0.9000	0.9000		1,063,115	0.8864	0.8864	9,423		
Village of South Gifford	General Revenue	86,054	0.5000	0.5000		113,507	0.5000	0.5000	568		
La Plata Community Fire Prot Dist	General Revenue	29,059,175	0.4362	0.4362		29,432,638	0.4362	0.4362	128,385		
Bevier Fire Protection District	General Revenue	19,005,324	0.2986	0.2986		19,241,690	0.2986	0.2986	57,456		
Macon County Health Department	General Revenue	182,300,391	0.1450	0.1450		185,338,681	0.1450	0.1450	268,741		
Atlanta C-3 School District	Operating Funds-Schools	12,892,092	3.9676	3.6463	E	13,201,809	3.6004	3.6004	475,318	E	
Bevier C-4 School District	Operating Funds-Schools	11,403,023	3.9286	3.1445		11,478,173	3.8298	3.8298	439,591	E	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Macon											
La Plata R-II School District	Operating Funds-Schools	23,259,308	3.3688	3.3688	E	23,323,997	3.3707	3.3707	786,182	E	
	Debt Service	23,259,308	1.4706	1.3002		23,323,997	1.4616	1.3000	303,212		
Macon Co R-I School District	Operating Funds-Schools	92,828,068	3.3367	3.3367	E	94,119,452	3.2866	3.2866	3,093,330	E	
Callao C-8 School District	Operating Funds-Schools	5,301,950	5.4187	4.7925		5,399,073	5.2688	4.5742	246,964		
Macon Co R-IV School District	Operating Funds-Schools	10,464,704	4.8500	4.5000	E	10,668,120	4.5041	4.5000	480,065	E	
Macon County	General Revenue	182,300,391	0.4185	0.2485		185,338,681	0.4185	0.2500	463,347		
	Common Road District	91,466,418	0.3186	0.3186		94,018,480	0.3169	0.3169	297,945		
	Special Road and Bridge	91,466,418	0.3482	0.3482		**	**	**			2010
	Developmentally Disabled	182,300,391	0.0967	0.0967		185,338,681	0.0967	0.0967	179,223		
	Special Road and Bridge	**	**	**		94,018,480	0.3500	0.3500	329,065	A	2014
Madison											
Madison County Ambulance District	General Revenue	108,373,045	0.3000	0.3000		110,672,051	0.3000	0.3000	332,016		
Village of Cobalt City	General Revenue	943,145	0.1954	0.1954		926,681	0.1989	0.1989	1,843		
City of Fredericktown	General Revenue	30,830,470	0.7374	0.7374		33,484,554	0.6968	0.6968	233,320		
	Parks & Recreation	30,830,470	0.1279	0.1279		33,484,554	0.1209	0.1209	40,483		
Village of Junction City	General Revenue	2,017,296	0.2374	0.2374		1,987,460	0.2422	0.2374	4,718		
City of Marquand	General Revenue	863,269	1.0000	1.0000		1,144,560	0.7756	0.7756	8,877		
Madison County Health Department	General Revenue	108,373,045	0.0987	0.0987		110,672,051	0.0987	0.0987	109,233		
Marquand-Zion R-VI School District	Operating Funds-Schools	10,180,261	3.8071	3.4500	E	10,276,730	3.4336	3.4336	352,862	E	
	Debt Service	10,180,261	0.5510	0.5000		10,276,730	0.5599	0.5000	51,384		
Fredericktown R-I School District	Operating Funds-Schools	89,814,488	3.2000	3.2000	E	93,132,647	3.1957	3.1957	2,976,240	E	
	Operating-Temporary	89,814,488	0.7000	0.7000		93,132,647	0.6982	0.6982	650,252		2023
Madison County	General Revenue	108,373,045	0.3989	0.1666		110,672,051	0.3989	0.1969	217,913		
	Library	108,373,045	0.0987	0.0987		110,672,051	0.0987	0.0987	109,233		
	Road & Bridge	108,373,045	0.2863	0.2863		110,672,051	0.2863	0.2863	316,854		
	Hospital	108,373,045	0.1943	0.1943		110,672,051	0.1943	0.1943	215,036		
	Senate Bill 40	108,373,045	0.1943	0.1943		110,672,051	0.1943	0.1943	215,036		
Maries											
Maries-Osage Ambulance District	General Revenue	81,226,088	0.1836	0.1836		80,472,455	0.1870	0.1870	150,483		
Ozark Central Ambulance District	General Revenue	68,515,545	0.2765	0.2765		72,354,215	0.2728	0.2728	197,382		
Belle Special Road Dist No. 6	Road & Bridge	11,131,052	0.2355	0.2355		11,431,870	0.2355	0.2355	26,922		
Spec Rd Dist No 8, Maries County	Road & Bridge	8,069,731	0.2237	0.2237		8,211,756	0.2237	0.2237	18,370		
City of Vienna	General Revenue	7,838,204	0.6038	0.6038		7,974,717	0.6038	0.6038	48,151		
City of Belle	General Revenue	11,214,793	0.7098	0.7098		11,451,638	0.7098	0.7098	81,284		
	Parks & Recreation	11,214,793	0.1543	0.1543		11,451,638	0.1543	0.1543	17,670		
Maries County Library	General Revenue	108,203,945	0.1612	0.1612		111,794,347	0.1612	0.1612	180,212		
Maries Co R-I School District	Operating Funds-Schools	44,021,770	3.1878	3.1878	E	45,188,590	3.3298	3.3298	1,504,690	E	
	Debt Service	44,021,770	0.5565	0.4000		45,188,590	0.5422	0.4000	180,754		
Maries Co R-II School District	Operating Funds-Schools	56,044,088	3.3357	3.3357	E	57,604,936	3.3167	3.3167	1,910,583	E	
Maries County	General Revenue	108,203,945	0.4736	0.3688		111,794,347	0.4736	0.3628	405,590		
	Road #1	47,410,182	0.2753	0.2753		48,319,484	0.2753	0.2753	133,024		
	Road #2	44,422,905	0.2406	0.2406		45,773,387	0.2406	0.2406	110,131		
Marion											
Marion County Ambulance District	General Revenue	352,793,833	0.2400	0.0000		378,981,413	0.2277	0.0000	0		
	Pension	352,793,833	0.0500	0.0500		378,981,413	0.0474	0.0474	179,637		
Marion Co Nursing Home District	General Revenue	339,885,806	0.1500	0.1500		367,133,184	0.1417	0.1417	520,228		
City of Hannibal	General Revenue	193,764,736	0.7868	0.7868		211,918,892	0.7329	0.7329	1,553,154		
	Library	193,764,736	0.3000	0.3000		211,918,892	0.2794	0.2794	592,101		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Marion											
City of Hannibal	Police & Fire	193,764,736	0.1382	0.1382		211,918,892	0.1287	0.1287	272,740		
City of Palmyra	General Revenue	35,863,053	0.6260	0.6260		34,735,710	0.6465	0.6465	224,566		
Marion County Health Department	General Revenue	339,885,806	0.1500	0.1500		367,133,184	0.1417	0.1405	515,822		
Marion Co R-II School District	Operating Funds-Schools	12,377,240	4.4108	4.2000	E	12,926,584	4.1462	4.1130	531,670	E	
	Debt Service	12,377,240	0.2868	0.2000		12,926,584	0.3370	0.3370	43,563		
Palmyra R-I School District	Operating Funds-Schools	109,820,085	3.7500	3.6000	E	115,172,081	3.5788	3.4300	3,950,402	E	
	Debt Service	109,820,085	1.1358	0.5800		115,172,081	0.8246	0.6800	783,170		
Hannibal 60 School District	Operating Funds-Schools	271,474,987	3.6033	2.7542		284,594,375	3.4833	2.8199	8,025,277		
	Debt Service	271,474,987	0.9622	0.6000		284,594,375	1.1932	0.6000	1,707,566		
Marion County	General Revenue	339,885,806	0.2893	0.1057		367,133,184	0.1316	0.0659	241,941		
	Road & Bridge	339,885,806	0.3393	0.3393		367,133,184	0.3205	0.3205	1,176,662		
	Senate Bill 40	339,885,806	0.1400	0.1400		367,133,184	0.1322	0.1322	485,350		
Mercer											
Mercer County Ambulance District	General Revenue	59,534,453	0.3300	0.3300		59,209,366	0.3300	0.3300	195,391		
City of Mercer	General Revenue	1,866,894	0.7789	0.7789		1,852,842	0.7850	0.7850	14,545		
	Streets	1,866,894	0.4340	0.4340		1,852,842	0.4374	0.4374	8,104		
City of Princeton	General Revenue	8,389,376	0.9038	0.9038		8,281,409	0.9159	0.9159	75,849		
	Band	8,389,376	0.1000	0.1000		8,281,409	0.1000	0.1000	8,281		
Village of South Lineville	General Revenue	256,534	0.5000	0.5000		368,872	0.4044	0.4044	1,492		
Mercer County Library	General Revenue	59,534,453	0.2000	0.2000		59,209,366	0.2000	0.2000	118,419		
Harrison Township of Mercer Co	General Revenue	2,798,558	0.1000	0.1000		2,951,706	0.0998	0.0998	2,946		
	Road & Bridge	2,798,558	0.5000	0.5000		2,951,706	0.4988	0.4988	14,723		
	Special Road and Bridge	2,798,558	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		2,951,706	0.3500	0.3500	10,331	A	2014
Lindley Township of Mercer Co	General Revenue	2,400,670	0.1000	0.1000		2,417,409	0.1000	0.1000	2,417		
	Road & Bridge	2,400,670	0.5000	0.5000		2,417,409	0.5000	0.5000	12,087		
	Special Road and Bridge	2,400,670	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		2,417,409	0.3557	0.3557	8,599	A	2014
Madison Township of Mercer Co	General Revenue	2,543,059	0.1000	0.1000		2,714,763	0.0979	0.0979	2,658		
	Road & Bridge	2,543,059	0.5000	0.5000		2,714,763	0.4894	0.4894	13,286		
	Special Road and Bridge	2,543,059	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		2,714,763	0.3500	0.3500	9,502	A	2014
Marion Township of Mercer Co	General Revenue	8,993,094	0.0993	0.0993		9,353,427	0.0981	0.0981	9,176		
	Road & Bridge	8,993,094	0.4276	0.4276		9,353,427	0.4224	0.4224	39,509		
	Special Road and Bridge	8,993,094	0.3476	0.3476		**	**	**			2010
	Special Road and Bridge	**	**	**		9,353,427	0.3500	0.3500	32,737	A	2014
Medicine Township of Mercer Co	General Revenue	2,819,784	0.1000	0.1000		2,901,776	0.1000	0.1000	2,902		
	Road & Bridge	2,819,784	0.5000	0.5000		2,901,776	0.5000	0.5000	14,509		
	Special Road and Bridge	2,819,784	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		2,901,776	0.3528	0.3528	10,237	A	2014
Morgan Township of Mercer Co	General Revenue	20,954,583	0.1000	0.1000		19,190,860	0.1000	0.1000	19,191		
	Road & Bridge	20,954,583	0.3500	0.3500		19,190,860	0.3500	0.3500	67,168		
Ravanna Township of Mercer Co	General Revenue	8,053,435	0.1000	0.1000		8,058,984	0.1000	0.1000	8,059		
	Road & Bridge	8,053,435	0.5000	0.5000		8,058,984	0.5000	0.5000	40,295		
	Special Road and Bridge	8,053,435	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		8,058,984	0.3555	0.3555	28,650	A	2014
Somerset Township of Mercer Co	General Revenue	5,087,021	0.1000	0.1000		5,248,122	0.1000	0.1000	5,248		
	Road & Bridge	5,087,021	0.5000	0.5000		5,248,122	0.5000	0.5000	26,241		
	Special Road and Bridge	5,087,021	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		5,248,122	0.3553	0.3553	18,647	A	2014

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Mercer											
Washington Township of Mercer Co	General Revenue	5,884,248	0.0976	0.0976		6,372,319	0.0939	0.0939	5,984		
	Road & Bridge	5,884,248	0.4878	0.4878		6,372,319	0.4693	0.4693	29,905		
	Special Road and Bridge	5,884,248	0.3414	0.3414		**	**	**			2010
	Special Road and Bridge	**	**	**		6,372,319	0.3500	0.3500	22,303	A	2014
Mercer County Fire Protection Dist	General Revenue	35,321,593	0.3000	0.3000		34,192,276	0.3000	0.3000	102,577		
Mercer Fire Protection District	General Revenue	15,597,564	0.3000	0.3000		16,182,456	0.2992	0.2992	48,418		
Mercer County Health Department	General Revenue	59,534,453	0.3000	0.3000		59,209,366	0.3000	0.3000	177,628		
North Mercer Co R-III School Dist	Operating Funds-Schools	13,315,370	5.2500	4.7291		13,550,057	5.2203	4.7108	638,316		
	Debt Service	13,315,370	0.7515	0.5300		13,550,057	0.5989	0.5300	71,815		
Princeton R-V School District	Operating Funds-Schools	35,207,866	4.6434	4.4885		33,567,847	4.7500	4.0094	1,345,869		
	Debt Service	35,207,866	1.2680	1.0000		33,567,847	1.2875	1.2500	419,598		
Mercer County	General Revenue	59,534,453	0.4000	0.2881		59,209,366	0.4000	0.2782	164,720		
	Road & Bridge	59,534,453	0.1500	0.0000		59,209,366	0.1500	0.0000	0		
	Senior Services	59,534,453	0.0500	0.0500		59,209,366	0.0500	0.0500	29,605		
Miller											
Miller County Ambulance District	General Revenue	247,545,437	0.0000	0.0000		244,032,174	0.0000	0.0000	0		
Miller County Nursing Home District	General Revenue	376,569,930	0.1115	0.1115		369,745,690	0.1141	0.1141	421,880		
	Debt Service	376,569,930	0.0403	0.0403		369,745,690	0.0777	0.0600	221,847		
Bagnell Spec Rd Dist Miller Co	Road & Bridge	110,741,312	0.1659	0.1659		107,959,270	0.1708	0.1708	184,394		
Kaiser Special Road Dist Miller Co	Road & Bridge	70,234,048	0.1746	0.1746		69,489,420	0.1772	0.1772	123,135		
City of Bagnell	General Revenue	609,116	0.4137	0.4137		560,145	0.4525	0.4525	2,535		
Village of Brumley	General Revenue	457,905	0.4287	0.4287		419,519	0.4679	0.4679	1,963		
City of Iberia	General Revenue	4,725,341	1.0000	0.5050		4,520,065	0.5325	0.5050	22,826		
Village of Olean	General Revenue	605,889	0.2990	0.2990		574,610	0.3153	0.3153	1,812		
Village of St. Elizabeth	General Revenue	3,898,542	0.2157	0.2157		3,835,472	0.2230	0.2230	8,553		
Village of Tuscumbia	General Revenue	1,225,327	0.3529	0.3529		1,184,484	0.3661	0.3661	4,336		
City of Lake Ozark	General Revenue	82,928,347	0.2266	0.2266		83,520,047	0.2269	0.2269	189,507		
Miller County Library	General Revenue	376,569,930	0.1227	0.1227		369,745,690	0.1255	0.1255	464,031		
Lake Ozark Fire Protection District	General Revenue	431,559,440	0.5536	0.5536		429,620,764	0.5578	0.5578	2,396,425		
	Ambulance	431,559,440	0.2678	0.2678		429,620,764	0.2698	0.2698	1,159,117		
Brumley Fire Protection District	General Revenue	19,495,063	0.2951	0.2951		20,084,553	0.3000	0.3000	60,254		
Tuscumbia Fire Protection District	General Revenue	9,723,636	0.3000	0.3000		9,763,697	0.3000	0.3000	29,291		
Moreau Fire Protection Dist #2	General Revenue	106,315,522	0.2611	0.2611		106,095,267	0.2630	0.2630	279,031		
St. Elizabeth Fire Protection Dist	General Revenue	12,043,573	0.2807	0.2807		12,097,657	0.2844	0.2844	34,406		
Iberia Fire Protection District	General Revenue	28,836,957	0.3000	0.3000		28,147,492	0.3000	0.3000	84,442		
Miller County Health Center	General Revenue	376,569,930	0.1415	0.1400		369,745,690	0.1432	0.1375	508,400		
Eldon R-I School District	Operating Funds-Schools	174,126,490	2.9862	2.9862	E	170,295,859	3.0625	3.0500	5,194,024	E	
	Debt Service	174,126,490	0.7540	0.5100		170,295,859	0.8216	0.5100	868,509		
Miller Co R-III School District	Operating Funds-Schools	10,264,572	3.9897	3.7500	E	10,254,949	3.9693	3.7500	384,561	E	
St. Elizabeth R-IV School District	Operating Funds-Schools	14,229,849	3.4827	3.4827	E	14,173,703	3.5710	3.4865	494,166	E	
School of the Osage R-II Sch Dist	Operating Funds-Schools	532,331,257	2.5198	2.4000		530,475,633	2.5106	2.4000	12,731,415		
	Debt Service	532,331,257	0.3817	0.3200		530,475,633	0.3515	0.3200	1,697,522		
Iberia R-V School District	Operating Funds-Schools	31,332,631	3.5708	3.5708	E	30,563,816	3.6530	3.6530	1,116,496	E	
Miller County	General Revenue	376,569,930	0.2536	0.0512		369,745,690	0.2595	0.0512	189,310		
	Road & Bridge	195,557,790	0.2496	0.2496		191,940,829	0.2556	0.2556	490,601		
	Developmentally Disabled	376,569,930	0.0813	0.0813		369,745,690	0.0832	0.0832	307,628		
	Senior Services	376,569,930	0.0472	0.0472		369,745,690	0.0483	0.0483	178,587		
Mississippi											
Mississippi County Ambulance Dist	General Revenue	138,547,315	0.2992	0.2992		143,325,838	0.2992	0.2992	428,831		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Mississippi											
City of Anniston	General Revenue	864,934	0.5544	0.5544		1,246,208	0.5372	0.5372	6,695		
City of Bertrand	General Revenue	3,468,989	0.5322	0.5322		4,927,245	0.5223	0.5223	25,735		
City of Charleston	General Revenue	29,756,955	0.7051	0.7000		30,041,191	0.7000	0.7000	210,288		
	Parks & Recreation	29,756,955	0.1800	0.1800		30,041,191	0.1800	0.1800	54,074		
City of East Prairie	General Revenue	16,852,571	0.7411	0.7411		17,580,419	0.7411	0.7411	130,288		
Village of Wilson City	General Revenue	189,717	0.4383	0.4383		292,677	0.4210	0.4210	1,232		
City of Wyatt	General Revenue	1,616,640	0.7878	0.7878		1,608,502	0.7930	0.7930	12,755		
Mississippi County Library	General Revenue	138,547,315	0.2048	0.2048		143,325,838	0.2048	0.2048	293,531		
Mississippi (Scott) Fire Prot Dist	General Revenue	63,978,832	0.1302	0.1300		67,100,193	0.1300	0.1200	80,520		
Mississippi County Senate Bill 40	General Revenue	138,547,315	0.1229	0.1229		143,325,838	0.1229	0.1229	176,147		
Mississippi County Health Dept	General Revenue	138,547,315	0.0998	0.0998		143,325,838	0.0998	0.0998	143,039		
East Prairie R-II School District	Operating Funds-Schools	56,136,193	2.8627	2.7500	F	58,251,180	2.8970	2.7500	1,601,907	F	
	Debt Service	56,136,193	0.8905	0.3500		58,251,180	0.7249	0.3500	203,879		
Charleston R-I School District	Operating Funds-Schools	71,485,693	2.7519	2.7500	E	73,983,947	2.7500	2.7500	2,034,559	E	
Mississippi County	General Revenue	138,547,315	0.4710	0.3071		143,325,838	0.4710	0.3146	450,903		
	Johnson Grass	138,547,315	0.0498	0.0498		143,325,838	0.0498	0.0498	71,376		
	Road & Bridge	138,547,315	0.3491	0.3491		143,325,838	0.3491	0.3491	500,351		
Moniteau											
Mid Mo Ambulance District	General Revenue	486,063,044	0.1429	0.0000		488,367,633	0.0000	0.0000	0		
City of California	General Revenue	46,789,527	0.3810	0.3810		45,181,774	0.3982	0.3982	179,914		
	Parks & Recreation	46,789,527	0.1504	0.1504		45,181,774	0.1572	0.1572	71,026		
City of Clarksburg	General Revenue	1,614,000	0.9777	0.9777		1,674,304	0.9600	0.9600	16,073		
City of Jamestown	General Revenue	3,059,836	0.8394	0.8394		3,145,237	0.8387	0.8387	26,379		
City of Lupus	General Revenue	265,089	0.8007	0.8007		295,819	0.7507	0.7507	2,221		
City of Tipton	General Revenue	23,089,273	0.7139	0.7139		23,206,928	0.7162	0.7162	166,208		
	Debt Service	23,089,273	0.1666	0.1666		23,206,928	0.1367	0.1367	31,724		
Moniteau Co Library Subdistrict Two	General Revenue	46,726,114	0.1200	0.1200		47,835,047	0.1198	0.1198	57,306		
Moniteau Co Lib Subdist-California	General Revenue	46,789,527	0.0995	0.0995		45,181,774	0.1000	0.1000	45,182		
California Rural Fire Prot Dist	General Revenue	44,693,759	0.1953	0.1953		46,725,331	0.1953	0.1953	91,255		
Fortuna Fire Protection District	General Revenue	32,912,312	0.2863	0.2863		33,539,898	0.2863	0.2863	96,025		
Tipton Rural Fire Protection Dist	Fire	12,938,799	0.2473	0.2473		13,519,355	0.2424	0.2424	32,771		
Jamestown Rural Fire Prot Dist	General Revenue	17,496,764	0.2811	0.2811		18,497,874	0.2748	0.2748	50,832		
	Debt Service	17,496,764	0.3088	0.1900		18,497,874	0.2816	0.1900	35,146		
Moniteau County Health Center	General Revenue	175,070,954	0.1524	0.1500		176,706,352	0.1500	0.1500	265,060		
Moniteau Co R-I School District	Operating Funds-Schools	80,458,188	2.9662	2.9662	E	79,025,233	3.0203	3.0203	2,386,799	E	
	Debt Service	80,458,188	1.2689	0.9438		79,025,233	0.9727	0.9438	745,840		
High Point R-III School District	Operating Funds-Schools	8,975,705	3.5432	3.5432	E	9,209,997	4.1232	4.1232	379,747	BE	
	Operating-Temp	**	**	**		9,209,997	0.3000	0.3000	27,630	A	2021
Moniteau Co R-V School District	Operating Funds-Schools	8,030,531	3.5871	3.5755	E	8,380,041	3.5394	3.5394	296,603	E	
Tipton R-VI School District	Operating Funds-Schools	42,234,120	2.9683	2.9683	E	42,327,963	2.9471	2.9471	1,247,447	E	
	Debt Service	42,234,120	1.3394	1.0312		42,327,963	1.2197	1.0524	445,459		
Moniteau Co C-1 School District	Operating Funds-Schools	14,549,949	3.7878	3.7878	E	14,998,414	3.7713	3.7713	565,635	E	
Clarksburg C-2 School District	Operating Funds-Schools	6,196,672	3.6837	3.6837	E	6,240,976	3.6678	3.6678	228,907	E	
	Debt Service	6,196,672	0.7049	0.7049		6,240,976	0.6539	0.6539	40,810		
Moniteau County	General Revenue	175,070,954	0.3359	0.1996		176,706,352	0.3359	0.1881	332,385		
	Common Road District	175,070,954	0.2470	0.2470		176,706,352	0.2470	0.2470	436,465		
	Developmentally Disabled	175,070,954	0.1182	0.1182		176,706,352	0.1182	0.1182	208,867		
Monroe											
Monroe County Ambulance District	General Revenue	72,182,888	0.4200	0.4200		74,019,972	0.4200	0.4200	310,884		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Monroe											
Monroe City Ambulance District	General Revenue	84,278,789	0.2700	0.1704		85,649,083	0.2700	0.1646	140,978		
Monroe County Nursing Home District	General Revenue	86,382,638	0.1500	0.1500		88,601,544	0.1500	0.1500	132,902		
Madison Special Road Dist Monroe Co	Special Road District	9,063,920	0.3500	0.3500	A	9,229,177	0.3500	0.3500	32,302		2013
Monroe City Spec Rd Dist Monroe Co	Special Road and Bridge	24,619,941	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		24,577,457	0.3597	0.3500	86,021	A	2014
Village of Holliday	General Revenue	853,680	0.3781	0.3781		886,937	0.3719	0.3719	3,299		
City of Madison	General Revenue	3,209,035	0.6958	0.6958		3,335,987	0.6870	0.6870	22,918		
City of Paris	General Revenue	8,641,827	0.3392	0.3392		8,758,905	0.3397	0.3397	29,754		
	Streets	8,641,827	0.1200	0.1200		8,758,905	0.1200	0.1200	10,511		
	Cemetery	8,641,827	0.2651	0.2651		8,758,905	0.2655	0.2655	23,255		
Village of Stoutsville	General Revenue	501,597	0.1781	0.1781		488,866	0.1827	0.1827	893		
City of Monroe City	General Revenue	25,806,460	0.7182	0.7182		25,514,288	0.7324	0.7324	186,867		
	Library	25,806,460	0.2000	0.2000		25,514,288	0.2000	0.2000	51,029		
Monroe County Library	General Revenue	91,233,492	0.1641	0.1641		93,746,782	0.1641	0.1641	153,838		
Paris Rural Fire Protection Dist	General Revenue	33,510,046	0.2500	0.2500		33,750,363	0.2500	0.2500	84,376		
Madison-West Monroe Fire Prot Dist	General Revenue	24,477,144	0.3000	0.3000		25,554,386	0.2968	0.2968	75,845		
Monroe County Health Department	General Revenue	108,366,100	0.1000	0.1000		110,569,251	0.1000	0.1000	110,569		
Middle Grove C-1 School District	Operating Funds-Schools	3,596,685	5.8871	5.6000	E	3,830,909	5.5788	5.5788	213,719	E	
Monroe City R-I School District	Operating Funds-Schools	68,565,740	4.0964	4.0964	E	70,100,490	4.0964	4.0964	2,871,596	E	
	Debt Service	68,565,740	0.1822	0.1500		70,100,490	0.1784	0.1500	105,151		
Holliday C-2 School District	Operating Funds-Schools	6,408,353	3.7500	3.6500	E	6,723,511	3.6056	3.6056	242,423	E	
Madison C-3 School District	Operating Funds-Schools	11,921,834	3.7500	3.7500	E	12,319,295	3.7500	3.7500	461,974	E	
Paris R-II School District	Operating Funds-Schools	37,120,487	3.4877	3.4000	E	37,612,480	3.4004	3.4000	1,278,824	E	
	Debt Service	37,120,487	0.5922	0.4900		37,612,480	0.6207	0.4900	184,301		
Monroe County	General Revenue	108,366,100	0.4033	0.2565		110,569,251	0.4033	0.2700	298,537		
	Road & Bridge	108,366,100	0.2942	0.2942		110,569,251	0.2942	0.2942	325,295		
	Senate Bill 40	108,366,100	0.1000	0.1000		110,569,251	0.1000	0.1000	110,569		
Montgomery											
Montgomery County Ambulance Dist	General Revenue	183,843,163	0.2493	0.2493		178,523,026	0.2448	0.2448	437,024		
Rhineland Bottom SRD Montgomery C	Special Road and Bridge	7,795,944	0.2500	0.2500		**	**	**			2010
	Special Road and Bridge	**	**	**		8,115,839	0.2500	0.2500	20,290	A	2014
Wellsville Road Dist Montgomery Co	Special Road and Bridge	23,827,025	0.2000	0.2000	A	21,148,190	0.2000	0.2000	42,296		2013
City of Bellflower	General Revenue	2,189,640	0.8382	0.8382		2,201,224	0.8388	0.8388	18,464		
City of High Hill	General Revenue	3,231,495	0.3914	0.3700		3,169,669	0.3776	0.3700	11,728		
City of Jonesburg	General Revenue	10,743,703	0.5032	0.5032		10,575,189	0.5119	0.5119	54,134		
City of McKittrick	General Revenue	444,741	0.6768	0.6768		470,474	0.6656	0.6656	3,131		
City of Middletown	General Revenue	1,517,248	0.7973	0.7867		1,487,579	0.8024	0.7867	11,703		
City of Montgomery	General Revenue	39,031,835	0.5315	0.5066		40,571,816	0.5110	0.5110	207,322		
	Library	39,031,835	0.3851	0.3851		40,571,816	0.3884	0.3884	157,581		
City of New Florence	General Revenue	7,180,451	0.7013	0.7013		6,996,346	0.7599	0.7599	53,165		
Village of Rhineland	General Revenue	2,569,863	0.7584	0.7584		2,533,928	0.7692	0.7584	19,217		
City of Wellsville	General Revenue	8,533,178	0.7455	0.7455		8,516,977	0.7485	0.7485	63,750		
	Library	8,533,178	0.2043	0.2043		8,516,977	0.2051	0.2051	17,468		
Bellflower Volunteer Fire Prot Dist	General Revenue	19,051,982	0.2660	0.2660		16,941,667	0.2441	0.2441	41,355		
Big Spring Fire Protection District	General Revenue	13,430,669	0.3000	0.2900		13,732,825	0.2900	0.2900	39,825		
Jonesburg-High Hill Fire Prot Dist	General Revenue	45,576,975	0.2507	0.2500		46,456,476	0.2500	0.2500	116,141		
New Florence Fire Protection Dist	General Revenue	21,797,046	0.2891	0.2891		21,749,565	0.2958	0.2958	64,335		
Montgomery Volunteer Fire Prot Dist	General Revenue	68,596,392	0.2594	0.2594		70,323,731	0.2594	0.2594	182,420		
Wellsville Fire Protection District	General Revenue	25,283,180	0.2776	0.2776		23,093,972	0.2596	0.2596	59,952		
Montgomery County Health Department	General Revenue	208,769,764	0.1399	0.1250		204,106,315	0.1230	0.1000	204,106		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Montgomery											
Wellsville-Middletown R-I Sch Dist	Operating Funds-Schools	41,259,591	3.4427	3.4427	E	32,250,145	3.4582	3.4582	1,115,275	E	
	Debt Service	41,259,591	0.7097	0.4800		32,250,145	0.5233	0.4800	154,801		
Montgomery Co R-II School District	Operating Funds-Schools	116,122,280	3.3884	3.3884	E	119,045,126	3.4495	3.4495	4,106,462	E	
Montgomery County	General Revenue	208,769,764	0.3841	0.2938		204,106,315	0.3780	0.2755	562,313		
	Johnson Grass	208,769,764	0.0000	0.0000		204,106,315	0.0000	0.0000	0		
	Road & Bridge	208,769,764	0.2832	0.2832		204,106,315	0.2787	0.2787	568,844		
	Special Road and Bridge	177,146,795	0.3000	0.3000		**	**	**			2010
	Senate Bill 40	208,769,764	0.0970	0.0970		204,106,315	0.0954	0.0954	194,717		
	Special Road and Bridge	**	**	**		174,842,324	0.3000	0.3000	524,527	A	2014
Morgan											
Golden Age Nursing Home Health #1	General Revenue	93,788,754	0.1805	0.1805		93,883,916	0.1820	0.1820	170,869		
Good Shepherd Nursing Home District	General Revenue	683,089,214	0.1372	0.1372		685,066,169	0.1376	0.1376	942,651		
Barnett Spec Road Dist #3 Morgan Co	Road & Bridge	10,516,060	0.2949	0.2949		10,648,723	0.2949	0.2949	31,403		
Gravois Spec Rd Dist #8 Morgan Co	Road & Bridge	181,890,649	0.1211	0.1211		181,375,820	0.1228	0.1228	222,730		
	Special Road and Bridge	181,890,649	0.1000	0.1000		**	**	**			2010
	Special Road and Bridge	**	**	**		181,375,820	0.1029	0.1029	186,636	A	2014
City of Barnett	General Revenue	1,128,246	0.6230	0.6230		1,147,727	0.6230	0.6230	7,150		
	Water	1,128,246	0.4015	0.4015		1,147,727	0.4015	0.4015	4,608		
City of Stover	General Revenue	7,573,848	0.5301	0.5301		7,640,816	0.5301	0.5301	40,504		
City of Syracuse	General Revenue	1,825,955	0.7292	0.7292		1,958,896	0.7099	0.7099	13,906		
City of Versailles	General Revenue	25,683,396	0.6658	0.6658		25,803,446	0.6671	0.6671	172,135		
Morgan County Library District	General Revenue	466,784,623	0.0711	0.0711		467,266,742	0.0717	0.0717	335,030		
Rocky Mount Fire Protection Dist	General Revenue	110,068,408	0.3687	0.3687		110,584,713	0.3692	0.3692	408,279		
Versailles Fire Protection Dist #4	General Revenue	37,641,621	0.4567	0.4567		38,020,852	0.4585	0.4585	174,326		
Gravois Fire Protection District	General Revenue	223,513,585	0.3758	0.3758		222,413,531	0.3814	0.3814	848,285		
	Debt Service	223,513,585	0.2761	0.2761		222,413,531	0.2263	0.2263	503,322		
Stover Rural Fire Protection Dist 6	General Revenue	35,064,935	0.2508	0.2508		35,035,331	0.2539	0.2539	88,955		
Morgan County Health Center	General Revenue	466,784,623	0.0711	0.0711		467,266,742	0.0717	0.0717	335,030		
Morgan Co R-I School District	Operating Funds-Schools	78,930,431	2.7500	2.7500	E	78,707,608	2.7500	2.7500	2,164,459	E	
	Debt Service	78,930,431	0.1274	0.1274		78,707,608	0.0000	0.0000	0		
Morgan Co R-II School District	Operating Funds-Schools	243,903,737	2.7500	2.7500	E	242,591,617	2.7500	2.7500	6,671,269	E	
Morgan County	General Revenue	466,784,623	0.0721	0.0721		467,266,742	0.0727	0.0727	339,703		
	Johnson Grass	466,784,623	0.0000	0.0000		467,266,742	0.0000	0.0000	0		
	Road & Bridge	274,253,133	0.1584	0.1584		275,119,863	0.1592	0.1592	437,991		
	Senate Bill 40	466,784,623	0.0395	0.0395		467,266,742	0.0398	0.0398	185,972		
	Senior Services	466,784,623	0.0395	0.0395		467,266,742	0.0398	0.0398	185,972		
New Madrid											
New Madrid County Ambulance Dist.	General Revenue	410,018,914	0.0927	0.0000		418,460,598	0.0466	0.0000	0		
City of Canalou	General Revenue	1,027,170	0.7724	0.7522		1,085,844	0.7465	0.7465	8,106		
Village of Catron	General Revenue	818,948	0.5000	0.5000		907,303	0.4851	0.4851	4,401		
	Additional Gen. Rev.	818,948	0.2500	0.2500		907,303	0.2426	0.2426	2,201		
City of Gideon	General Revenue	5,392,545	0.6112	0.6112		5,614,438	0.6055	0.6055	33,995		
	Parks & Recreation	5,392,545	0.1554	0.1554		5,614,438	0.1540	0.1540	8,646		
City of Howardville	General Revenue	1,249,774	1.0000	1.0000		1,224,709	1.0000	1.0000	12,247		
City of Lilbourn	General Revenue	7,336,431	0.6553	0.6300		8,124,224	0.6086	0.6086	49,444		
	Parks & Recreation	7,336,431	0.1887	0.1748		8,124,224	0.1689	0.1689	13,722		
	Library	7,336,431	0.1887	0.1748		8,124,224	0.1689	0.1689	13,722		
	Health	7,336,431	0.1887	0.1748		8,124,224	0.1689	0.1689	13,722		
	Debt Service	7,336,431	0.3844	0.2423		8,124,224	0.7832	0.4338	35,243		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
New Madrid										
City of Marston	General Revenue	4,528,276	0.5733	0.5733		4,622,963	0.5733	0.5733	26,503	
City of Matthews	General Revenue	8,383,674	0.5365	0.5321		8,537,386	0.5321	0.5321	45,427	
City of Morehouse	General Revenue	4,993,768	0.6496	0.6496		5,379,990	0.6527	0.6527	35,115	
City of New Madrid	General Revenue	25,769,943	0.6029	0.6029		26,081,438	0.6029	0.6029	157,245	
	Additional Gen. Rev.	25,769,943	0.2182	0.2182		26,081,438	0.2182	0.2182	56,910	
Village of North Lilbourn	General Revenue	113,736	0.5000	0.5000		118,559	0.5000	0.5000	593	
City of Parma	General Revenue	4,102,070	0.6498	0.6498		4,338,243	0.6445	0.6445	27,960	
City of Portageville	General Revenue	30,382,636	0.5923	0.5923		30,929,198	0.5923	0.5923	183,194	
	Parks & Recreation	30,382,636	0.1342	0.1342		30,929,198	0.1342	0.1342	41,507	
	Health	30,382,636	0.1565	0.1565		30,929,198	0.1565	0.1565	48,404	
City of Risco	General Revenue	2,096,074	0.7307	0.7307		2,166,597	0.7281	0.7281	15,775	
Village of Tallapoosa	General Revenue	470,583	0.8547	0.8547		467,162	0.9153	0.9153	4,276	
New Madrid County Library	General Revenue	383,506,074	0.1134	0.1134		393,505,376	0.1134	0.1134	446,235	
Lilbourn Hwy D CID	General Revenue	2,340	1.0000	0.0000	A	**	**	**		2039
New Madrid County Health Department	General Revenue	410,018,914	0.0927	0.0900		418,460,598	0.0905	0.0900	376,615	
Risco R-II School District	Operating Funds-Schools	9,443,702	4.7985	4.7985	E	9,718,173	4.7353	4.7353	460,185	E
Portageville School District	Operating Funds-Schools	45,794,676	3.3433	2.9300	E	45,727,379	2.9373	2.8500	1,303,230	E
	Debt Service	45,794,676	0.5700	0.5700		45,727,379	0.6500	0.6500	297,228	
Gideon 37 School District	Operating Funds-Schools	13,229,562	3.5830	3.5000	E	13,505,826	3.4912	3.4912	471,515	E
New Madrid Co R-I School District	Operating Funds-Schools	277,104,566	3.2100	3.1500	BE	287,870,506	3.2943	3.2500	9,355,791	BE
	Debt Service	277,104,566	0.3403	0.2400		287,870,506	0.4327	0.2400	690,889	
New Madrid County	General Revenue	410,018,914	0.3286	0.1576		418,460,598	0.3303	0.1566	655,309	
	Johnson Grass	410,018,914	0.0103	0.0100		418,460,598	0.0101	0.0100	41,846	
	Road & Bridge	410,018,914	0.2494	0.2494		418,460,598	0.2507	0.2507	1,049,081	
	Senate Bill 40	410,018,914	0.0200	0.0200		418,460,598	0.0200	0.0200	83,692	
Newton										
Newton County Ambulance District	General Revenue	576,748,979	0.1935	0.1935		598,987,691	0.1915	0.1915	1,147,061	
Lost Creek Watershed Sub District	General Revenue	29,580,230	0.1515	0.1500		30,284,960	0.1500	0.1500	45,427	
Diamond Special Road Dist Newton Co	Road & Bridge	29,847,111	0.3286	0.3286		31,378,125	0.3204	0.3204	100,536	
	Special Road and Bridge	29,847,111	0.1700	0.1700		31,378,125	0.1657	0.1657	51,994	2011
Fairview Special Rd Dist Newton Co	Road & Bridge	9,268,047	0.2187	0.2175		9,781,159	0.2140	0.2140	20,932	
	Special Road and Bridge	9,268,047	0.1540	0.1540		9,781,159	0.1515	0.1515	14,818	2011
Midway Special Rd Dist Newton Co	Road & Bridge	11,012,087	0.2142	0.2142		11,024,510	0.2146	0.2146	23,659	
	Special Road and Bridge	11,012,087	0.1647	0.1647		11,024,510	0.1647	0.1647	18,157	2011
Neosho Special Rd Dist Newton Co	Road & Bridge	168,881,566	0.1953	0.1953		175,805,783	0.1939	0.1939	340,887	
	Special Road and Bridge	168,881,566	0.1500	0.1500		175,805,783	0.1489	0.1489	261,775	2011
Seneca Special Rd Dist Newton Co	Road & Bridge	58,126,196	0.2025	0.2025		61,192,017	0.1994	0.1994	122,017	
	Special Road and Bridge	58,126,196	0.1498	0.1498		61,192,017	0.1475	0.1475	90,258	2011
Stella Special Road Dist Newton Co	Road & Bridge	6,364,880	0.2801	0.2801		6,750,394	0.2697	0.2697	18,206	
	Special Road and Bridge	6,364,880	0.1352	0.1352		6,750,394	0.1302	0.1302	8,789	2011
City of Diamond	General Revenue	4,941,792	0.3189	0.3189		5,163,047	0.3107	0.3107	16,042	
City of Fairview	General Revenue	1,899,823	0.3831	0.3831		2,033,952	0.3691	0.3691	7,507	
	Streets	1,899,823	0.3352	0.3352		2,033,952	0.3230	0.3230	6,570	
City of Granby	General Revenue	8,857,395	0.3615	0.3615		9,406,867	0.3495	0.3495	32,877	
	Cemetery	8,857,395	0.0800	0.0800		9,406,867	0.0773	0.0773	7,272	2011
Village of Leawood	General Revenue	7,645,387	0.2221	0.2221		7,790,884	0.2219	0.2219	17,288	
City of Neosho	General Revenue	97,198,004	0.4225	0.4225	H	99,119,128	0.4225	0.4225	418,778	
	Parks & Recreation	97,198,004	0.1659	0.0000	H	99,119,128	0.0000	0.0000	0	
Village of Newtonia	General Revenue	990,955	0.2202	0.2202		1,078,364	0.2106	0.2106	2,271	
Village of Ritchey	General Revenue	396,926	0.5261	0.5261		443,691	0.4874	0.4874	2,163	

APPENDIX VII
2011 PROPERTY TAX RATES
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Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Newton											
Village of Saginaw	General Revenue	3,754,677	0.2558	0.2558		3,943,889	0.2534	0.2534	9,994		
City of Seneca	General Revenue	17,216,903	0.4350	0.4350		18,344,167	0.4273	0.4273	78,385		
	Parks & Recreation	17,216,903	0.0494	0.0494		18,344,167	0.0485	0.0485	8,897		
Village of Shoal Creek Drive	General Revenue	2,691,961	0.2079	0.2079		2,783,842	0.2048	0.2048	5,701		
Village of Silver Creek	General Revenue	8,099,953	0.1601	0.1601		8,179,039	0.1601	0.1601	13,095		
	Debt Service	**	**	**		8,179,039	1.9663	0.0000	0		
Village of Stella	General Revenue	1,051,144	0.8000	0.8000		1,221,640	0.7134	0.7134	8,715		
Village of Wentworth	General Revenue	846,335	0.2893	0.2893		890,444	0.2810	0.2810	2,502		
Village of Shoal Creek Estates	General Revenue	1,038,846	0.4967	0.4967		1,107,695	0.4761	0.4761	5,274		
Town of Loma Linda	General Revenue	12,533,690	0.4753	0.4753		13,089,520	0.4732	0.4732	61,940		
	Sewer	12,533,690	0.0000	0.0000		13,089,520	0.0000	0.0000	0		
	General Revenue-Temp	12,533,690	0.2932	0.2932		13,089,520	0.2919	0.2919	38,208		2011
	Public Health and Sewer	12,533,690	0.1901	0.1901		13,089,520	0.1893	0.1893	24,778		
Neosho Newton County Library	General Revenue	597,803,133	0.1000	0.1000		618,259,864	0.0992	0.0992	613,314		
Neosho Area Fire Protection Dist	General Revenue	80,810,689	0.4000	0.4000		86,226,145	0.3870	0.3870	333,695		
Redings Mill Area Fire Prot Dist	General Revenue	149,701,139	0.7095	0.7095		155,386,228	0.7008	0.7008	1,088,947		
	Debt Service	149,701,139	0.0926	0.0926		155,386,228	0.0818	0.0818	127,106		
Diamond Area Fire Protection Dist	General Revenue	36,272,356	0.2619	0.2619		37,390,087	0.2598	0.2598	97,139		
Seneca Area Fire Protection Dist	General Revenue	36,077,884	0.2866	0.2866		37,980,358	0.2807	0.2807	106,611		
East Newton Fire Protection Dist	General Revenue	20,585,324	0.2836	0.2836		23,274,339	0.2661	0.2661	61,933		
Neosho Developers CID	General Revenue	51,810	0.9998	0.9998		48,070	1.0000	1.0000	481		2057
Newton County Health Department	General Revenue	687,598,945	0.0500	0.0500		709,576,667	0.0498	0.0498	353,369		
Crowder College	General Revenue	712,074,088	0.4100	0.4000		730,455,479	0.3998	0.3998	2,920,361		
East Newton Co R-VI School District	Operating Funds-Schools	62,531,911	2.7500	2.7500	E	63,269,173	2.7500	2.7500	1,739,902	E	
	Debt Service	62,531,911	0.4959	0.4959		63,269,173	0.4961	0.4961	313,878		
Diamond R-IV School District	Operating Funds-Schools	56,086,508	2.7500	2.7500	E	57,445,720	2.7500	2.7500	1,579,757	E	
	Debt Service	56,086,508	0.9932	0.9900		57,445,720	0.9907	0.9900	568,713		
Westview C-6 School District	Operating Funds-Schools	7,440,611	2.7500	2.7500	F	7,666,370	2.7500	2.7500	210,825	F	
Seneca R-VII School District	Operating Funds-Schools	78,567,344	2.7500	2.7500	F	81,127,284	2.7500	2.7500	2,231,000	F	
	Debt Service	78,567,344	1.1248	0.8500		81,127,284	1.2098	0.8500	689,582		
Neosho R-V School District	Operating Funds-Schools	251,056,696	2.9753	2.7500	F	254,969,991	2.9482	2.7500	7,011,675	F	
	Debt Service	251,056,696	0.3890	0.3600		254,969,991	0.4088	0.3600	917,892		
Newton County	Common Road District	104,181,282	0.2322	0.2322		107,379,742	0.2307	0.2307	247,725		
	Mental Health	687,598,945	0.0819	0.0819		709,576,667	0.0815	0.0815	578,305		
	County Fair	687,598,945	0.0100	0.0100		709,576,667	0.0100	0.0100	70,958		
Nodaway											
Hoover Frankum Watershed Sub Dist	General Revenue	1,186,682	0.3800	0.3800		1,186,682	0.3800	0.3800	4,509		
Mozingo Creek Watershed Sub Dist	General Revenue	12,003,061	0.0000	0.0000		12,003,061	0.0000	0.0000	0		
102 River Tributaries Sub District	General Revenue	8,521,103	0.1000	0.1000		8,521,103	0.1000	0.1000	8,521		
City of Arkoe	General Revenue	325,953	0.8447	0.8447		317,433	0.8673	0.8673	2,753		
City of Barnard	General Revenue	925,233	0.8132	0.8132		909,691	0.8271	0.8271	7,524		
	Streets	925,233	1.1501	1.1501		**	**	**			2010
	Streets	**	**	**		909,691	1.2903	1.2903	11,738	A	2012
City of Burlington Junction	General Revenue	3,427,722	0.8865	0.8865		3,516,441	0.8911	0.8911	31,335		
	General Revenue-Temp	3,427,722	0.2720	0.2720		**	**	**			2010
	General Revenu-Temp	**	**	**		3,516,441	0.3061	0.3000	10,549	A	2014
City of Clearmont	General Revenue	1,064,176	0.6798	0.6798		1,053,675	0.6880	0.6880	7,249		
Village of Clyde	General Revenue	634,890	0.4617	0.4617		620,416	0.4724	0.4724	2,931		
City of Conception Junction	General Revenue	1,065,309	0.9364	0.9364		1,001,536	0.9964	0.9964	9,979		
City of Elmo	General Revenue	619,145	0.0000	0.0000		649,330	0.0000	0.0000	0		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Nodaway										
City of Elmo	General Revenue-Temp	619,145	0.9002	0.9002		649,330	0.9126	0.9126	5,926	2011
	Streets-Temp	619,145	0.4052	0.4052		649,330	0.4108	0.4108	2,667	2011
City of Graham	General Revenue	830,333	0.9491	0.9491		833,019	0.9606	0.9606	8,002	
	Streets	830,333	1.1400	1.1400	A	833,019	1.1400	0.0000	0	
	Street Improvement	**	**	**		833,019	1.1711	1.1400	9,496	A 2013
Village of Guilford	General Revenue	402,428	1.0000	1.0000		365,369	1.0000	1.0000	3,654	
	Streets	402,428	0.5000	0.5000	A	365,369	0.5000	0.5000	1,827	2014
City of Hopkins	General Revenue	3,028,746	0.3507	0.3507		3,412,637	0.3571	0.3571	12,187	
	Lights	3,028,746	0.1845	0.1845		3,412,637	0.1879	0.1879	6,412	
	Streets	3,028,746	0.1845	0.1845		3,412,637	0.1879	0.1879	6,412	
	General Revenue-Temp	3,028,746	0.1793	0.1793		3,412,637	0.1826	0.1826	6,231	2011
	Street Improvements	3,028,746	0.7500	0.7500	A	3,412,637	0.7500	0.7500	25,595	2013
City of Maryville	General Revenue	125,945,230	0.3297	0.3297		123,677,284	0.3383	0.3383	418,400	
	Parks & Recreation	125,945,230	0.3000	0.3000		123,677,284	0.3000	0.3000	371,032	
	Library	125,945,230	0.1490	0.1490		123,677,284	0.1529	0.1529	189,103	
	Debt Service	125,945,230	0.1224	0.1194		123,677,284	0.1366	0.1294	160,038	
City of Parnell	General Revenue	512,024	0.9470	0.9470		493,144	0.9913	0.9913	4,889	
	Parks & Recreation	512,024	0.2705	0.2705		493,144	0.2705	0.2705	1,334	2012
	GR-Temp	512,024	0.3609	0.3609		493,144	0.3610	0.3610	1,780	2012
Village of Pickering	General Revenue	695,502	0.8344	0.8344		676,686	0.8674	0.8300	5,616	
	Streets	695,502	1.0000	1.0000	A	676,686	1.0000	1.0000	6,767	2012
Village of Quitman	General Revenue	136,172	0.9378	0.9378		124,719	1.0000	1.0000	1,247	
City of Ravenwood	General Revenue	2,613,059	0.7194	0.7194		2,602,144	0.7289	0.7289	18,967	
	Streets-Temp	2,613,059	0.9456	0.9456		2,602,144	0.9456	0.9456	24,606	2011
City of Skidmore	General Revenue	1,413,656	0.9350	0.9350		1,474,618	0.9600	0.9600	14,156	
	Streets	1,413,656	0.9350	0.9350		1,474,618	0.9600	0.9600	14,156	
Atchison Township of Nodaway Co	General Revenue	5,677,740	0.0483	0.0483		5,929,895	0.0483	0.0483	2,864	
	Road & Bridge	5,677,740	0.4826	0.4826		5,929,895	0.4826	0.4826	28,618	
	Special Road and Bridge	5,677,740	0.3378	0.3378		5,929,895	0.3378	0.3378	20,031	2012
Grant Township of Nodaway County	General Revenue	6,454,657	0.0483	0.0483		6,697,024	0.0481	0.0481	3,221	
	Road & Bridge	6,454,657	0.4823	0.4823		6,697,024	0.4806	0.4806	32,186	
	Special Road and Bridge	6,454,657	0.3376	0.3376		6,697,024	0.3364	0.3364	22,529	2012
	Debt Service	6,454,657	0.6350	0.6350		6,697,024	0.5256	0.5256	35,200	
Green Township of Nodaway Co	General Revenue	4,956,655	0.0491	0.0491		5,100,150	0.0491	0.0491	2,504	
	Road & Bridge	4,956,655	0.4913	0.4913		5,100,150	0.4913	0.4913	25,057	
	Special Road and Bridge	4,956,655	0.3439	0.3439		5,100,150	0.3439	0.3439	17,539	2012
	Debt Service	4,956,655	0.9343	0.9343		5,100,150	0.6082	0.6082	31,019	
Hopkins Township of Nodaway Co	General Revenue	7,087,048	0.0472	0.0472		7,466,931	0.0474	0.0474	3,539	
	Road & Bridge	7,087,048	0.4724	0.4724		7,466,931	0.4740	0.4740	35,393	
	Special Road and Bridge	7,087,048	0.3314	0.3314		7,466,931	0.3325	0.3325	24,828	2012
Hughes Township of Nodaway Co	General Revenue	8,215,049	0.0500	0.0500		8,595,274	0.0500	0.0500	4,298	
	Road & Bridge	8,215,049	0.5000	0.5000		8,595,274	0.5000	0.5000	42,976	
	Special Road and Bridge	8,215,049	0.3396	0.3396		8,595,274	0.3396	0.3396	29,190	2012
	Debt Service	8,215,049	0.4504	0.4130		8,595,274	0.4084	0.4084	35,103	
Independence Township, Nodaway Co	General Revenue	4,387,971	0.0466	0.0466		4,440,675	0.0466	0.0466	2,069	
	Road & Bridge	4,387,971	0.4670	0.4670		4,440,675	0.4670	0.4670	20,738	
	Special Road and Bridge	4,387,971	0.3500	0.3500		4,440,675	0.3500	0.3500	15,542	2012
	Debt Service	4,387,971	0.6700	0.6700		4,440,675	0.6934	0.6934	30,792	
Jackson Township of Nodaway Co	General Revenue	11,153,719	0.0498	0.0498		11,638,372	0.0494	0.0494	5,749	
	Road & Bridge	11,153,719	0.4982	0.4982		11,638,372	0.4942	0.4942	57,517	
	Special Road and Bridge	11,153,719	0.3487	0.3487		**	**	**		2010

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Nodaway											
Jackson Township of Nodaway Co	Special Road and Bridge	**	**	**		11,638,372	0.3500	0.3500	40,734	A	2014
	Debt Service	11,153,719	0.4550	0.4550		11,638,372	0.4705	0.4705	54,759		
Jefferson Township of Nodaway Co	General Revenue	9,560,693	0.0485	0.0485		9,820,587	0.0485	0.0485	4,763		
	Road & Bridge	9,560,693	0.4847	0.4847		9,820,587	0.4847	0.4847	47,600		
	Special Road and Bridge	9,560,693	0.3398	0.3398		9,820,587	0.3398	0.3398	33,370		2012
Lincoln Township of Nodaway Co	General Revenue	5,711,442	0.0489	0.0489		5,916,152	0.0489	0.0489	2,893		
	Road & Bridge	5,711,442	0.4887	0.4887		5,916,152	0.4887	0.4887	28,912		
	Special Road and Bridge	5,711,442	0.3421	0.3421		**	**	**			2010
	Special Road and Bridge	**	**	**		5,916,152	0.3531	0.3531	20,890	A	2014
Monroe Township of Nodaway Co	General Revenue	4,852,233	0.0486	0.0486		4,933,715	0.0489	0.0489	2,413		
	Road & Bridge	4,852,233	0.4751	0.4751		4,933,715	0.4776	0.4776	23,563		
	Special Road and Bridge	4,852,233	0.3353	0.3353		4,933,715	0.3371	0.3371	16,632		2012
	Debt Service	4,852,233	0.8382	0.8382		4,933,715	0.8432	0.8432	41,601		
Nodaway Township of Nodaway Co	General Revenue	8,957,400	0.0470	0.0470		9,322,028	0.0470	0.0470	4,381		
	Road & Bridge	8,957,400	0.4700	0.4700		9,322,028	0.4700	0.4700	43,814		
	Special Road and Bridge	8,957,400	0.3290	0.3290		**	**	**			2010
	Special Road and Bridge	**	**	**		9,322,028	0.3517	0.3517	32,786	A	2014
	Debt Service	8,957,400	0.3338	0.3338		9,322,028	0.7037	0.7037	65,599		
Polk Township of Nodaway Co	General Revenue	198,173,557	0.0500	0.0500		194,121,720	0.0500	0.0500	97,061		
	Road & Bridge	198,173,557	0.2774	0.2774		194,121,720	0.2853	0.2853	553,829		
	Special Road and Bridge	198,173,557	0.1494	0.1494		194,121,720	0.1494	0.1494	290,018		2012
Union Township of Nodaway Co	General Revenue	5,752,219	0.0493	0.0493		5,815,134	0.0493	0.0493	2,867		
	Road & Bridge	5,752,219	0.4926	0.4926		5,815,134	0.4926	0.4926	28,645		
	Special Road and Bridge	5,752,219	0.3448	0.3448		**	**	**			2010
	Special Road and Bridge	**	**	**		5,815,134	0.3519	0.3519	20,463	A	2014
	Debt Service	5,752,219	0.5354	0.5354		5,815,134	0.5537	0.5537	32,198		
Washington Township of Nodaway Co	General Revenue	9,253,820	0.0475	0.0475		9,311,283	0.0475	0.0475	4,423		
	Road & Bridge	9,253,820	0.4752	0.4752		9,311,283	0.4752	0.4752	44,247		
	Special Road and Bridge	9,253,820	0.3355	0.3355		9,311,283	0.3355	0.3355	31,239		2012
White Cloud Township of Nodaway Co	General Revenue	7,713,766	0.0459	0.0459		7,942,982	0.0467	0.0467	3,709		
	Road & Bridge	7,713,766	0.4505	0.4505		7,942,982	0.4583	0.4583	36,403		
	Special Road and Bridge	7,713,766	0.3420	0.3420		**	**	**			2010
	Special Road and Bridge	**	**	**		7,942,982	0.3614	0.3614	28,706	A	2014
	Debt Service	7,713,766	0.6646	0.6646		7,942,982	0.5703	0.5703	45,299		
Barnard Fire Protection District	General Revenue	13,989,202	0.1931	0.1931		14,431,473	0.1930	0.1930	27,853		
Graham Fire Protection District	General Revenue	8,546,064	0.1000	0.1000		8,942,616	0.2025	0.2000	17,885	B	
14979 Katy Road	General Revenue	9,692,684	0.2205	0.2205		10,116,183	0.2205	0.2205	22,306		
Polk Fire Protection District	General Revenue	73,209,241	0.0495	0.0495		72,536,746	0.1547	0.1500	108,805	B	
Clearmont Fire Protection District	General Revenue	5,302,822	0.2896	0.2896		5,622,306	0.2848	0.2848	16,012		
Skidmore Fire Protection District	General Revenue	8,105,724	0.2956	0.2956		8,379,131	0.2956	0.2956	24,769		
West Nodaway Fire Protection Dist	General Revenue	13,252,091	0.2675	0.2675		13,813,338	0.2675	0.2675	36,951		
Jackson Township Fire Prot Dist	General Revenue	11,157,407	0.0000	0.0000		11,639,601	0.0000	0.0000	0		
	Fire	11,157,407	0.2989	0.2989		11,639,601	0.2966	0.2966	34,523		
Union Township Fire Protection Dist	General Revenue	4,454,936	0.2981	0.2981		4,500,182	0.2981	0.2981	13,415		
Elmo Fire Protection District	General Revenue	3,946,079	0.2888	0.2888		4,134,318	0.2888	0.2888	11,940		
Parnell Fire Protection District	General Revenue	5,006,550	0.2745	0.2745		5,119,285	0.2774	0.2774	14,201		
Nodaway County Health Center	General Revenue	297,908,962	0.0500	0.0500		297,471,203	0.0500	0.0500	148,736		
Nodaway-Holt R-VII School District	Operating Funds-Schools	22,188,685	3.6942	3.6942	E	23,082,152	3.6603	3.6603	844,876	E	
	Operating Funds-Temp	22,188,685	0.8835	0.8835		23,082,152	0.8856	0.8856	204,416		2019
West Nodaway Co R-I School District	Operating Funds-Schools	21,432,210	3.6585	3.6585	E	22,220,590	3.6203	3.6203	804,452	E	
	Debt Service	21,432,210	0.6224	0.5000		22,220,590	0.5643	0.5000	111,103		

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Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Nodaway											
Northeast Nodaway Co R-V Sch Dist	Operating Funds-Schools	13,264,767	5.1272	5.1272	E	13,569,843	5.1285	5.1285	695,929	E	
	Operating Funds - Temp	13,264,767	0.5500	0.5500	A	13,569,843	0.5500	0.5500	74,634		2014
	Debt Service	13,264,767	1.2926	0.8900		13,569,843	0.9690	0.8900	120,772		
Jefferson C-123 School District	Operating Funds-Schools	12,753,589	6.0164	5.6037		12,999,384	5.9622	5.5675	723,741		
North Nodaway Co R-VI School Dist	Operating Funds-Schools	14,299,059	4.4843	4.4843	E	14,829,834	4.4121	4.4121	654,307	E	
	Debt Service	14,299,059	0.6736	0.5900		14,829,834	0.6284	0.5900	87,496		
Maryville R-II School District	Operating Funds-Schools	194,319,589	4.6112	4.3693		190,327,055	4.6112	4.3615	8,301,115		
	Debt Service	194,319,589	0.9202	0.5643		190,293,605	0.9966	0.6143	1,168,974		
South Nodaway Co R-IV School Dist	Operating Funds-Schools	12,891,082	5.5110	5.5686	EC	13,205,925	5.4499	5.4499	719,710	E	
	Debt Service	12,891,082	0.0000	0.0000		**	**	**			
Nodaway County	General Revenue	297,908,962	0.3635	0.1600		297,471,203	0.3662	0.1400	416,460		
	Ambulance	297,908,962	0.1869	0.0000		297,471,203	0.1883	0.0000	0		
	Senate Bill 40	297,908,962	0.0500	0.0500		297,471,203	0.0500	0.0500	148,736		
	Senior Services	297,908,962	0.0500	0.0500		297,471,203	0.0500	0.0500	148,736		
Oregon											
Oregon County Ambulance District	General Revenue	81,867,931	0.1497	0.0748		84,197,101	0.0747	0.0000	0		
Thayer Spec Rd Dist Oregon Co	Road & Bridge	31,974,946	0.2192	0.2192		32,517,870	0.2192	0.2192	71,279		
City of Alton	General Revenue	4,711,664	0.5449	0.5449		4,755,509	0.5460	0.5460	25,965		
City of Koshkonong	General Revenue	740,821	0.8867	0.8867		722,197	0.9096	0.9096	6,569		
City of Thayer	General Revenue	14,679,641	0.4564	0.4564		14,600,821	0.4604	0.4604	67,222		
Oregon County Library District	General Revenue	81,867,931	0.2000	0.2000		84,197,101	0.1996	0.1996	168,057		
Oregon County Health Department	General Revenue	81,867,931	0.1000	0.1000		84,197,101	0.0998	0.0998	84,029		
Couch R-I School District	Operating Funds-Schools	9,514,118	3.8382	3.4300	E	9,769,411	3.4405	3.4300	335,091	E	
Thayer R-II School District	Operating Funds-Schools	27,035,619	2.7500	2.7500	E	27,489,878	2.7500	2.7500	755,972	E	
	Debt Service	27,035,619	1.1875	0.9200		27,489,878	1.0726	0.9200	252,907		
Oregon-Howell R-III School District	Operating Funds-Schools	11,384,396	2.9307	2.7400	E	12,023,438	2.7189	2.7189	326,905	E	
	Operating Funds-Temp	11,654,376	0.7186	0.6900		12,023,438	0.6987	0.6987	84,008		2022
	Debt Service	11,654,376	1.6131	0.1000		12,023,438	2.1378	1.0000	120,234		
Alton R-IV School District	Operating Funds-Schools	30,407,511	2.7500	2.7500	E	31,801,582	2.7500	2.7500	874,544	E	
Oregon County	General Revenue	81,867,931	0.3637	0.1128		84,197,101	0.3631	0.1046	88,070		
	Common Road District	49,892,213	0.2690	0.2690		51,714,193	0.2680	0.2680	138,594		
	Senate Bill 40	81,867,931	0.1000	0.1000		84,197,101	0.0998	0.0998	84,029		
	Senior Services	81,867,931	0.0500	0.0500		84,197,101	0.0499	0.0499	42,014		
Osage											
Osage Ambulance District	General Revenue	123,873,391	0.3000	0.1933		125,797,554	0.3000	0.1859	233,858		
Chamois Spec Rd Dist Osage Co	Road & Bridge	8,002,919	0.2557	0.2557		6,346,537	0.3237	0.3237	20,544		
Linn City Spec Rd Dist Osage Co	Road & Bridge	15,205,341	0.2574	0.2574		16,537,413	0.2574	0.2574	42,567		
Westphalia Spec Rd Dist Osage Co	Road & Bridge	3,998,247	0.2287	0.2287		4,060,787	0.2287	0.2287	9,287		
	Special Road and Bridge	3,998,247	0.1777	0.1777		**	**	**			2010
	Special Road and Bridge	**	**	**		4,060,787	0.1725	0.1725	7,005	A	2011
Village of Argyle	General Revenue	1,204,460	0.3723	0.2900		1,199,807	0.2911	0.2911	3,493		
City of Chamois	General Revenue	2,869,587	0.6118	0.6118		2,960,522	0.6043	0.6043	17,890		
City of Linn	General Revenue	16,000,954	0.5214	0.5214		16,384,093	0.5231	0.5231	85,705		
	Parks & Recreation	16,000,954	0.0500	0.0500		16,384,093	0.0500	0.0500	8,192		
City of Meta	General Revenue	4,588,528	0.4501	0.4300		4,656,131	0.4319	0.4319	20,110		
Osage County Library	General Revenue	184,282,277	0.1728	0.1728		186,511,230	0.1728	0.1728	322,291		
Chamois Fire Protection District	General Revenue	13,838,578	0.2614	0.2614		14,225,316	0.2607	0.2607	37,085		
Meta Fire & Rescue Fire Prot Dist	General Revenue	13,183,267	0.2964	0.2900		13,521,796	0.2900	0.2900	39,213		
Linn Fire Protection District	General Revenue	80,354,622	0.2642	0.2642		81,343,056	0.2648	0.2625	213,526		

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Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Osage											
Osage Co R-I School District	Operating Funds-Schools	14,713,028	4.0840	4.0840	E	14,458,399	4.3009	4.2196	610,087	E	
Osage Co R-II School District	Operating Funds-Schools	55,883,892	2.8075	2.7947	E	56,951,751	2.7890	2.7890	1,588,384	E	
	Debt Service	55,883,892	0.6475	0.5800		56,951,751	0.6163	0.6163	350,994		
Osage Co R-III School District	Operating Funds-Schools	77,610,771	2.7500	2.7500	E	78,638,585	3.6029	3.5500	2,791,670	BE	
Osage County	General Revenue	184,282,277	0.3152	0.0585		186,511,230	0.3152	0.0572	106,684		
	Common Road District	155,158,631	0.2149	0.2149		156,607,174	0.2150	0.2150	336,705		
	Developmentally Disabled	184,282,277	0.1000	0.1000		186,511,230	0.1000	0.1000	186,511		
Ozark											
Village of Bakersfield	General Revenue	1,192,995	0.2770	0.2770		1,269,900	0.2806	0.2806	3,563		
	Health	1,192,995	0.1384	0.1384		1,269,900	0.1402	0.1402	1,780		
City of Gainesville	General Revenue	9,051,346	0.4233	0.4233		9,117,298	0.4248	0.4248	38,730		
City of Theodosia	General Revenue	4,169,074	0.2991	0.2991		4,254,934	0.2997	0.2997	12,752		
Ozark County Health Center	General Revenue	101,358,255	0.0916	0.0916		102,954,758	0.0919	0.0919	94,615		
Thornfield R-I School District	Operating Funds-Schools	5,973,304	3.3438	3.2897	E	6,071,824	3.2984	3.2897	199,745	E	
Bakersfield R-IV School District	Operating Funds-Schools	12,319,727	3.5233	3.5233	E	12,597,846	3.5372	3.5372	445,611	E	
	Debt Service	12,319,727	0.1752	0.1752		12,597,846	0.0501	0.0501	6,312		
Gainesville R-V School District	Operating Funds-Schools	45,346,472	2.7500	2.7500	E	46,159,594	2.7500	2.7500	1,269,389	E	
	Debt Service	45,346,472	0.1205	0.1205		**	**	**			
Dora R-III School District	Operating Funds-Schools	14,666,268	3.2153	3.2153	E	14,947,529	3.2181	3.2155	480,638	E	
	Operating Funds-Temp	14,666,268	0.2148	0.2148		14,947,529	0.2152	0.2152	32,167		2017
	Debt Service	14,666,268	0.2270	0.1804		14,947,529	0.2246	0.1804	26,965		
Lutie R-VI School District	Operating Funds-Schools	21,299,823	3.5740	3.5740	E	21,566,701	3.6577	3.5872	773,641	E	
Ozark County	General Revenue	101,358,255	0.3115	0.2240		102,954,758	0.3124	0.1800	185,319		
	Road & Bridge	101,358,255	0.2358	0.2358		102,954,758	0.2365	0.2365	243,488		
	Ambulance	101,358,255	0.1226	0.1226		102,954,758	0.1230	0.0024	2,471		
Pemiscot											
City of Bragg City	General Revenue	412,234	0.5000	0.5000		377,350	0.5000	0.5000	1,887		
City of Caruthersville	General Revenue	41,244,115	0.5752	0.5752		41,798,589	0.5752	0.5752	240,425		
	Sewer	41,244,115	0.1952	0.1952		41,798,589	0.1952	0.1952	81,591		
	Library	41,244,115	0.0925	0.0925		41,798,589	0.0925	0.0925	38,664		
	Health	41,244,115	0.1643	0.1643		41,798,589	0.1643	0.1643	68,675		
	Cemetery	41,244,115	0.0411	0.0411		41,798,589	0.0411	0.0411	17,179		
Town of Cooter	General Revenue	2,855,627	1.0000	1.0000		2,944,417	1.0000	1.0000	29,444		
City of Hayti	General Revenue	21,024,244	0.5667	0.5667		21,516,758	0.5669	0.5669	121,979		
	Parks & Recreation	21,024,244	0.2556	0.2556		21,516,758	0.2557	0.2557	55,018		
	Library	21,024,244	0.1889	0.1889		21,516,758	0.1890	0.1890	40,667		
	Health	21,024,244	0.1556	0.1556		21,516,758	0.1557	0.1557	33,502		
	Cemetery	21,024,244	0.0500	0.0500		21,516,758	0.0500	0.0500	10,758		
City of Hayti Heights	General Revenue	847,300	0.8145	0.8145		849,760	0.8169	0.8169	6,942		
	Health	847,300	0.2000	0.2000		849,760	0.2000	0.2000	1,700		
Village of Holland	General Revenue	851,900	0.5854	0.5854		836,400	0.6011	0.6011	5,028		
City of Homestown	General Revenue	211,500	0.6000	0.6000		208,910	0.6000	0.6000	1,253		
City of Steele	General Revenue	11,821,541	0.5728	0.5728		11,918,587	0.5755	0.5755	68,591		
	Parks & Recreation	11,821,541	0.1653	0.1653		11,918,587	0.1661	0.1661	19,797		
	Library	11,821,541	0.1653	0.1653		11,918,587	0.1661	0.1661	19,797		
	Health	11,821,541	0.1653	0.1653		11,918,587	0.1661	0.1661	19,797		
Village of Wardell	General Revenue	1,521,796	0.6750	0.6700		1,531,556	0.6700	0.6700	10,261		
	Health	1,521,796	0.1000	0.1000		1,531,556	0.1000	0.1000	1,532		
Pemiscot County Health Center	General Revenue	177,408,175	0.1000	0.1000		178,566,722	0.1000	0.1000	178,567		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Pemiscot											
North Pemiscot Co R-I School Dist	Operating Funds-Schools	17,578,703	2.8747	2.8500	E	18,066,075	2.8825	2.8500	514,883	E	
Hayti R-II School District	Operating Funds-Schools	27,317,652	3.5022	3.5022	E	27,835,788	3.6533	3.6533	1,016,925	E	
Pemiscot Co R-III School District	Operating Funds-Schools	10,336,930	4.0000	3.9500	E	10,515,965	3.9551	3.9000	410,123	E	
	Debt Service	10,336,930	0.9213	0.3000		10,515,965	1.0949	0.3500	36,806		
Cooter R-IV School District	Operating Funds-Schools	7,061,447	3.7500	3.6931	E	7,154,107	3.6959	3.6390	260,338	E	
South Pemiscot Co R-V School Dist	Operating Funds-Schools	28,037,712	3.6906	3.6906	BE	28,182,079	3.6906	3.6906	1,040,088	E	
Pemiscot Co C-7 School District	Operating Funds-Schools	10,723,956	3.8176	3.8176	E	10,640,033	3.8500	3.8500	409,641	E	
Caruthersville 18 School District	Operating Funds-Schools	46,077,865	3.8628	3.8628	E	46,861,269	3.9630	3.9630	1,857,112	E	
	Debt Service	46,077,865	0.3021	0.3021		46,861,269	0.2405	0.2405	112,701		
Pemiscot Co Special School District	Operating Funds-Schools	176,719,761	0.4850	0.4850		177,883,482	0.4860	0.4860	864,514		
	Debt Service	176,719,761	0.0440	0.0440		177,883,482	0.0517	0.0517	91,966		
Pemiscot County	General Revenue	177,408,175	0.3949	0.1893		178,566,722	0.3877	0.1940	346,419		
	Johnson Grass	177,408,175	0.0500	0.0500		178,566,722	0.0500	0.0500	89,283		
	Road & Bridge	177,408,175	0.2969	0.2969		178,566,722	0.2975	0.2975	531,236		
	Hospital	177,408,175	0.3400	0.3400		178,566,722	0.3400	0.3400	607,127		
	Senate Bill 40	177,408,175	0.1000	0.1000		178,566,722	0.1000	0.1000	178,567		
Perry											
City of Altenburg	General Revenue	5,022,197	0.4608	0.4608		5,076,230	0.4608	0.4608	23,391		
City of Frohna	General Revenue	5,209,269	0.6381	0.6381		5,122,422	0.6521	0.6521	33,403		
Village of Longtown	General Revenue	670,787	0.3167	0.3167		700,938	0.3131	0.3131	2,195		
City of Perryville	General Revenue	127,437,556	0.4769	0.3576		129,553,351	0.3584	0.3576	463,283		
	Parks & Recreation	127,437,556	0.1714	0.1689		129,553,351	0.1693	0.1689	218,816		
	Debt Service	127,437,556	0.2429	0.2400		129,553,351	0.2441	0.2400	310,928		
Perry County Library District	General Revenue	295,138,312	0.0898	0.0898		302,026,827	0.0898	0.0898	271,220		
Perry County Health Department	General Revenue	295,138,312	0.1795	0.1795		302,026,827	0.1795	0.1795	542,138		
Perry Co 32 School District	Operating Funds-Schools	263,004,996	3.1836	3.1836	E	270,044,630	3.1731	3.1731	8,568,786	E	
Altenburg 48 School District	Operating Funds-Schools	16,167,948	3.6038	3.6038	E	16,402,256	3.6038	3.6000	590,481	E	
Perry County	General Revenue	295,138,312	0.4287	0.1800		302,026,827	0.3918	0.1800	543,648		
	Road & Bridge	295,138,312	0.3090	0.2999		302,026,827	0.2999	0.2999	905,778		
	Hospital	295,138,312	0.0898	0.0898		302,026,827	0.0898	0.0898	271,220		
	Mental Health	295,138,312	0.0898	0.0898		302,026,827	0.0898	0.0898	271,220		
	Senate Bill 40	295,138,312	0.0898	0.0898		302,026,827	0.0898	0.0898	271,220		
Pettis											
City of Green Ridge	General Revenue	2,999,867	0.8893	0.8893		2,786,844	0.9629	0.9629	26,835		
City of Houstonia	General Revenue	1,024,366	1.0000	1.0000		1,061,365	1.0000	1.0000	10,614		
Village of Hughesville	General Revenue	1,022,607	0.4085	0.4085		1,037,410	0.4116	0.4116	4,270		
	General Revenue-Temp	1,022,607	0.3000	0.3000		1,037,410	0.3000	0.3000	3,112		2011
City of La Monte	General Revenue	5,881,390	0.9264	0.8471		6,119,779	0.8577	0.8577	52,489		
	Parks & Recreation	5,881,390	0.0400	0.0384		6,119,779	0.0389	0.0389	2,381		
City of Sedalia	General Revenue	240,048,184	0.4295	0.4295		254,163,775	0.4295	0.4295	1,091,633		
	Parks & Recreation	240,048,184	0.1494	0.1494		254,163,775	0.1494	0.1494	379,721		
	Library	194,859,624	0.2102	0.2102		201,130,366	0.2121	0.2121	426,598		
	Police	240,048,184	0.0840	0.0840		254,163,775	0.0840	0.0840	213,498		
	Fire	240,048,184	0.0459	0.0459		254,163,775	0.0459	0.0459	116,661		
City of Smithton	General Revenue	3,967,798	0.8200	0.8200		4,436,952	0.7456	0.7456	33,082		
Boonslick Regional Library	General Revenue	779,905,976	0.1399	0.1399		797,740,980	0.1399	0.1399	1,116,040		
Pettis County Fire Prot Dist #1	General Revenue	205,918,569	0.2817	0.2791		204,845,893	0.2834	0.2791	571,725		
Sedalia Special Business District	General Revenue	6,195,503	0.6176	0.6176		6,097,800	0.6281	0.6281	38,300		
Pettis County Health Center	General Revenue	533,205,832	0.0875	0.0875		551,559,225	0.0875	0.0875	482,614		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Pettis										
State Fair Community College	General Revenue	771,250,567	0.4055	0.4055		785,001,581	0.4055	0.4055	3,183,181	
Pettis Co R-V School District	Operating Funds-Schools	22,596,294	3.4381	3.4381	E	23,148,804	3.4345	3.4345	795,046	E
	Debt Service	22,596,294	0.4817	0.4303		23,148,804	0.4840	0.4303	99,609	
La Monte R-IV School District	Operating Funds-Schools	17,719,928	3.1026	2.9500	E	18,175,034	3.1637	2.9500	536,164	E
	Debt Service	17,719,928	0.9715	0.8000		18,175,034	0.8318	0.8000	145,400	
Smithton R-VI School District	Operating Funds-Schools	35,151,453	2.8830	2.8830	E	35,654,401	3.5278	3.5278	1,257,816	BE
	Operating Funds-Temp	35,151,453	0.5805	0.5805		35,654,401	0.5840	0.0000	0	2011
	Debt Service	35,151,453	0.5257	0.5257		35,654,401	0.4933	0.4933	175,883	
Green Ridge R-VIII School District	Operating Funds-Schools	21,360,328	3.4884	3.4884	E	22,268,525	3.4261	3.4261	762,942	E
	Debt Service	21,360,328	0.5332	0.4016		22,268,525	0.5694	0.4639	103,304	
Pettis Co R-XII School District	Operating Funds-Schools	58,528,001	3.0274	2.9944	E	52,063,540	3.3828	2.9944	1,558,991	E
Sedalia 200 School District	Operating Funds-Schools	329,094,647	3.0303	3.0303	E	338,660,169	3.0049	3.0049	10,176,399	E
	Operating Funds-Temp	329,094,647	0.8628	0.8628		338,660,169	0.8628	0.8628	2,921,960	2026
Pettis County	General Revenue	533,205,832	0.3886	0.0257		537,153,652	0.3885	0.0257	138,048	
	Johnson Grass	533,205,832	0.0051	0.0050		537,153,652	0.0050	0.0050	26,858	
	Road & Bridge	533,205,832	0.2817	0.2787		537,153,652	0.2800	0.2787	1,497,047	
	Developmentally Disabled	533,205,832	0.0875	0.0875		537,153,652	0.0879	0.0879	472,158	
Phelps										
St. James Ambulance District	General Revenue	113,162,723	0.1309	0.0000		*	*	*		
City of Doolittle	General Revenue	4,319,271	0.2683	0.2683		4,340,235	0.2683	0.2683	11,645	
City of Newburg	General Revenue	1,843,247	0.6667	0.6667		1,745,326	0.7041	0.7041	12,289	
	Library	1,843,247	0.1801	0.1801		1,745,326	0.1902	0.1902	3,320	
City of Rolla	General Revenue	199,911,315	0.4444	0.4444		201,836,281	0.4451	0.4451	898,373	
	Parks & Recreation	199,911,315	0.1094	0.1094		201,836,281	0.1096	0.1096	221,213	
	Library	199,911,315	0.1854	0.1854		201,836,281	0.1857	0.1857	374,810	
City of St. James	General Revenue	35,260,466	0.3894	0.3894		35,246,250	0.3909	0.3909	137,778	
	Parks & Recreation	35,260,466	0.0605	0.0605		35,246,250	0.0607	0.0607	21,394	
City of Edgar Springs	General Revenue	1,506,420	0.4693	0.4693		1,550,962	0.4694	0.4694	7,280	
Doolittle Rural Fire Prot Dist	General Revenue	26,227,243	0.2229	0.2229		26,863,433	0.2215	0.2215	59,503	
Rolla Rural Fire Protection Dist	General Revenue	140,260,223	0.2297	0.2297		142,602,504	0.2297	0.2297	327,558	
Duke Fire Protection District	General Revenue	5,416,897	0.2171	0.2171		5,595,475	0.2177	0.2177	12,181	
St. James Fire Protection District	General Revenue	105,586,324	0.2362	0.2362		107,262,796	0.2362	0.2362	253,355	
Edgar Springs Rural FPD	General Revenue	**	**	**		14,828,804	0.3062	0.3062	45,406	A
St. James R-I School District	Operating Funds-Schools	108,276,195	2.7500	2.7500	E	109,982,522	2.7500	2.7500	3,024,519	E
	Debt Service	108,276,195	0.7987	0.5300		109,982,522	0.7343	0.5300	582,907	
Newburg R-II School District	Operating Funds-Schools	25,321,543	2.7500	2.7500	E	25,229,466	2.7500	2.7500	693,810	E
	Debt Service	25,321,543	0.9347	0.5000		25,229,466	0.9216	0.5000	126,147	
Rolla 31 School District	Operating Funds-Schools	376,318,240	3.2818	2.9197		376,537,767	3.3205	2.9559	11,130,080	
	Debt Service	376,318,240	0.5000	0.2500		376,537,767	0.5046	0.2500	941,344	
Phelps Co R-III School District	Operating Funds-Schools	17,388,133	2.7500	2.7500	E	17,450,926	2.7500	2.7500	479,900	E
	Debt Service	17,388,133	0.1316	0.1316		17,450,926	0.1479	0.1479	25,810	
Phelps County	General Revenue	538,446,273	0.2735	0.1466		539,302,523	0.2753	0.1560	841,312	
	Road & Bridge	538,446,273	0.1953	0.0899		539,302,523	0.1966	0.0956	515,573	
	Developmentally Disabled	538,446,273	0.0703	0.0703		539,302,523	0.0708	0.0708	381,826	
Pike										
Village of Annada	General Revenue	352,946	0.6500	0.6331		370,665	0.6179	0.6179	2,290	
City of Bowling Green	General Revenue	35,146,182	0.5977	0.5977		36,053,565	0.5977	0.5977	215,492	
	Parks & Recreation	35,146,182	0.0000	0.0000		36,053,565	0.0000	0.0000	0	
	Library	35,146,182	0.1843	0.1843		36,053,565	0.1843	0.1843	66,447	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Pike										
City of Bowling Green	Cemetery	35,146,182	0.0922	0.0922		36,053,565	0.0922	0.0922	33,241	
City of Clarksville	General Revenue	3,967,407	0.6810	0.6810		4,421,302	0.6323	0.6323	27,956	
City of Curryville	General Revenue	1,400,868	0.9317	0.9317		1,463,108	0.9055	0.9055	13,248	
Village of Eolia	General Revenue	3,958,747	0.3926	0.3750		3,966,342	0.3753	0.3753	14,886	
City of Frankford	General Revenue	1,805,991	1.0000	1.0000		1,791,891	1.0000	1.0000	17,919	
City of Louisiana	General Revenue	32,860,409	0.7325	0.7305		33,106,315	0.7305	0.7305	241,842	
	Library	32,860,409	0.0998	0.0995		33,106,315	0.0995	0.0995	32,941	
Buffalo Township Fire Prot Dist	General Revenue	42,484,247	0.2865	0.2865		44,168,404	0.2865	0.2865	126,542	
Pike Co Agency for Dev Disabilities	General Revenue	240,619,009	0.1903	0.1903		245,805,669	0.1902	0.1902	467,522	
Pike County Health Department	General Revenue	240,619,009	0.2391	0.2391		245,805,669	0.2389	0.2389	587,230	
Bowling Green R-I School District	Operating Funds-Schools	93,864,892	3.2002	3.2002	E	95,342,272	3.3356	3.2720	3,119,599	E
Pike Co R-III School District	Operating Funds-Schools	39,501,099	4.0141	4.0141	BE	37,153,949	4.0141	4.0141	1,491,397	E
	Debt Service	39,501,099	1.1438	1.0801		37,153,949	1.6007	1.0801	401,300	
Boncl R-X School District	Operating Funds-Schools	9,394,505	5.0400	4.0500		11,607,642	4.1959	4.0500	470,110	
Louisiana R-II School District	Operating Funds-Schools	49,266,164	3.2954	3.2954	E	48,529,829	3.3609	3.3609	1,631,039	E
	Debt Service	49,266,164	0.7713	0.6000		48,529,829	0.6340	0.5390	261,576	
Pike County	General Revenue	240,619,009	0.4229	0.2879		245,805,669	0.4226	0.2926	719,227	
	Road & Bridge	240,619,009	0.3065	0.3065		245,805,669	0.3063	0.3063	752,903	
	Hospital	240,619,009	0.2104	0.2104		245,805,669	0.2103	0.2103	516,929	
Platte										
Northland Regional Ambulance Dist	General Revenue	467,400,477	0.4298	0.4298		472,497,581	0.4345	0.4298	2,030,795	
Southern Platte County Ambulance	General Revenue	483,240,840	0.0914	0.0900		493,310,298	0.0900	0.0900	443,979	
Platte Co Drainage Ditch Dist 1	General Revenue	2,333,410	0.0859	0.0859		1,431,063	0.1000	0.0859	1,229	
Farley Special Road Dist, Platte Co	Road & Bridge	15,138,649	0.3283	0.3283		15,540,266	0.3283	0.3283	51,019	
	Special Road and Bridge	15,138,649	0.3472	0.3472		15,540,266	0.3472	0.3472	53,956	2012
Parkville Spec Road Dist Platte Co	Road & Bridge	675,824,047	0.2581	0.2581		676,404,061	0.2605	0.2605	1,762,033	
Platte City Spec Rd Dist Platte Co	Road & Bridge	1,033,883,241	0.2191	0.2150		1,028,408,118	0.2190	0.2150	2,211,077	
Weston Spec Rd Dist Platte Co	Road & Bridge	55,735,024	0.2486	0.2486		56,461,756	0.2486	0.2486	140,364	
	Special Road and Bridge	55,735,024	0.3500	0.3500		56,461,756	0.3500	0.3500	197,616	2011
City of Camden Point	General Revenue	5,610,722	0.6728	0.6728		5,627,251	0.6728	0.6728	37,860	
City of Dearborn	General Revenue	5,454,329	0.4682	0.4682		5,481,328	0.4691	0.4691	25,713	
City of Edgerton	General Revenue	5,387,199	0.6820	0.6820		5,536,495	0.6820	0.6820	37,759	
Village of Farley	General Revenue	2,723,112	0.4605	0.4605		2,918,439	0.4578	0.4578	13,361	
Village of Ferrelview	General Revenue	2,518,999	0.4956	0.4749		2,401,396	0.5050	0.4749	11,404	
Village of Iatan	General Revenue	236,849	0.5000	0.4991		244,058	0.5000	0.4991	1,218	
City of Platte City	General Revenue	76,182,543	0.5209	0.5195		75,831,672	0.5230	0.5195	393,946	
	Debt Service	76,182,543	0.8294	0.5200		75,831,672	1.1961	0.5200	394,325	
City of Platte Woods	General Revenue	10,186,502	0.7609	0.7000		10,708,386	0.6914	0.6914	74,038	
City of Tracy	General Revenue	2,623,898	0.6739	0.6739		2,677,255	0.6739	0.6739	18,042	
	Debt Service	2,623,898	0.4271	0.4271		2,677,255	0.6297	0.6297	16,859	
City of Weatherby Lake	General Revenue	40,582,419	1.0000	1.0000		41,198,308	1.0000	1.0000	411,983	
	Parks & Recreation	40,582,419	0.2118	0.2118		41,198,308	0.2124	0.2124	87,505	
	Debt Service	40,582,419	0.5917	0.5917		41,198,308	0.9994	0.7683	316,527	
City of Weston	General Revenue	21,100,184	0.4605	0.4605		21,385,562	0.4610	0.4610	98,587	
	Parks & Recreation	21,100,184	0.1677	0.1677		21,385,562	0.1679	0.1679	35,906	
	Lights	21,100,184	0.1303	0.1303		21,385,562	0.1304	0.1304	27,887	
City of Lake Waukomis	General Revenue	13,882,558	0.8034	0.8034		13,942,484	0.8034	0.8034	112,014	
	General Revenue - Temp	13,882,558	0.7000	0.7000		13,942,484	0.7000	0.7000	97,597	2011
City of Parkville	General Revenue	178,951,034	0.4748	0.4748		185,288,906	0.4748	0.4748	879,752	
	General Revenue-Temp	178,951,034	0.1795	0.1795		185,288,906	0.1795	0.1795	332,594	2024

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Platte											
City of Northmoor	General Revenue	7,357,355	0.0000	0.0000		7,268,776	0.0000	0.0000	0		
Town of Ridgely	General Revenue	1,111,414	0.3182	0.3182		1,113,075	0.3184	0.3184	3,544		
City of Houston Lake	General Revenue	2,808,721	0.6668	0.6668		2,809,411	0.6690	0.6690	18,795		
	Fire	2,808,721	0.7300	0.7300		2,809,411	0.7300	0.7300	20,509		2012
Central Platte Fire Protection Dist	General Revenue	198,833,681	0.3100	0.3100		201,642,286	0.3116	0.3100	625,091		
Southern Platte Fire Prot Dist	General Revenue	404,198,407	0.9235	0.9235		413,731,461	0.9235	0.9235	3,820,810		
	Debt Service	404,198,407	0.1115	0.1115		413,731,461	0.1065	0.1065	440,624		
Weatherby Lake Fire Protection Dist	General Revenue	40,582,419	1.1300	1.0450		41,204,704	1.0480	1.0480	431,825		
West Platte Fire Protection Dist	General Revenue	336,597,564	0.3900	0.3900		175,766,022	0.3900	0.3900	685,487		
	Ambulance	336,597,564	0.3900	0.3900		175,766,022	0.3900	0.3900	685,487		
Camden Point Fire Protection Dist	General Revenue	19,271,723	0.4844	0.4844		19,575,576	0.4844	0.4844	94,824		
Smithville Area Fire Prot Dist	General Revenue	219,440,280	0.2862	0.2862		225,749,870	0.2862	0.2862	646,096		
	Debt Service	219,440,280	0.1798	0.1000		225,749,870	0.1676	0.1000	225,750		
Edgerton-Trimble Fire Prot Dist	General Revenue	35,654,797	0.4985	0.4985		36,245,169	0.4985	0.4985	180,682		
Dearborn Area Fire Protection Dist	General Revenue	25,779,474	0.5224	0.5224		25,898,187	0.5258	0.5258	136,173		
Platte County Health Department	General Revenue	2,340,468,152	0.0800	0.0800		2,177,927,337	0.0800	0.0800	1,742,342		
North Platte Co R-I School District	Operating Funds-Schools	52,725,658	3.7599	3.7599	E	53,568,015	3.7855	3.6100	1,933,805	E	
	Operating Funds-Temp	52,725,658	0.2917	0.2301		53,568,015	0.2301	0.0000	0		2012
	Debt Service	52,725,658	0.8137	0.4000		53,568,015	1.7110	0.9900	530,323		
West Platte Co R-II School District	Operating Funds-Schools	345,359,246	4.1000	4.1000	E	185,171,871	4.1000	4.1000	7,592,047	E	
	Debt Service	345,359,246	0.3546	0.3546		185,171,871	0.3514	0.3500	648,102		
Platte Co R-III School District	Operating Funds-Schools	427,362,770	3.7282	3.4688		425,004,746	3.7917	3.4688	14,742,565		
	Debt Service	427,362,770	2.0965	1.0600		425,004,746	2.1059	1.0600	4,505,050		
Park Hill R-V School District	Operating Funds-Schools	1,452,010,209	4.8026	4.8026	E	1,440,437,815	4.9117	4.8026	69,178,467	E	
	Debt Service	1,452,010,209	0.6987	0.6107		1,440,437,815	0.6741	0.6107	8,796,754		
Platte County	General Revenue	2,340,468,152	0.2243	0.0200		2,177,927,337	0.1896	0.0100	217,793		
	Road & Bridge	559,629,999	0.3239	0.3239		400,145,319	0.3500	0.3239	1,296,071		
	Mental Health	2,340,468,152	0.1000	0.1000		2,177,927,337	0.1000	0.1000	2,177,927		
	Senate Bill 40	2,340,468,152	0.1299	0.1299		2,177,927,337	0.1300	0.1300	2,831,306		
	Senior Services	2,340,468,152	0.0500	0.0500		2,177,927,337	0.0500	0.0500	1,088,964		
	Debt Service	2,340,468,152	0.3098	0.0000		2,177,927,337	0.4203	0.0000	0		
Polk											
Blue Mound Spec Rd Dist Polk Co	Road & Bridge	2,213,469	0.3500	0.3500		2,194,947	0.3500	0.3500	7,682		
Bolivar Spec Rd Dist Polk Co	Road & Bridge	96,562,337	0.2070	0.2070		94,998,812	0.2111	0.2111	200,542		
Flemington Spec Rd Dist Polk Co	Road & Bridge	1,599,468	0.3500	0.3500		1,608,174	0.3500	0.3500	5,629		
Humansville Spec Rd Dist Polk Co	Road & Bridge	10,174,740	0.2837	0.2837		10,550,390	0.2820	0.2820	29,752		
	Special Road and Bridge	10,174,740	0.3500	0.3500		10,550,390	0.3479	0.3479	36,705		2012
Providence Spec Rd Dist Polk Co	Road & Bridge	1,592,801	0.3500	0.3500		1,527,445	0.3500	0.3500	5,346		
Southwest Special Rd Dist Polk Co	Road & Bridge	926,609	0.3500	0.3500		877,962	0.3500	0.3500	3,073		
Polk County Road District	Road & Bridge	162,283,271	0.2733	0.2733		160,856,438	0.2790	0.2790	448,789		
Village of Aldrich	General Revenue	479,203	0.3773	0.3773		482,620	0.3773	0.3773	1,821		
City of Bolivar	General Revenue	94,137,418	0.0000	0.0000		92,589,401	0.0000	0.0000	0		
	Parks & Recreation	94,137,418	0.0000	0.0000		92,589,401	0.0000	0.0000	0		
City of Fair Play	General Revenue	2,066,939	1.0000	1.0000		2,124,558	1.0000	1.0000	21,246		
City of Humansville	General Revenue	4,745,643	0.6470	0.6470		5,009,532	0.6313	0.6313	31,625		
City of Morrisville	General Revenue	2,158,705	0.4979	0.4979		2,190,091	0.4979	0.4979	10,904		
Polk County Library District	General Revenue	275,352,695	0.0892	0.0892		272,614,168	0.0909	0.0909	247,806		
Pleasant Hope Fire Protection Dist	General Revenue	23,412,185	0.3000	0.3000		21,957,154	0.3000	0.3000	65,871		
Polk County Health Center	General Revenue	275,352,695	0.1763	0.1763		272,614,168	0.1763	0.1763	480,619		
Bolivar R-I School District	Operating Funds-Schools	150,635,000	3.4550	3.3100	E	148,648,889	3.3694	3.3100	4,920,278	E	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Polk											
Bolivar R-I School District	Debt Service	150,635,000	0.9171	0.4500		148,648,889	0.8458	0.4500	668,920		
Fair Play R-II School District	Operating Funds-Schools	16,364,080	3.3904	2.9500	E	16,253,030	3.0019	2.9500	479,464	E	
	Debt Service	16,340,820	1.2245	1.0200		16,253,030	1.8060	1.1500	186,910		
Halfway R-III School District	Operating Funds-Schools	16,343,810	3.5020	3.4500	E	16,105,240	3.5235	3.5235	567,468	E	
	Debt Service	16,343,810	1.1988	0.6000		16,105,240	1.2574	0.6000	96,631		
Humansville R-IV School District	Operating Funds-Schools	19,299,722	3.0359	3.0359	E	19,356,085	3.0561	3.0399	588,406	E	
	Debt Service	19,299,722	0.4374	0.4374		19,356,085	0.4334	0.4334	83,889		
Marion C. Early R-V School District	Operating Funds-Schools	32,392,130	3.3378	2.8100	F	31,706,100	3.4391	2.8100	890,941	F	
	Debt Service	32,392,130	0.5273	0.4900		31,706,100	0.8375	0.4900	155,360		
Pleasant Hope R-VI School District	Operating Funds-Schools	40,063,200	2.5374	2.5000	E	37,279,020	2.6962	2.6962	1,005,117	E	
	Capital Improvements	40,063,200	0.6700	0.6700		37,279,020	0.6700	0.6700	249,769		2016
	Debt Service	40,063,200	0.6979	0.6000		37,279,020	0.7958	0.6500	242,314		
Polk County	General Revenue	275,352,695	0.3173	0.3173		272,614,168	0.3232	0.3232	881,089		
	Senate Bill 40	275,352,695	0.0205	0.0205		272,614,168	0.0209	0.0209	56,976		
	Senior Services	275,352,695	0.0493	0.0493		272,614,168	0.0500	0.0500	136,307		
Pulaski											
Dixon Ambulance District	General Revenue	59,491,076	0.2829	0.2829		60,804,757	0.2831	0.2831	172,138		
Pulaski County Ambulance District	General Revenue	354,436,816	0.0000	0.0000		373,038,693	0.0000	0.0000	0		
City of Crocker	General Revenue	8,195,185	0.6642	0.6642		8,226,793	0.6715	0.6715	55,243		
	Parks & Recreation	8,195,185	0.1668	0.1668		8,226,793	0.1686	0.1686	13,870		
City of Dixon	General Revenue	13,005,620	0.4552	0.4552		13,456,855	0.4580	0.4552	61,256		
	Library	13,005,620	0.1500	0.1500	B	13,456,855	0.1500	0.1500	20,185		
	Debt Service	13,005,620	1.3312	0.6448		13,456,855	1.2605	0.6460	86,931		
City of St. Robert	General Revenue	72,056,470	0.3238	0.3238		85,136,478	0.3255	0.3255	277,119		
City of Waynesville	General Revenue	49,724,275	0.5320	0.5320		51,897,185	0.5343	0.5343	277,287		
City of Richland	General Revenue	12,941,345	0.6096	0.6096		13,177,030	0.6120	0.6120	80,643		
Pulaski County Library	General Revenue	376,814,315	0.1301	0.1301		398,138,459	0.1306	0.1306	519,969		
Hazelgreen Fire Protection District	General Revenue	20,743,371	0.2663	0.2663		21,568,201	0.2669	0.2669	57,566		
Crocker Fire Protection District	General Revenue	24,020,248	0.2802	0.2802		24,506,585	0.2815	0.2815	68,986		
Waynesville Rural Fire Prot Dist	General Revenue	147,234,883	0.4588	0.4588	B	156,703,710	0.4588	0.4588	718,957		
Dixon Rural Fire Protection Dist	General Revenue	61,663,698	0.2701	0.2577		64,073,304	0.2570	0.2570	164,668		
Pulaski County Health Department	General Revenue	389,819,935	0.0686	0.0686		409,129,579	0.0689	0.0689	281,890		
Swedeborg R-III School District	Operating Funds-Schools	5,085,602	2.5933	2.5933	E	5,178,738	2.5936	2.5936	134,316	E	
	Operating Funds - Temp	5,085,602	0.8367	0.8367	A	5,178,738	0.8367	0.8367	43,331		2012
Pulaski Co R-IV School District	Operating Funds-Schools	30,315,207	2.7500	2.7500	E	31,040,624	2.7500	2.7500	853,617	E	
Laquey R-V School District	Operating Funds-Schools	29,911,956	2.7500	2.7500	E	31,157,814	2.7500	2.7500	856,840	E	
	Debt Service	29,911,956	0.1651	0.1651		31,157,814	0.1242	0.1242	38,698		
Waynesville R-VI School District	Operating Funds-Schools	255,432,206	2.7500	2.7500	E	271,124,930	2.7500	2.7500	7,455,936	E	
Dixon R-I School District	Operating Funds-Schools	57,159,635	2.7500	2.7500	E	58,568,263	2.7500	2.7500	1,610,627	E	
	Debt Service	57,159,635	0.2700	0.2700		58,568,263	0.2700	0.2700	158,134		
Crocker R-II School District	Operating Funds-Schools	27,445,046	2.7500	2.7500	E	27,868,215	2.7500	2.7500	766,376	E	
	Debt Service	27,445,046	0.5426	0.5426		27,868,215	0.5514	0.5426	151,213		
Pulaski County	General Revenue	389,819,935	0.2574	0.0000		409,129,579	0.0000	0.0000	0		
	Road & Bridge	389,819,935	0.1889	0.1889		409,129,579	0.1897	0.1897	776,119		
	Senate Bill 40	389,819,935	0.0686	0.0686		409,129,579	0.0689	0.0689	281,890		
	Senior Services	389,819,935	0.0428	0.0428		409,129,579	0.0430	0.0430	175,926		
Putnam											
Putnam County Ambulance District	General Revenue	71,388,605	0.3810	0.3810		75,975,411	0.3741	0.3741	284,224		
Putnam County Care Center	General Revenue	71,388,605	0.2956	0.2956		75,975,411	0.2903	0.2903	220,557		

APPENDIX VII
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Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Putnam											
Unionville Spec Road Dist Putnam Co	Road & Bridge	11,869,624	0.3046	0.3046		13,341,352	0.2826	0.2826	37,703		
	Special Road and Bridge	11,869,624	0.3500	0.3500	A	13,341,352	0.3247	0.3247	43,319		2013
Lake Thunderhead Spec Rd District	Road & Bridge	14,720,036	0.3444	0.3444		15,972,814	0.3339	0.3339	53,333		
	Special Road and Bridge	14,720,036	0.3471	0.3471		15,972,814	0.3365	0.3365	53,749		2012
Village of Livonia	General Revenue	312,347	0.4977	0.4977		332,304	0.4907	0.4907	1,631		
Village of Lucerne	General Revenue	1,631,120	0.4803	0.4803		1,242,831	0.5000	0.5000	6,214		
Village of Powersville	General Revenue	326,457	0.5000	0.5000		361,137	0.4906	0.4906	1,772		
City of Unionville	General Revenue	11,519,046	0.9211	0.9211		12,965,705	0.8551	0.8551	110,870		
	Parks & Recreation	11,519,046	0.1862	0.1862		12,965,705	0.1729	0.1729	22,418		
	Fire	11,519,046	0.1862	0.1862		12,965,705	0.1729	0.1729	22,418		
Village of Worthington	General Revenue	273,821	0.4085	0.4085		306,553	0.3832	0.3832	1,175		
Elm Township of Putnam Co	Road & Bridge	6,068,911	0.4177	0.4177		5,983,094	0.4334	0.4334	25,931		
	Special Road and Bridge	6,068,911	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		5,983,094	0.3686	0.3686	22,054	A	2014
Grant Township of Putnam Co	Road & Bridge	1,909,975	0.4606	0.4606		2,063,430	0.4518	0.4518	9,323		
	Special Road and Bridge	1,909,975	0.3388	0.3388		2,063,430	0.3323	0.3323	6,857		2012
Jackson Township of Putnam Co	Road & Bridge	2,787,353	0.4914	0.4914		2,801,368	0.4925	0.4925	13,797		
	Special Road and Bridge	2,787,353	0.3489	0.3489		**	**	**			2010
	Special Road and Bridge	**	**	**		2,801,368	0.3560	0.3560	9,973	A	2014
Liberty Township of Putnam Co	Road & Bridge	3,352,024	0.4993	0.4993		3,521,257	0.4993	0.4993	17,582		
	Special Road and Bridge	3,352,024	0.3391	0.3391		3,521,257	0.3391	0.3391	11,941		2012
Lincoln Township of Putnam Co	Road & Bridge	4,704,290	0.5000	0.5000		5,291,260	0.5000	0.5000	26,456		
	Special Road and Bridge	4,704,290	0.3450	0.3450		5,291,260	0.3450	0.3450	18,255		2012
Medicine Township of Putnam Co	Road & Bridge	8,459,852	0.5000	0.5000		5,900,467	0.5000	0.5000	29,502		
	Special Road and Bridge	8,459,852	0.3453	0.3453		5,900,467	0.3453	0.3453	20,374		2012
Richland Township of Putnam Co	Road & Bridge	3,434,022	0.5000	0.5000		3,626,848	0.5000	0.5000	18,134		
	Special Road and Bridge	3,434,022	0.3429	0.3429		3,626,848	0.3429	0.3429	12,436		2012
Sherman Township of Putnam Co	Road & Bridge	2,284,402	0.5000	0.5000		2,312,737	0.5000	0.5000	11,564		
	Special Road and Bridge	2,284,402	0.3422	0.3422		2,312,737	0.3422	0.3422	7,914		2012
Union Township of Putnam Co	Road & Bridge	4,466,094	0.4992	0.4992		4,737,932	0.4969	0.4969	23,543		
	Special Road and Bridge	4,466,094	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		4,737,932	0.3500	0.3500	16,583	A	2014
Wilson Township of Putnam Co	Road & Bridge	3,963,885	0.5000	0.5000		3,996,511	0.5000	0.5000	19,983		
	Special Road and Bridge	3,963,885	0.3500	0.3500		3,996,511	0.3500	0.3500	13,988		2012
York Township of Putnam Co	Road & Bridge	3,816,018	0.5000	0.5000		3,536,699	0.5000	0.5000	17,683		
	Special Road and Bridge	3,816,018	0.3443	0.3443		3,536,699	0.3443	0.3443	12,177		2012
	Debt Service	3,816,018	0.2241	0.2241		3,536,699	0.0000	0.0000	0		
Elm Township Fire Protection Dist	General Revenue	6,068,911	0.2984	0.2984		5,983,094	0.3000	0.3000	17,949		
Liberty Fire Protection District	General Revenue	3,352,024	0.2961	0.2961		3,419,303	0.3000	0.3000	10,258		
Grant Township Fire Protection Dist	General Revenue	1,909,975	0.3000	0.3000		2,063,430	0.2943	0.2943	6,073		
York Township Fire Protection Dist	General Revenue	3,816,024	0.3000	0.3000		4,083,496	0.2933	0.2933	11,977		
Putnam County Health Department	General Revenue	71,388,605	0.2858	0.2858		75,975,411	0.2806	0.2806	213,187		
Putnam Co R-I School District	Operating Funds-Schools	67,415,225	3.4134	3.4134	E	71,947,528	3.3598	3.3298	2,395,709	E	
	Debt Service	67,415,225	0.6707	0.3700		71,947,528	0.5204	0.3700	266,206		
Putnam County	General Revenue	71,388,605	0.4763	0.4763		75,975,411	0.4677	0.4677	355,337		
	Library	71,388,605	0.1428	0.1428		75,975,411	0.1402	0.1402	106,518		
	Hospital	71,388,605	0.4763	0.4763		75,975,411	0.4677	0.4677	355,337		
	Senior Services	71,388,605	0.0477	0.0477		75,975,411	0.0468	0.0468	35,556		
Ralls											
Ralls County Ambulance District #3	General Revenue	144,736,827	0.1774	0.1774		183,638,501	0.1428	0.1428	262,236		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year	
Ralls											
City of Center	General Revenue	4,640,243	0.7424	0.7424		4,681,950	0.7424	0.7424	34,759		
	Fire	4,640,243	0.1928	0.1928		4,681,950	0.1928	0.1928	9,027		
City of New London	General Revenue	6,446,288	0.4772	0.4772		6,583,993	0.4742	0.4742	31,221		
City of Perry	General Revenue	6,789,587	0.5619	0.5619		6,820,124	0.5619	0.5619	38,322		
	Fire	6,789,587	0.0998	0.0998		6,820,124	0.0998	0.0998	6,806		
Ralls County Public Library	General Revenue	166,002,334	0.0984	0.0984		161,506,728	0.1020	0.0984	158,923		
Hannibal Rural Fire Protection Dist	General Revenue	88,457,488	0.1500	0.1500		83,222,356	0.1500	0.1500	124,834		
Ralls County Health Department	General Revenue	200,753,866	0.0984	0.0984		196,248,351	0.1000	0.1000	196,248		
Ralls Co R-II School District	Operating Funds-Schools	65,245,242	2.7500	2.7500	F	66,728,265	2.7500	2.7500	1,835,027	F	
	Debt Service	65,245,242	1.0421	0.7100		66,728,265	1.3733	0.7100	473,771		
Ralls County	General Revenue	200,753,866	0.3846	0.2869		196,248,351	0.3934	0.2892	567,550		
	Road & Bridge	200,753,866	0.2754	0.2754		196,248,351	0.2817	0.2817	552,832		
Randolph											
Randolph County Ambulance District	General Revenue	432,504,285	0.1864	0.0000		430,832,677	0.1859	0.0000	0		
Moberly Spec Rd Dist Randolph Co	Special Road and Bridge	181,861,413	0.0881	0.0881		180,301,365	0.0900	0.0900	162,271	2011	
Village of Cairo	General Revenue	1,637,123	0.4890	0.4890		1,683,737	0.4890	0.4890	8,233		
	General Revenue-Temp	1,637,123	0.2085	0.2085		1,683,737	0.2084	0.2084	3,509	2011	
City of Clark	General Revenue	1,621,987	0.9906	0.9906		1,737,925	0.9932	0.9932	17,261		
City of Clifton Hill	General Revenue	922,052	0.6900	0.6900		850,500	0.7491	0.7491	6,371		
City of Higbee	General Revenue	2,797,842	0.8800	0.8800		2,708,286	0.8800	0.8800	23,833		
	Parks & Recreation	2,797,842	0.1500	0.1500		2,708,286	0.1500	0.1500	4,062		
City of Huntsville	General Revenue	11,038,237	0.7247	0.7247		11,258,831	0.7247	0.7247	81,593		
	Parks & Recreation	11,038,237	0.0961	0.0961		11,258,831	0.0961	0.0961	10,820		
	Fire	11,038,237	0.1400	0.1400		11,258,831	0.1400	0.1400	15,762		
	Cemetery	11,038,237	0.1786	0.1786		11,258,831	0.1786	0.1786	20,108		
Village of Jacksonville	General Revenue	506,922	0.5000	0.5000		508,513	0.5000	0.5000	2,543		
	Parks & Recreation	506,922	0.4000	0.4000		508,513	0.4000	0.4000	2,034		
City of Moberly	General Revenue	143,825,485	0.6832	0.6832		141,796,224	0.7033	0.7033	997,253		
	Parks & Recreation	143,825,485	0.3170	0.3170		141,796,224	0.3263	0.3263	462,681		
Village of Renick	General Revenue	1,121,952	0.5000	0.5000		1,084,433	0.5000	0.5000	5,422		
Randolph County Library	General Revenue	432,504,285	0.2453	0.2453		430,832,677	0.2447	0.2447	1,054,248		
Higbee Fire Protection District	General Revenue	23,301,570	0.2409	0.2409		22,215,594	0.2553	0.2553	56,716		
Southeastern Fire Protection Dist	General Revenue	24,377,295	0.2947	0.2947		21,627,257	0.3000	0.3000	64,882		
Randolph County Health Department	General Revenue	432,504,285	0.1472	0.1472		430,832,677	0.1468	0.1468	632,462		
Moberly Area Jr. College	General Revenue	179,624,635	0.3187	0.3187		178,005,704	0.3254	0.3254	579,231		
Northeast Randolph Co R-IV Sch Dist	Operating Funds-Schools	21,060,707	3.4008	3.4005	E	22,023,926	3.4130	3.4130	751,677	E	
	Debt Service	21,060,707	0.9406	0.8700		22,023,926	0.9501	0.8700	191,608		
Renick R-V School District	Operating Funds-Schools	16,810,238	4.0791	4.0791	E	13,244,567	4.2730	3.7800	500,645	E	
	Operating Funds-Temp	16,810,238	0.4700	0.4422		13,244,567	0.4700	0.4700	62,249	2025	
Higbee R-VIII School District	Operating Funds-Schools	12,119,496	3.4909	3.4909	E	10,349,190	4.0500	3.5110	363,360	E	
	Debt Service	12,119,496	1.5052	1.0000		10,349,190	1.5613	1.0000	103,492		
Westran R-I School District	Operating Funds-Schools	158,403,901	3.6810	3.6700		157,050,804	3.6340	3.6340	5,707,226		
Moberly School District	Operating Funds-Schools	162,933,977	3.5536	3.5536	E	160,756,796	3.5590	3.5536	5,712,654	E	
	Debt Service	162,933,977	0.5577	0.5577		160,756,796	1.4008	1.0277	1,652,098		
Randolph County	General Revenue	432,504,285	0.3715	0.2139		430,832,677	0.3706	0.2130	917,674		
	Road & Bridge	432,504,285	0.1985	0.1985		430,832,677	0.1980	0.1980	853,049		
	Sheltered Workshop	**	**	**		430,832,677	0.1500	0.1500	646,249	A	
Ray											
Ray County Ambulance District	General Revenue	218,846,897	0.2974	0.1566		223,931,327	0.2974	0.1627	364,336		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Ray										
Ray County Ambulance District	Debt Service	**	**	**		223,931,327	0.1405	0.1405	314,624	
Senior Citizen's Nursing Home Dist	General Revenue	272,832,362	0.1445	0.1445		273,977,484	0.1458	0.1458	399,459	
Willow Creek Watershed Subdistrict	General Revenue	14,538,100	0.3723	0.2000		15,279,000	0.1932	0.1932	29,519	
Camden Special Road Dist Ray Co	Road & Bridge	9,364,888	0.3476	0.3476		9,352,567	0.3492	0.3492	32,659	
	Special Road and Bridge	9,364,888	0.2383	0.2383		9,352,567	0.2394	0.2394	22,390	2011
Hardin Spec Rd Dist Ray Co	Road & Bridge	12,067,240	0.2457	0.2457		12,367,414	0.2457	0.2457	30,387	
Henrietta Spec Rd Dist Ray Co	Road & Bridge	6,099,169	0.3193	0.3193		5,862,063	0.3322	0.3322	19,474	
Lawson Special Road Dist Ray Co	Road & Bridge	33,074,925	0.2522	0.2522		34,250,729	0.2522	0.2522	86,380	
	Special Road and Bridge	33,074,925	0.3000	0.3000		34,250,729	0.3000	0.3000	102,752	2011
Orrick Spec Rd Dist Ray Co	Road & Bridge	17,319,205	0.3341	0.3341		17,121,049	0.3383	0.3383	57,921	
Richmond Spec Rd Dist Ray Co	Road & Bridge	83,577,858	0.2524	0.2524		83,915,825	0.2552	0.2552	214,153	
Ray County Special Road District	Road & Bridge	112,328,780	0.2517	0.2517		107,375,700	0.2646	0.2646	284,116	
City of Camden	General Revenue	1,356,661	0.6429	0.6429		1,353,907	0.6442	0.6442	8,722	
	Streets	1,356,661	0.0100	0.0100		1,353,907	0.0100	0.0100	135	
	Fire	1,356,661	0.1500	0.1500		1,353,907	0.1500	0.1500	2,031	
	Fire - Temporary	1,356,661	0.0885	0.0885		1,353,907	0.0885	0.0885	1,198	2012
	Streets - Temporary	1,356,661	1.2897	1.2897		1,353,907	1.2897	1.2897	17,461	2012
Village of Elmira	General Revenue	514,503	0.4463	0.4463		544,380	0.4359	0.4359	2,373	
City of Hardin	General Revenue	5,019,755	1.0000	1.0000		5,122,477	1.0000	1.0000	51,225	
City of Henrietta	General Revenue	2,915,776	1.0000	1.0000		2,957,433	1.0000	1.0000	29,574	
	Streets	2,915,776	0.3000	0.3000	A	2,957,433	0.3000	0.3000	8,872	2013
	Fire	2,915,776	0.3000	0.3000		2,957,433	0.3000	0.3000	8,872	2012
City of Orrick	General Revenue	6,980,408	0.6791	0.6791		6,895,329	0.6889	0.6889	47,502	
	Debt Service	6,980,408	0.0000	0.0000		**	**	**		
Village of Rayville	General Revenue	796,993	0.5384	0.5000		829,164	0.5000	0.5000	4,146	
City of Richmond	General Revenue	57,700,072	0.6144	0.6144		57,807,764	0.6228	0.6228	360,027	
	Parks & Recreation	57,700,072	0.1535	0.1535		57,807,764	0.1556	0.1556	89,949	
	Debt Service	57,700,072	0.6478	0.5273		57,807,764	0.5443	0.5443	314,648	
City of Wood Heights	General Revenue	7,407,163	0.3678	0.3678		7,310,470	0.3740	0.3740	27,341	
	Debt Service	7,407,163	0.5920	0.5920		7,310,470	0.6743	0.6743	49,294	
City of Homestead Village	General Revenue	914,288	0.4859	0.4859		846,928	0.4859	0.4859	4,115	
City of Excelsior Estates	General Revenue	412,521	1.0000	1.0000		413,721	1.0000	1.0000	4,137	
City of Crystal Lakes	General Revenue	3,765,178	1.0000	1.0000		3,725,238	1.0000	1.0000	37,252	
	Streets	3,765,178	0.3000	0.3000	A	3,725,238	0.3000	0.3000	11,176	2013
City of Lawson	General Revenue	23,801,971	0.6653	0.6653		23,429,963	0.6813	0.6813	159,628	
	Debt Service	23,801,971	1.0502	1.0502		23,429,963	1.6109	1.0609	248,568	
Ray County Library District	General Revenue	274,079,437	0.1064	0.1064		275,251,318	0.1071	0.1071	294,794	
Orrick Fire Protection District	General Revenue	28,450,985	0.2993	0.1863		28,302,605	0.3000	0.1892	53,549	
Wood Heights Fire Protection Dist	General Revenue	41,947,982	0.2851	0.2851		41,663,470	0.2890	0.2890	120,407	
Lawson Community Fire & Rescue Dist	General Revenue	80,220,059	0.3000	0.3000		79,375,591	0.3000	0.3000	238,127	
	Ambulance	80,220,059	0.6852	0.6852		79,375,591	0.6852	0.6852	543,882	
Hardin Fire Protection District	General Revenue	17,145,983	0.2865	0.2865		17,759,497	0.2838	0.2838	50,401	
Stet Fire Protection District	Fire	13,994,088	0.1723	0.1723		15,147,889	0.1652	0.1652	25,024	
Ray County Health Department	General Revenue	274,079,437	0.0973	0.0973		275,251,318	0.0979	0.0979	269,471	
Stet R-XV School District	Operating Funds-Schools	7,377,925	6.0000	5.9999	BE	7,625,481	6.0000	5.9999	457,521	E
Lawson R-XIV School District	Operating Funds-Schools	65,502,737	3.2834	3.2834	E	64,809,219	3.3122	3.3122	2,146,611	E
	Debt Service	65,502,737	1.0497	0.9500		64,809,219	1.1505	0.9500	615,688	
Orrick R-XI School District	Operating Funds-Schools	21,220,318	3.9125	3.9125	E	21,045,969	3.8896	3.8896	818,604	E
	Debt Service	21,220,318	1.7719	0.7500		21,045,969	0.9029	0.7500	157,845	
Hardin-Central C-2 School District	Operating Funds-Schools	12,401,920	4.6970	4.6970	E	12,692,321	4.6908	4.6908	595,371	E
Richmond R-XVI School District	Operating Funds-Schools	102,438,095	4.0946	4.0946	E	102,218,895	4.0946	4.0946	4,185,455	E

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Ray										
Ray County	General Revenue	274,079,437	0.0000	0.0000		275,251,318	0.0000	0.0000	0	
	Hospital	274,079,437	0.1845	0.1845		275,251,318	0.1857	0.1857	511,142	
	Mental Health	274,079,437	0.0972	0.0972		275,251,318	0.0978	0.0978	269,196	
	Senate Bill 40	274,079,437	0.1845	0.1845		275,251,318	0.1857	0.1857	511,142	
	Senior Services	274,079,437	0.0500	0.0500		275,251,318	0.0500	0.0500	137,626	
	Noxious Weed	274,079,437	0.0486	0.0000		275,251,318	0.0000	0.0000	0	
Reynolds										
Reynolds County Ambulance District	General Revenue	207,721,500	0.1352	0.1351		175,816,439	0.1500	0.1351	237,528	
City of Bunker	General Revenue	1,615,476	0.5793	0.5793		1,717,496	0.5568	0.5568	9,563	
City of Centerville	General Revenue	932,601	0.3539	0.3500		904,095	0.3615	0.3500	3,164	
Reynolds County Library District	General Revenue	205,779,203	0.1196	0.1195		173,892,350	0.1419	0.1100	191,282	
Garwood Fire Protection District	General Revenue	2,542,688	0.3000	0.3000		2,511,254	0.3000	0.3000	7,534	
Northern Reynolds County Fire Prot	General Revenue	108,012,422	0.1988	0.1988		62,826,161	0.3000	0.1988	124,898	
Reynolds County Health Center	General Revenue	205,779,203	0.0940	0.0940		173,892,350	0.1000	0.1000	173,892	
Centerville R-I School District	Operating Funds-Schools	5,966,665	4.0748	4.0748	E	5,919,085	4.0937	4.0937	242,310	E
Southern Reynolds Co R-II Sch Dist	Operating Funds-Schools	28,346,459	3.7000	3.0132		34,067,274	3.1925	2.7500	936,850	
	Debt Service	28,346,459	0.8448	0.7768		34,067,274	0.7984	0.7900	269,131	
Bunker R-III School District	Operating Funds-Schools	58,065,045	2.7500	2.7500		68,209,847	2.7500	2.7500	1,875,771	
Lesterville R-IV School District	Operating Funds-Schools	106,706,434	3.6304	3.4300	E	58,914,455	3.6500	3.4300	2,020,766	E
Reynolds County	General Revenue	205,779,203	0.3726	0.3262		173,892,350	0.4424	0.3863	671,746	
	Road & Bridge	205,779,203	0.2741	0.2741		173,892,350	0.3255	0.3255	566,020	
	Senate Bill 40	205,779,203	0.0940	0.0940		173,892,350	0.1000	0.1000	173,892	
	Senior Services	205,779,203	0.0282	0.0282		173,892,350	0.0300	0.0300	52,168	
Ripley										
Ripley County Ambulance District	General Revenue	72,513,438	0.2874	0.2874		73,117,330	0.2885	0.2885	210,943	
Fourche Creek Watershed Sub Dist	General Revenue	4,104,220	0.1467	0.1467		4,263,360	0.1467	0.1467	6,254	
Bennett Special Road Dist Ripley Co	Road & Bridge	346,589	0.1772	0.1772		353,324	0.1774	0.1774	627	
Current River Sp Rd Dist Ripley Co	Road & Bridge	726,447	0.2380	0.2380		745,893	0.2380	0.2380	1,775	
Doniphan Spec Rd Dist Ripley Co	Road & Bridge	42,323,928	0.2185	0.2185		42,422,197	0.2195	0.2195	93,117	
	Special Road and Bridge	42,323,928	0.1413	0.1413		42,422,197	0.1413	0.1413	59,943	2011
Fairdealing Spec Rd Dist Ripley Co	Road & Bridge	4,299,204	0.1962	0.1962		4,372,915	0.1962	0.1962	8,580	
Flatwoods Spec Rd Dist Ripley Co	Road & Bridge	2,092,326	0.3421	0.3421		2,194,149	0.3421	0.3421	7,506	
Jordan Spec Rd Dist Ripley Co	Road & Bridge	7,790,703	0.1984	0.1984		7,881,218	0.1993	0.1993	15,707	
Little Black Spec Rd Dist Ripley Co	Road & Bridge	1,511,089	0.3209	0.3209		1,507,400	0.3235	0.3235	4,876	
Logan Creek Spec Rd Dist Ripley Co	Road & Bridge	4,366,417	0.1881	0.1881		4,310,881	0.1924	0.1924	8,294	
Mabrey Bay Spec Rd Dist Ripley Co	Road & Bridge	189,892	0.2391	0.2391		221,369	0.2093	0.2093	463	
Naylor Spec Rd Dist Ripley Co	Road & Bridge	5,283,957	0.3203	0.3203		5,256,901	0.3221	0.3221	16,932	
	Special Road and Bridge	5,283,957	0.5000	0.5000	A	5,256,901	0.5000	0.5000	26,285	2012
Oxly Spec Rd Dist Ripley Co	Road & Bridge	2,682,926	0.3209	0.3209		2,660,633	0.3241	0.3241	8,623	
Pine Bardley Spec Rd Dist Ripley Co	Road & Bridge	2,466,638	0.1868	0.1868		2,573,619	0.1868	0.1868	4,808	
Ponder Gatewood Road Dist Ripley Co	Road & Bridge	5,573,034	0.1548	0.1548		5,666,022	0.1552	0.1552	8,794	
	Special Road and Bridge	5,573,034	0.3500	0.3500	A	5,666,022	0.3500	0.3500	19,831	2012
Poynor Spec Rd Dist Ripley Co	Road & Bridge	1,946,513	0.1835	0.1835		2,000,027	0.1835	0.1835	3,670	
Pratt Spec Rd Dist Ripley Co	Road & Bridge	466,192	0.2253	0.2253		445,961	0.2354	0.2354	1,050	
Purman Spec Rd Dist Ripley Co	Road & Bridge	2,536,612	0.1606	0.1606		2,617,141	0.1606	0.1606	4,203	
	Special Road and Bridge	2,536,612	0.3000	0.3000	A	2,617,141	0.3000	0.3000	7,851	2012
Running Water Sp Rd Dist Ripley Co	Road & Bridge	352,391	0.1738	0.1715		340,427	0.1774	0.1774	604	
Tucker Bay Spec Rd Dist Ripley Co	Road & Bridge	266,830	0.1220	0.1220		380,313	0.1247	0.1247	474	
Wolfe Creek Spec Rd Dist Ripley Co	Road & Bridge	876,458	0.2622	0.2622		879,542	0.2622	0.2622	2,306	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Ripley										
Wolfe Creek Spec Rd Dist Ripley Co	Special Road and Bridge	876,458	0.1000	0.1000	A	879,542	0.0999	0.0999	879	2012
City of Doniphan	General Revenue	16,718,628	0.3819	0.3819		16,625,978	0.3850	0.3850	64,010	
	Debt Service	16,718,628	0.4112	0.0000		16,625,978	0.3976	0.0000	0	
City of Naylor	General Revenue	1,903,951	0.8404	0.8404		1,865,944	0.8577	0.8577	16,004	
Doniphan-Ripley County Library	General Revenue	86,098,146	0.1749	0.1749		86,829,932	0.1754	0.1754	152,300	
	Debt Service	86,098,146	0.0195	0.0195		86,829,932	0.0197	0.0197	17,105	
Ripley County Public Health Center	General Revenue	86,098,146	0.1442	0.1442		86,829,932	0.1446	0.1446	125,556	
Naylor R-II School District	Operating Funds-Schools	9,344,944	3.2815	3.2815	E	9,379,759	3.3145	3.3145	310,892	E
Doniphan R-I School District	Operating Funds-Schools	63,997,239	2.7500	2.7500	E	64,319,602	2.7500	2.7500	1,768,789	E
Ripley Co R-IV School District	Operating Funds-Schools	5,147,863	2.7500	2.7500	F	5,509,537	2.7500	2.7500	151,512	F
Ripley Co R-III School District	Operating Funds-Schools	4,970,438	2.7500	2.7500	E	5,067,519	2.7500	2.7500	139,357	E
Ripley County	General Revenue	86,098,146	0.3015	0.3015		86,829,932	0.3024	0.0000	0	
	Senate Bill 40	86,098,146	0.0961	0.0961		86,829,932	0.0964	0.0964	83,704	
	Senior Services	86,098,146	0.0481	0.0481		86,829,932	0.0482	0.0482	41,852	
St. Charles										
St. Charles County Ambulance Dist	General Revenue	7,353,669,110	0.1242	0.1242		7,041,837,650	0.1312	0.1312	9,238,891	
	Debt Service	7,353,669,110	0.0197	0.0197		7,041,837,650	0.0109	0.0109	767,560	
Town of Augusta	General Revenue	6,345,880	0.2089	0.2089		6,519,823	0.2066	0.2066	13,470	
	Lights	6,345,880	0.1043	0.1043		6,519,823	0.1031	0.1031	6,722	
City of Lake St. Louis	General Revenue	363,072,074	0.6317	0.5951		309,185,799	0.7225	0.5951	1,839,965	
	Debt Service	363,072,074	0.3994	0.3994		309,185,799	0.5741	0.4217	1,303,837	
City of O'Fallon	General Revenue	1,542,411,246	0.3562	0.3562		1,503,598,213	0.3719	0.3562	5,355,817	
	Parks & Recreation	1,542,411,246	0.0000	0.0000		1,503,598,213	0.0000	0.0000	0	
	Debt Service	1,542,411,246	0.1276	0.1276		1,503,598,213	0.1995	0.1276	1,918,591	
City of Portage Des Sioux	General Revenue	4,768,063	0.6900	0.6900		4,642,727	0.6900	0.6900	32,035	
	Debt Service	4,768,063	0.1648	0.1648		4,642,727	0.3589	0.3589	16,663	
City of St. Charles	General Revenue	1,297,837,428	0.5287	0.5000		1,246,171,592	0.5256	0.5183	6,458,907	
	Parks & Recreation	1,297,837,428	0.2379	0.2250		1,246,171,592	0.2365	0.2319	2,889,872	
	Debt Service	1,297,837,428	0.2620	0.1560		1,246,171,592	0.2052	0.1613	2,010,075	
City of St. Peters	General Revenue	1,045,017,010	0.5759	0.5759		1,014,588,944	0.6002	0.5759	5,843,018	
	Debt Service	1,045,017,010	0.4132	0.1941		1,014,588,944	0.2912	0.1941	1,969,317	
City of Wentzville	General Revenue	616,563,366	0.9139	0.8325		593,397,958	0.8803	0.8218	4,876,544	
	Parks & Recreation	616,563,366	0.0823	0.0750		593,397,958	0.0793	0.0740	439,114	
City of St. Paul	General Revenue	45,067,982	0.1814	0.1814		38,407,939	0.2148	0.2148	82,500	
Town of Weldon Springs Heights	General Revenue	2,065,456	0.5000	0.4481		2,144,448	0.4666	0.4481	9,609	
City of New Melle	General Revenue	13,939,306	0.2320	0.2320		13,190,881	0.2481	0.2481	32,727	
City of Cottleville	General Revenue	85,822,233	0.3333	0.3164		85,457,529	0.3287	0.3164	270,388	
City of Dardenne Prairie	General Revenue	244,884,405	0.1236	0.1159		240,184,509	0.1218	0.1159	278,374	
St. Charles City-County Library	General Revenue	7,353,669,110	0.2065	0.2065		7,041,837,650	0.2181	0.2181	15,358,248	
Cottleville Com Fire Prot District	General Revenue	1,175,236,197	0.4808	0.4808		1,132,310,731	0.5048	0.5048	5,715,905	
	Pension	1,175,236,197	0.0843	0.0843		1,132,310,731	0.0885	0.0885	1,002,095	
	Debt Service	1,175,236,197	0.0826	0.0626		1,132,310,731	0.0905	0.0342	387,250	
Lake St. Louis Fire Protection Dist	General Revenue	252,685,525	0.5371	0.5371		248,872,900	0.5371	0.5371	1,336,696	
	Pension	252,685,525	0.0259	0.0259		248,872,900	0.0270	0.0270	67,196	
O'Fallon Fire Protection District	General Revenue	1,366,749,028	0.5536	0.5536		1,330,633,155	0.5734	0.5734	7,629,851	
	Pension	1,366,749,028	0.0400	0.0400		1,330,633,155	0.0414	0.0414	550,882	
Wentzville Fire Protection Dist 13	General Revenue	1,312,937,637	0.4592	0.4592		1,264,759,675	0.4858	0.4858	6,144,203	
Augusta Fire Protection District	General Revenue	48,051,794	0.2352	0.2352		48,735,182	0.2352	0.2352	114,625	
New Melle Fire Protection District	General Revenue	202,293,220	0.4884	0.4884		196,974,467	0.5082	0.5082	1,001,024	
Orchard Farm Fire Protection Dist	General Revenue	30,833,486	0.3000	0.3000		30,566,989	0.2883	0.2883	88,125	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year	
St. Charles											
Central County Fire and Rescue	General Revenue	1,532,678,774	0.7184	0.7474	D	1,489,368,882	0.7637	0.7637	11,374,310		
	Pension	1,532,678,774	0.0432	0.0432		1,489,368,882	0.0447	0.0447	665,748		
	Debt Service	1,532,678,774	0.0564	0.0564		1,489,368,882	0.0423	0.0423	630,003		
Rivers Pointe Fire Protection Dist	Fire	132,311,212	0.2019	0.2000		51,979,548	0.1951	0.1951	101,412		
Elm & 370 CID	General Revenue - Temp	926,720	1.0000	1.0000	A	856,010	1.0000	1.0000	8,560		2029
St. Charles Co. Community College	General Revenue	7,312,366,736	0.1796	0.1796		7,000,069,606	0.1796	0.1796	12,572,125		
	Debt Service	7,312,366,736	0.0938	0.0400		7,000,069,606	0.0893	0.0400	2,800,028		
Fort Zumwalt R-II School District	Operating Funds-Schools	2,056,956,278	3.9768	3.9768	E	1,992,471,182	4.1411	4.1411	82,510,224	E	
	Debt Service	2,056,956,278	0.6200	0.6200		1,992,471,182	0.6200	0.6200	12,353,321		
Francis Howell R-III School Dist	Operating Funds-Schools	2,288,877,713	4.1295	4.1295	E	2,217,020,970	4.3139	4.2639	94,531,557	E	
	Operating Funds - Temp	2,288,877,713	0.2000	0.2000		2,217,020,970	0.2000	0.2000	4,434,042		2013
	Debt Service	2,288,877,713	0.6713	0.6713		2,217,020,970	0.6713	0.6713	14,882,862		
Wentzville R-IV School District	Operating Funds-Schools	1,508,130,429	3.8172	3.8172	E	1,452,601,719	3.9191	3.9191	56,928,914	E	
	Operating - Temp	**	**	**		1,452,601,719	0.3219	0.3000	4,357,805	A	2030
	Debt Service	1,508,130,429	0.8892	0.7700		1,452,601,719	1.2926	0.7700	11,185,033		
St. Charles R-VI School District	Operating Funds-Schools	936,253,254	3.8162	3.8162	E	888,943,884	4.2319	4.2319	37,619,216	BE	
	Debt Service	936,253,254	0.8392	0.7400		888,943,884	0.9797	0.6100	5,422,558		
St. Charles Co R-V School District	Operating Funds-Schools	364,569,272	4.0038	3.8875		270,861,080	4.1617	4.0276	10,909,201		
	Debt Service	364,569,272	0.7300	0.7300		270,861,080	0.7307	0.7300	1,977,286		
St. Charles County	General Revenue	7,353,669,110	0.1630	0.0016		7,041,837,650	0.1619	0.0016	112,669		
	Johnson Grass	7,353,669,110	0.0000	0.0000		7,041,837,650	0.0000	0.0000	0		
	Road & Bridge	7,353,669,110	0.2149	0.2025		7,041,837,650	0.2139	0.2025	14,259,721		
	Senate Bill 40	7,353,669,110	0.1324	0.1324		7,041,837,650	0.1398	0.1398	9,844,489		
	Dispatch	7,353,669,110	0.0414	0.0390		7,041,837,650	0.0412	0.0390	2,746,317		
St. Clair											
Ellett Memorial Hospital District	General Revenue	36,792,985	0.4914	0.4914		37,187,468	0.4914	0.4914	182,739		
St. Clair County Hospital Dist #1	General Revenue	70,426,846	0.4786	0.4786		70,271,673	0.4786	0.4786	336,320		2019
Chloe Spec Rd Dist St. Clair Co	Special Road and Bridge	2,250,360	0.2899	0.2899		**	**	**			2010
	Special Road and Bridge	**	**	**		2,317,734	0.0029	0.0029	67	A	2014
Collins Spec Rd Dist St. Clair Co	Special Road and Bridge	6,783,157	0.2800	0.2800	A	6,766,696	0.2800	0.2800	18,947		2013
Hillsdale Spec Rd Dist St. Clair Co	Special Road and Bridge	1,533,402	0.3500	0.3500		1,585,193	0.3500	0.3500	5,548		2012
Lowry City Sp Rd Dist St. Clair Co	Special Road and Bridge	4,500,292	0.2970	0.2970		**	**	**			2010
	Special Road and Bridge	**	**	**		4,302,309	0.3404	0.3404	14,645	A	2014
Osceola Spec Rd Dist St. Clair Co	Special Road and Bridge	15,296,242	0.3003	0.3003		**	**	**			2010
	Special Road and Bridge	**	**	**		15,306,359	0.3173	0.3173	48,567	A	2014
Vista Spec Rd Dist St. Clair Co	Special Road and Bridge	3,480,463	0.5410	0.5410		3,593,362	0.5410	0.5410	19,440		2011
City of Appleton City	General Revenue	8,248,504	0.6589	0.6589		8,067,999	0.6756	0.6756	54,507		
	Parks & Recreation	8,248,504	0.3500	0.3500		8,067,999	0.3500	0.3500	28,238		
	Library	8,248,504	0.2000	0.2000		8,067,999	0.2000	0.2000	16,136		
	Police & Fire	8,248,504	0.2019	0.2019		8,067,999	0.2070	0.2070	16,701		
City of Lowry City	General Revenue	4,511,485	0.5984	0.5984		4,287,944	0.6308	0.6308	27,048		
	Lights	4,511,485	0.1857	0.1857		4,287,944	0.1957	0.1957	8,392		
	Health	4,511,485	0.1546	0.0000		4,287,944	0.0000	0.0000	0		
City of Osceola	General Revenue	5,837,178	0.6949	0.6949		5,671,756	0.7176	0.7176	40,701		
	Parks & Recreation	5,837,178	0.0971	0.0971		5,671,756	0.1000	0.1000	5,672		
Village of Roscoe	General Revenue	602,103	0.4589	0.4589		653,257	0.4376	0.4376	2,859		
St. Clair County Library	General Revenue	91,985,485	0.1878	0.1878		91,942,757	0.1900	0.1900	174,691		
Iconium Fire Protection District	General Revenue	9,656,616	0.2481	0.2481		9,960,545	0.2481	0.2481	24,712		
Sac Osage Fire Protection District	General Revenue	28,333,633	0.2368	0.2368		27,780,204	0.2439	0.2439	67,756		
St. Clair County Health Center	General Revenue	100,223,344	0.2026	0.2026		100,010,755	0.2052	0.2052	205,222		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
St. Clair											
Appleton City R-II School District	Operating Funds-Schools	24,006,525	3.9010	3.9010	E	24,314,506	3.8718	3.8718	941,409	E	
Roscoe C-1 School District	Operating Funds-Schools	6,533,731	3.3317	3.3317	E	6,414,512	3.3874	3.3874	217,285	E	
	Debt Service	6,533,731	0.7401	0.7401		6,414,512	0.5788	0.5787	37,121		
Lakeland R-III School District	Operating Funds-Schools	28,331,539	3.2058	3.1951	E	28,906,146	3.1453	3.1453	909,185	E	
	Debt Service	28,331,539	1.4458	0.6794		28,906,136	0.7820	0.7292	210,784		
Osceola School District	Operating Funds-Schools	29,017,318	2.2470	2.2470	E	28,603,420	2.3043	2.2503	643,663	E	
	Building-Temporary	29,017,318	1.5534	1.5462		28,603,420	1.5968	1.5429	441,322		2026
St. Clair County	General Revenue	100,223,344	0.4761	0.3453		100,010,755	0.4822	0.3500	350,038		
	Road & Bridge	100,223,344	0.2778	0.2778		100,010,755	0.2814	0.2800	280,030		
	Common Road District	53,778,292	0.3080	0.3080		**	**	**			2010
	Common Road District	**	**	**		53,462,146	0.3307	0.3200	171,079	A	2014
St. Francois											
Flat River Sp Rd #2 St. Francois Co	Road & Bridge	31,819,183	0.2243	0.2243		31,742,211	0.2255	0.2255	71,579		
City of Bismarck	General Revenue	9,218,095	0.4865	0.4865		9,185,661	0.4884	0.4884	44,863		
	Health	9,218,095	0.1511	0.1500		9,185,661	0.1506	0.1500	13,778		
City of Desloge	General Revenue	36,306,192	0.4206	0.4206		48,028,955	0.4206	0.4206	202,010		
City of Farmington	General Revenue	179,380,284	0.4421	0.4421		182,042,079	0.4441	0.4441	808,449		
City of Leadington	General Revenue	8,698,668	0.3642	0.3407		19,484,400	0.3492	0.3492	68,040		
City of Leadwood	General Revenue	4,851,920	0.8234	0.8234		5,166,697	0.8234	0.8234	42,543		
	Debt Service	4,851,920	0.9125	0.9125		5,166,697	0.9106	0.9106	47,048		
City of Iron Mountain Lake	General Revenue	2,889,933	0.7165	0.7165		2,904,653	0.7196	0.7196	20,902		
	Debt Service	2,889,933	1.7163	1.7163		2,904,653	2.1655	2.1655	62,900		
City of Park Hills	General Revenue	51,225,088	0.6206	0.6206		54,702,591	0.6208	0.6208	339,594		
Leadwood Fire Protection District	General Revenue	14,078,472	0.5308	0.5308		14,283,376	0.5308	0.5308	75,816		
Doe Run Fire Protection District	General Revenue	44,680,041	0.3162	0.3162		46,162,998	0.3162	0.3162	145,967		
St. Francois County Health Center	General Revenue	656,101,489	0.0901	0.0901		667,116,273	0.0901	0.0901	601,072		
Mineral Area College	General Revenue	771,817,111	0.3420	0.3420		811,095,710	0.3420	0.3420	2,773,947		
	Debt Service	771,817,111	0.1390	0.1300		811,095,710	0.2488	0.1300	1,054,424		
Bismarck R-V School District	Operating Funds-Schools	25,755,366	3.3885	3.3885	E	24,887,225	3.5698	3.5698	888,424	E	
	Debt Service	25,755,366	0.8496	0.6000		24,887,225	1.0741	0.6500	161,767		
Farmington R-VII School District	Operating Funds-Schools	306,323,464	2.8990	2.8990	E	311,283,205	2.8901	2.8901	8,996,396	E	
	Debt Service	306,323,464	0.8262	0.6200		311,283,205	0.9278	0.9000	2,801,549		
North St. Francois Co R-I Sch Dist	Operating Funds-Schools	159,145,523	3.3400	3.1424	E	158,550,579	3.1797	3.1797	5,041,433	E	
	Debt Service	159,145,523	1.2422	1.2422		158,550,579	1.1835	1.1835	1,876,446		
Central R-III School District	Operating Funds-Schools	92,165,655	3.2565	3.1862	E	92,403,002	3.1384	3.1384	2,899,976	E	
	Debt Service	92,165,655	1.1883	0.8721		92,403,002	1.3073	0.9199	850,015		
West St. Francois Co R-IV Sch Dist	Operating Funds-Schools	42,600,450	3.1675	3.1675	E	43,176,599	3.1302	3.1302	1,351,514	E	
	Debt Service	42,600,450	1.3143	0.8825		43,176,599	1.2090	0.9198	397,138		
St. Francois County	General Revenue	656,101,489	0.3241	0.0751		667,116,273	0.3241	0.0751	501,004		
	Road & Bridge	623,787,414	0.2441	0.2441		635,135,553	0.2441	0.2441	1,550,366		
	Ambulance	656,101,489	0.0000	0.0000		667,116,273	0.0000	0.0000	0		
	Developmentally Disabled	656,101,489	0.0901	0.0901		667,116,273	0.0901	0.0901	601,072		
	Senior Services	656,101,489	0.0488	0.0488		667,116,273	0.0488	0.0488	325,553		
Ste. Genevieve											
City of Bloomsdale	General Revenue	7,932,842	0.3027	0.3027		8,082,602	0.3039	0.3039	24,563		
City of St. Mary	General Revenue	5,001,380	0.9509	0.9509		5,149,396	0.9509	0.9509	48,966		
City of Ste. Genevieve	General Revenue	58,653,511	0.4632	0.4632		66,762,673	0.4182	0.4182	279,201		
	Parks & Recreation	58,653,511	0.1204	0.1204		66,762,673	0.1087	0.1087	72,571		
	Band	58,653,511	0.0743	0.0743		66,762,673	0.0671	0.0671	44,798		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year	
Ste. Genevieve											
City of Ste. Genevieve	Cemetery	58,653,511	0.0462	0.0462		66,762,673	0.0417	0.0417	27,840		
Ste. Genevieve County Library	General Revenue	366,449,907	0.0943	0.0943		389,747,899	0.0943	0.0943	367,532		
Ste. Genevieve County Health Dept	General Revenue	366,449,907	0.0943	0.0943		389,747,899	0.0943	0.0943	367,532		
Ste. Genevieve Co R-II School Dist	Operating Funds-Schools	303,244,506	3.0090	3.0090	E	319,354,379	3.0310	3.0439	9,720,828	EC	
	Debt Service	303,244,506	0.2896	0.2600		319,354,379	0.5361	0.2600	830,321		
Ste. Genevieve County	General Revenue	366,449,907	0.3509	0.2445		389,747,899	0.3509	0.2393	932,667		
	Road & Bridge	366,449,907	0.2655	0.2470		389,747,899	0.2470	0.2470	962,677		
	Hospital	366,449,907	0.1614	0.1614		389,747,899	0.1614	0.1614	629,053		
	Ambulance	366,449,907	0.1329	0.0482		389,747,899	0.1329	0.0400	155,899		
	Mental Health	366,449,907	0.0943	0.0943		389,747,899	0.0943	0.0943	367,532		
	Senate Bill 40	366,449,907	0.0657	0.0600		389,747,899	0.0600	0.0600	233,849		
	Senior Services	366,449,907	0.0354	0.0300		389,747,899	0.0300	0.0300	116,924		
St. Louis											
Eureka Fire Protection District	General Revenue	373,213,636	0.6368	0.6368		358,332,987	0.6708	0.6643	2,380,406		
	Ambulance	373,213,636	0.2564	0.2564		358,332,987	0.2701	0.2675	958,541		
	Pension	373,213,636	0.0856	0.0856		358,332,987	0.0902	0.0893	319,991		
	Dispatch	373,213,636	0.0255	0.0255		358,332,987	0.0269	0.0266	95,317		
	Debt Service	373,213,636	0.1500	0.1500		358,332,987	0.1500	0.1500	537,499		
Metropolitan Sewer Dist St Louis Co	Gen Revenue-Gen Adm	27,239,507,407	0.0180	0.0180		26,631,671,056	0.0185	0.0185	4,926,859		
	General Revenue-Storm	16,248,769,532	0.0612	0.0610		15,769,387,618	0.0633	0.0633	9,982,022		
Metro Zoological Park & Museum Dist	Art Museum	27,394,977,218	0.0727	0.0727		26,241,351,536	0.0764	0.0764	20,048,393		
	Botanical Garden	27,394,977,218	0.0363	0.0364	C	26,241,351,536	0.0381	0.0381	9,997,955		
	Museum of Mo. History	27,394,977,218	0.0363	0.0364	C	26,241,351,536	0.0381	0.0381	9,997,955		
	Museum of Nat. History	27,394,977,218	0.0363	0.0364	C	26,241,351,536	0.0381	0.0381	9,997,955		
	Zoological Park	27,394,977,218	0.0727	0.0727		26,241,351,536	0.0764	0.0764	20,048,393		
Rockwood R-VI School District	Operating Funds-Schools	3,384,944,910	3.5556	3.5952	EC	3,238,428,396	3.7416	3.7830	122,509,746	EC	
	Debt Service	3,384,944,910	0.6871	0.6800		3,238,428,396	0.6866	0.6800	22,021,313		
Special Sch Dist of St. Louis Co	Operating Funds-Schools	23,061,071,425	1.0002	0.9950	C	22,062,262,719	1.0035	1.0125	223,380,410	C	
Saline											
Saline Co Ambulance Dist No 3	General Revenue	200,789,218	0.2008	0.2008		208,445,310	0.1990	0.1990	414,806		
Slater Ambulance District No 1	General Revenue	39,537,214	0.3520	0.3520		43,355,091	0.3351	0.3351	145,283		
Sweet Springs Ambulance District	General Revenue	52,355,158	0.3433	0.3200		55,807,007	0.3062	0.3062	170,881		
Blackburn Elmwood Sp Rd Saline Co	Road & Bridge	6,391,805	0.3242	0.3242		7,330,856	0.2885	0.2885	21,150		
	Special Road and Bridge	6,391,805	0.3382	0.3382	A	7,330,856	0.3010	0.3010	22,066		2013
	Debt Service	6,391,805	0.2484	0.2484		**	**	**			
Gilliam Spec Rd Dist Saline Co	Road & Bridge	6,557,231	0.3500	0.3500		9,320,858	0.2948	0.2948	27,478		
	Special Road and Bridge	6,557,231	0.2900	0.2900		9,320,858	0.2442	0.2442	22,762		2012
Grand Pass Spec Road Dist Saline Co	Road & Bridge	4,417,828	0.3018	0.3018		4,931,757	0.2811	0.2811	13,863		
	Special Road and Bridge	4,417,828	0.3441	0.3441		**	**	**			2010
	Special Road and Bridge	**	**	**		4,931,757	0.3600	0.3600	17,754	A	2014
Marshall Spec Rd Dist Saline Co	Road & Bridge	143,758,854	0.2524	0.2524		146,942,374	0.2524	0.2524	370,883		
	Special Road and Bridge	**	**	**		146,942,374	0.2720	0.2720	399,683	A	2014
Slater Spec Rd Dist Saline Co	Road & Bridge	24,725,059	0.3206	0.3206		26,471,399	0.3108	0.3108	82,273		
	Special Road and Bridge	24,725,059	0.3482	0.3482	A	26,471,399	0.3376	0.3376	89,367		2013
Sweet Springs Sp Rd Dist Saline Co	Road & Bridge	23,594,349	0.3095	0.3095		24,175,954	0.3081	0.3081	74,486		
	Special Road and Bridge	23,594,349	0.2879	0.2879		24,175,954	0.2866	0.2866	69,288		2012
Malta Bend Spec Rd Dist Saline Co	Road & Bridge	11,572,376	0.3303	0.3303		13,860,997	0.2884	0.2884	39,975		
	Special Road and Bridge	11,572,376	0.2831	0.2831		13,860,997	0.2472	0.2472	34,264		2012
Village of Arrow Rock	General Revenue	1,228,194	0.2541	0.2541		1,273,882	0.2513	0.2513	3,201		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Saline											
Village of Arrow Rock	General Revenue-Temp	1,228,194	0.2570	0.2570		1,273,882	0.2541	0.2541	3,237		2011
City of Blackburn	General Revenue	1,771,701	0.5792	0.5792		1,793,492	0.5827	0.5827	10,451		
	Lights	1,771,701	0.1177	0.1177		1,793,492	0.1184	0.1184	2,123		
	General Revenue - Temp	1,771,701	0.2900	0.2900	A	1,793,492	0.2900	0.2900	5,201		2013
City of Gilliam	General Revenue	913,647	0.7500	0.7500		956,658	0.7274	0.7274	6,959		
	Lights	913,647	0.4000	0.4000		956,658	0.3880	0.3880	3,712		
Village of Grand Pass	General Revenue	414,636	0.4658	0.4658		417,344	0.4658	0.4658	1,944		
City of Malta Bend	General Revenue	1,427,591	0.7426	0.7426		1,569,873	0.7426	0.7426	11,658		
City of Marshall	General Revenue	124,271,827	0.6431	0.6431		125,798,318	0.6431	0.6431	809,009		
	Parks & Recreation	124,271,827	0.2780	0.2780		125,798,318	0.2780	0.2780	349,719		
	Library	124,271,827	0.1651	0.1651		125,798,318	0.1651	0.1651	207,693		
	Band	124,271,827	0.0431	0.0431		125,798,318	0.0431	0.0431	54,219		
City of Miami	General Revenue	1,042,495	0.4977	0.4977		1,070,179	0.4921	0.4921	5,266		
	Streets	1,042,495	0.6470	0.6470		1,070,179	0.6397	0.6397	6,846		
Village of Mount Leonard	General Revenue	280,350	0.9916	0.9916		281,063	0.9918	0.9918	2,788		
City of Nelson	General Revenue	972,776	0.7547	0.7547		1,018,638	0.7466	0.7466	7,605		
City of Slater	General Revenue	12,688,379	0.7615	0.7615		12,965,306	0.7615	0.7615	98,731		
	Parks & Recreation	12,688,379	0.2000	0.2000		12,965,306	0.2000	0.2000	25,931		
	Library	12,688,379	0.2380	0.2380		12,965,306	0.2380	0.2380	30,857		
City of Sweet Springs	General Revenue	12,871,058	0.6866	0.6866		13,121,050	0.6866	0.6866	90,089		
	Parks & Recreation	12,871,058	0.3263	0.3263		13,121,050	0.3263	0.3263	42,814		
	Library	12,871,058	0.1800	0.1800		13,121,050	0.1800	0.1800	23,618		
	Debt Service	12,871,058	0.1758	0.1758		13,121,050	0.0824	0.0824	10,812		
City of Emma	General Revenue	1,852,015	0.5000	0.5000		1,968,611	0.4859	0.4859	9,565		
Malta Bend Fire Protection District	General Revenue	11,946,076	0.2781	0.2781		14,030,922	0.2494	0.2494	34,993		
West Central FPD	General Revenue	**	**	**		38,612,793	0.3000	0.3000	115,838	A	
Saline County Health Department	General Revenue	280,903,748	0.1341	0.1341		297,079,905	0.1307	0.1307	388,283		
Miami R-I School District	Operating Funds-Schools	9,582,330	3.7437	3.7437	E	9,397,849	3.8020	3.8020	357,306	E	
Orearville R-IV School District	Operating Funds-Schools	5,806,580	3.9298	3.9298	E	6,135,272	5.2249	5.2249	320,562	BE	
	Debt Service	5,806,580	0.3130	0.2800		6,135,272	0.2935	0.2935	18,007		
Malta Bend R-V School District	Operating Funds-Schools	9,921,774	4.4528	4.4528	E	10,451,085	4.4164	4.4164	461,562	E	
	Debt Service	9,921,774	0.6458	0.6458		10,451,085	1.3816	0.6458	67,493		
Hardeman R-X School District	Operating Funds-Schools	7,761,980	3.6307	3.6307	E	7,862,847	4.8221	4.2017	330,373	BE	
	Debt Service	7,761,980	1.1412	1.0807		7,862,847	0.7019	0.6204	48,781		
Gilliam C-4 School District	Operating Funds-Schools	2,983,884	4.5844	4.5844	E	3,048,273	4.5539	4.5539	138,815	E	
Marshall School District	Operating Funds-Schools	151,936,401	3.1693	3.1693	E	152,898,192	3.0983	3.0983	4,737,245	E	
Slater School District	Operating Funds-Schools	18,049,309	3.9813	3.9813	E	18,125,318	3.8906	3.8906	705,184	E	
	Debt Service	18,049,309	0.6236	0.5612		18,125,318	0.6440	0.5612	101,719		
Sweet Springs R-VII School District	Operating Funds-Schools	28,958,690	3.8519	3.4900	E	29,166,835	3.4264	3.3500	977,089	E	
	Debt Service	28,958,690	1.2661	0.6400		29,166,835	1.1954	0.6400	186,668		
Saline County	General Revenue	280,903,748	0.3831	0.1916		297,079,905	0.1867	0.1867	554,648		
	Common Road District	59,996,984	0.2787	0.2787		63,860,016	0.2669	0.2669	170,442		
	Special Road and Bridge	59,996,984	0.3329	0.3329		**	**	**			2010
	Senate Bill 40	280,903,748	0.0599	0.0599		297,079,905	0.0584	0.0584	173,495		
	Common Road - Temp	59,996,984	0.2312	0.2312	A	63,860,016	0.2214	0.2214	141,386		2013
	Special Road and Bridge	**	**	**		63,860,016	0.3600	0.3600	229,896	A	2014
Schuyler											
Schuyler County Ambulance District	General Revenue	39,630,732	0.4000	0.4000		41,069,470	0.3998	0.3998	164,196		
Schuyler County Nursing Home Dist	General Revenue	39,630,732	0.1500	0.1000		41,069,470	0.1000	0.1000	41,069		
City of Downing	General Revenue	1,739,959	1.0000	1.0000		1,753,966	1.0000	1.0000	17,540		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Schuyler										
Village of Glenwood	General Revenue	1,018,189	0.5000	0.5000		1,017,650	0.5000	0.5000	5,088	
	Debt Service	1,018,189	0.2882	0.2882		1,017,650	0.3319	0.3319	3,378	
City of Greentop	General Revenue	2,625,546	0.9332	0.9332		2,715,422	0.9313	0.9313	25,289	
City of Lancaster	General Revenue	4,810,454	0.8974	0.8974		4,835,107	0.8974	0.8974	43,390	
	Parks & Recreation	4,810,454	0.1960	0.1960		4,835,107	0.1960	0.1960	9,477	
City of Queen City	General Revenue	2,903,598	1.0000	1.0000		3,041,541	0.9775	0.9775	29,731	
Schuyler County Library	General Revenue	39,630,732	0.1500	0.1500		41,069,470	0.1499	0.1499	61,563	
Schuyler County Health Department	General Revenue	39,630,732	0.3000	0.2850		41,069,470	0.2849	0.2849	117,007	
Schuyler Co R-I School District	Operating Funds-Schools	35,308,554	3.4300	2.7500	F	36,801,637	3.4252	3.4150	1,256,776	E
	Debt Service	35,308,554	1.0343	0.7700		36,801,637	1.3403	0.7700	283,373	
Schuyler County	General Revenue	39,630,732	0.5000	0.3225		41,069,470	0.4998	0.3383	138,938	
	Common Road District	39,630,732	0.4765	0.4765		41,069,470	0.4763	0.4763	195,614	
	Special Road and Bridge	39,630,732	0.2600	0.2600		41,069,470	0.2599	0.2599	106,740	2011
	Senior Services	39,630,732	0.0500	0.0500		41,069,470	0.0500	0.0500	20,535	
Scotland										
Scotland County Ambulance District	General Revenue	40,273,112	0.2500	0.2500		60,988,604	0.2472	0.2472	150,764	
Scotland County Memorial Hosp Dist	General Revenue	40,273,112	0.5000	0.5000		60,988,604	0.4945	0.4945	301,589	
Scotland County Nursing Home Dist	General Revenue	40,273,112	0.3000	0.3000		60,988,604	0.2967	0.2967	180,953	
Bear Creek Watershed Subdistrict	General Revenue	1,066,040	0.3957	0.3957		1,063,437	0.3966	0.3966	4,218	
Village of Arbela	General Revenue	184,688	0.5000	0.5000		180,715	0.5000	0.5000	904	
Village of Granger	General Revenue	213,582	0.6616	0.6400		216,323	0.6652	0.6400	1,384	
City of Memphis	General Revenue	14,440,848	0.3079	0.2986		14,671,717	0.3059	0.2974	43,634	
	Streets	14,440,848	0.3506	0.3400		14,671,717	0.3483	0.3400	49,884	
	Fire	14,440,848	0.1341	0.1300		14,671,717	0.1332	0.1300	19,073	
	Cemetery	14,440,848	0.0515	0.0500		14,671,717	0.0512	0.0512	7,512	
	Swimming Pool	14,440,848	0.1871	0.1814		14,671,717	0.1858	0.1814	26,614	
Village of Rutledge	General Revenue	467,642	0.4033	0.4030		307,700	0.5000	0.4030	1,240	
City of South Gorin	General Revenue	693,057	0.7773	0.7773		722,143	0.7650	0.7650	5,524	
	Fire	693,057	0.1944	0.1944		722,143	0.1913	0.1913	1,381	
Scotland County Library District	General Revenue	40,273,112	0.1900	0.1900		60,988,604	0.1879	0.1879	114,598	
Scotland County Health Department	General Revenue	40,273,112	0.1500	0.1500		60,988,604	0.1483	0.1483	90,446	
Gorin R-III School District	Operating Funds-Schools	4,057,121	4.9834	4.7616		4,233,876	4.6946	4.6946	198,764	
Scotland Co R-I School District	Operating Funds-Schools	48,962,575	3.6321	3.3600	E	50,643,225	3.3243	3.2984	1,670,416	E
Scotland County	General Revenue	40,273,112	0.5000	0.5000		60,988,604	0.4945	0.4945	301,589	
	Road & Bridge	40,273,112	0.3500	0.3500		60,988,604	0.3462	0.3462	211,143	
	Special Road and Bridge	40,273,112	0.3100	0.3100		60,988,604	0.3067	0.3067	187,052	2011
Scott										
Southern Scott Co Ambulance Dist	General Revenue	229,371,969	0.3000	0.3000		234,500,138	0.3000	0.3000	703,500	
North Scott Co Ambulance District	General Revenue	173,697,712	0.3000	0.3000		178,517,956	0.2987	0.2987	533,233	
Illmo Special Road Dist Scott Co	Road & Bridge	55,511,727	0.3402	0.3402		56,651,861	0.3402	0.3402	192,730	
Sikeston Special Road Dist Scott Co	Road & Bridge	194,024,600	0.1800	0.1800		198,339,748	0.1800	0.1800	357,012	
City of Benton	General Revenue	7,317,359	0.6069	0.6069		7,700,343	0.6010	0.6010	46,279	
	Parks & Recreation	7,317,359	0.1885	0.1885		7,700,343	0.1867	0.1867	14,377	
Village of Blodgett	General Revenue	1,197,459	0.2916	0.2800		1,244,820	0.2752	0.2752	3,426	
City of Chaffee	General Revenue	17,259,111	0.7912	0.7912		17,695,001	0.7912	0.7912	140,003	
	Parks & Recreation	17,259,111	0.1687	0.1687		17,695,001	0.1687	0.1687	29,851	
	Library	17,259,111	0.1687	0.1687		17,695,001	0.1687	0.1687	29,851	
Village of Commerce	General Revenue	700,314	0.5000	0.5000		694,747	0.5000	0.5000	3,474	
Village of Diehlstadt	General Revenue	530,537	0.3664	0.3441		538,381	0.3442	0.3441	1,853	

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Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Scott										
Village of Haywood City	General Revenue	500,138	0.4750	0.4750		474,004	0.5000	0.5000	2,370	
Village of Kelso	General Revenue	5,591,323	0.5000	0.5000		5,692,909	0.5000	0.5000	28,465	
	Fire	5,591,323	0.1300	0.1300	A	5,692,909	0.1300	0.1300	7,401	2013
City of Miner	General Revenue	22,868,911	0.3349	0.3000		22,133,440	0.3103	0.3000	66,400	
City of Morley	General Revenue	4,016,904	0.6559	0.6559		4,231,316	0.6553	0.6553	27,728	
City of Oran	General Revenue	7,956,483	0.6414	0.6414		8,012,466	0.6414	0.6414	51,392	
	Parks & Recreation	7,956,483	0.1926	0.1926		8,012,466	0.1926	0.1926	15,432	
City of Scott City	General Revenue	41,432,842	0.5127	0.5127		42,296,565	0.5127	0.5127	216,854	
	Parks & Recreation	41,432,842	0.1831	0.1831		42,296,565	0.1831	0.1831	77,445	
	Cemetery	41,432,842	0.0500	0.0500		42,296,565	0.0500	0.0500	21,148	
	Debt Service	41,432,842	0.3637	0.3637		42,296,565	0.1140	0.1140	48,218	
Village of Vanduser	General Revenue	1,164,418	0.3910	0.3910		1,216,001	0.3885	0.3885	4,724	
	Fire	1,164,418	0.1000	0.1000		1,216,001	0.0993	0.0993	1,207	
City of Sikeston	General Revenue	188,207,536	0.3936	0.3936		188,408,631	0.3998	0.3998	753,258	
	Parks & Recreation	188,207,536	0.1715	0.1715		188,408,631	0.1742	0.1742	328,208	
	Library	188,207,536	0.1715	0.1715		188,408,631	0.1742	0.1742	328,208	
Scott County Library	General Revenue	274,099,777	0.0963	0.0963		282,097,573	0.0959	0.0959	270,532	
Sikeston Fire Protection District	General Revenue	44,837,367	0.1204	0.1200		46,853,723	0.1193	0.1193	55,896	
NBC Fire Protection District	General Revenue	42,728,321	0.2995	0.2995		43,321,743	0.2995	0.2995	129,749	
Scott County Rural Fire Prot Dist	General Revenue	38,211,032	0.3000	0.3000		38,849,089	0.3000	0.3000	116,547	
Oran Fire Protection District	General Revenue	15,301,921	0.4019	0.4019		15,126,277	0.4019	0.4019	60,793	
Scott County Health Department	General Revenue	403,069,681	0.1000	0.1000		413,018,091	0.1000	0.1000	413,018	
Scott City R-I School District	Operating Funds-Schools	51,078,450	3.2903	3.2903	E	51,567,030	3.2694	3.2694	1,685,932	E
	Debt Service	51,078,450	0.7001	0.4900		51,567,030	0.8008	0.4900	252,678	
Chaffee R-II School District	Operating Funds-Schools	22,796,170	2.8950	2.8949	E	23,064,260	2.8666	2.8666	661,160	E
	Debt Service	22,796,170	2.0172	1.1500		23,064,260	2.0704	1.2500	288,303	
Scott Co R-IV School District	Operating Funds-Schools	53,674,289	2.7500	2.7500	E	54,545,469	2.7500	2.7500	1,500,000	E
	Debt Service	53,674,289	0.5787	0.4200		54,545,469	0.6191	0.4200	229,091	
Scott Co R-V School District	Operating Funds-Schools	14,299,950	3.7500	3.6457	BE	14,909,420	3.6463	3.6457	543,553	E
	Debt Service	14,299,950	1.4155	0.7000		14,909,420	0.9417	0.7000	104,366	
Sikeston R-VI School District	Operating Funds-Schools	212,880,520	3.6595	3.6500	E	216,765,861	3.6336	3.6300	7,868,601	E
	Debt Service	212,880,520	0.1575	0.1575		216,765,861	0.2099	0.1900	411,855	
Kelso C-7 School District	Operating Funds-Schools	22,904,820	2.8846	2.8846	E	23,574,270	2.8904	2.8904	681,391	E
Oran R-III School District	Operating Funds-Schools	19,474,520	3.1124	3.1000	E	19,365,680	3.1000	3.1000	600,336	E
	Debt Service	19,474,520	1.4824	0.4000		19,365,680	1.4469	0.4000	77,463	
Scott County	General Revenue	403,069,681	0.2596	0.0000		413,018,091	0.0000	0.0000	0	
	Johnson Grass	403,069,681	0.0100	0.0100		413,018,091	0.0100	0.0100	41,302	
	Common Road District	153,533,356	0.3027	0.3027		158,026,484	0.3025	0.3025	478,030	
	Senate Bill 40	403,069,681	0.0419	0.0400		413,018,091	0.0400	0.0400	165,207	
Shannon										
Shannon County Ambulance District	General Revenue	52,667,289	0.1306	0.1306		53,670,669	0.1309	0.1309	70,255	
City of Birch Tree	General Revenue	3,262,654	0.4465	0.4465		3,258,354	0.4488	0.4488	14,623	
Timber Community Fire Prot Dist	General Revenue	3,882,415	0.3000	0.3000		4,263,372	0.2887	0.2887	12,308	
Shannon County Health Department	General Revenue	66,349,873	0.0971	0.0971		67,554,708	0.0972	0.0972	65,663	
Winona R-III School District	Operating Funds-Schools	16,004,261	2.7500	2.7500	F	15,968,563	2.7500	2.7500	439,135	F
Eminence R-I School District	Operating Funds-Schools	18,935,116	2.3335	2.3335	E	19,399,481	2.3626	2.3335	452,687	E
	Operating Funds-Temp	18,935,116	1.1044	1.0965		19,399,481	1.0965	1.0965	212,715	2017
	Debt Service	18,935,116	0.7326	0.0100		19,399,481	0.5927	0.0100	1,940	
Shannon County	General Revenue	66,349,873	0.3142	0.2261		67,554,708	0.3145	0.2424	163,753	
	Road & Bridge	66,349,873	0.2433	0.2424		67,554,708	0.2426	0.2424	163,753	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Shannon											
Shannon County	Senate Bill 40	66,349,873	0.0971	0.0971		67,554,708	0.0972	0.0972	65,663		
	Senior Services	66,349,873	0.0486	0.0486		67,554,708	0.0486	0.0486	32,832		
Shelby											
Salt River Ambulance District	General Revenue	87,147,118	0.2500	0.1420		87,801,200	0.2500	0.1400	122,922		
Clarence Nursing Home District	General Revenue	24,530,338	0.2200	0.2200		24,271,768	0.2200	0.2200	53,398		
Salt River Nursing Home District	General Revenue	74,464,420	0.3000	0.3000		75,782,889	0.3000	0.3000	227,349		
Shelbina Special Rd Dist Shelby Co	Road & Bridge	24,747,963	0.4700	0.4700		25,302,970	0.4700	0.4700	118,924		
Village of Bethel	General Revenue	662,360	0.7500	0.7500		680,286	0.7500	0.7500	5,102		
	Lights	662,360	0.2500	0.2500		680,286	0.2500	0.2500	1,701		
City of Clarence	General Revenue	5,530,740	0.9978	0.9978		5,648,210	0.9978	0.9978	56,358		
	Library	5,530,740	0.0997	0.0997		5,648,210	0.0997	0.0997	5,631		
	Streets	5,530,740	0.1995	0.1995		5,648,210	0.1995	0.1995	11,268		
City of Hunnewell	General Revenue	982,503	0.8775	0.8775		970,274	0.8898	0.8775	8,514		
Village of Leonard	General Revenue	680,310	0.4994	0.4900		707,106	0.4911	0.4900	3,465		
City of Shelbina	General Revenue	19,114,759	0.8618	0.8618		19,704,649	0.8650	0.8650	170,445		
	Library	19,114,759	0.2500	0.2500		19,704,649	0.2500	0.2500	49,262		
City of Shelbyville	General Revenue	3,607,370	0.8589	0.8589		3,596,588	0.8689	0.8689	31,251		
	General Revenue - Temp	3,607,370	0.3000	0.3000	A	3,596,588	0.3000	0.3000	10,790		2013
Shelbina Fire Protection District	General Revenue	43,368,830	0.2500	0.2500		43,973,785	0.2500	0.2500	109,934		
Shelby County Health Department	General Revenue	64,782,516	0.2500	0.2500		92,730,916	0.2500	0.2500	231,827		
North Shelby School District	Operating Funds-Schools	29,116,908	3.5550	3.4800	E	29,695,744	3.4108	3.4108	1,012,862	E	
	Debt Service	29,116,908	0.3946	0.3700		29,695,744	0.3765	0.3700	109,874		
Shelby Co R-IV School District	Operating Funds-Schools	57,958,715	3.3700	3.3700	E	58,045,562	3.6857	3.6857	2,139,385	E	
	Operating Funds-Temp	57,958,715	0.3800	0.3800		**	**	**			2012
Shelby County	General Revenue	91,935,926	0.4819	0.3300		92,730,916	0.4819	0.3300	306,012		
	Road & Bridge	67,181,174	0.3500	0.3500		67,418,267	0.3500	0.3500	235,964		
Stoddard											
Stoddard County Ambulance District	General Revenue	387,128,244	0.2039	0.2039		401,318,320	0.2039	0.2039	818,288		
Bluff Spec Rd Dist Stoddard Co	Johnson Grass	8,759,519	0.0493	0.0493		9,293,479	0.0493	0.0493	4,582		
	Road & Bridge	8,759,519	0.1600	0.1600		9,293,479	0.1600	0.1600	14,870		
	Special Road and Bridge	8,759,519	0.3500	0.3500	A	9,293,479	0.3500	0.3500	32,527		2013
Crowder Zeta Sp Rd Dist Stoddard Co	Johnson Grass	3,022,269	0.0482	0.0482		3,030,512	0.0489	0.0489	1,482		
	Road & Bridge	3,022,269	0.2792	0.2792		3,030,512	0.2829	0.2829	8,573		
Dudley Spec Rd Dist Stoddard Co	Johnson Grass	17,389,733	0.0500	0.0500		17,679,952	0.0500	0.0500	8,840		
	Road & Bridge	17,389,733	0.2711	0.2711		17,679,952	0.2711	0.2711	47,930		
	Special Road and Bridge	17,389,733	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		17,679,952	0.3533	0.3533	62,463	A	2014
Essex Spec Rd Dist Stoddard Co	Johnson Grass	15,363,469	0.0494	0.0494		16,280,127	0.0487	0.0487	7,928		
	Road & Bridge	15,363,469	0.2401	0.2401		16,280,127	0.2367	0.2367	38,535		
	Special Road and Bridge	15,363,469	0.3429	0.3429		16,280,127	0.3380	0.3380	55,027		2012
Gray Ridge Spec Rd Dist Stoddard Co	Road & Bridge	9,110,986	0.3111	0.3111		9,623,186	0.3090	0.3090	29,736		
Lavalle Spec Road Dist Stoddard Co	Road & Bridge	2,564,849	0.3437	0.3437		2,611,090	0.3437	0.3437	8,974		
City of Bell City	General Revenue	2,196,063	0.7101	0.7101		2,264,476	0.7090	0.7090	16,055		
City of Bernie	General Revenue	13,146,268	0.5239	0.5239		13,788,706	0.5207	0.5207	71,798		
	Parks & Recreation	13,146,268	0.0900	0.0900		13,788,706	0.0895	0.0895	12,341		
City of Bloomfield	General Revenue	11,468,569	0.5225	0.5225		11,825,435	0.5225	0.5225	61,788		
	Library	11,468,569	0.1524	0.1524		11,825,435	0.1524	0.1524	18,022		
	Debt Service	11,468,569	0.2162	0.2162		11,825,435	0.4736	0.2162	25,567		
City of Dexter	General Revenue	96,613,662	0.5205	0.5205		99,616,100	0.5205	0.5205	518,502		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Stoddard											
City of Dexter	Library	96,613,662	0.1457	0.1457		99,616,100	0.1457	0.1457	145,141		
City of Dudley	General Revenue	9,767,025	0.5722	0.5722		9,559,643	0.5846	0.5846	55,886		
City of Essex	General Revenue	3,222,409	0.4087	0.4087		3,292,118	0.4087	0.4087	13,455		
City of Puxico	General Revenue	6,829,049	0.5171	0.5171		7,066,025	0.5171	0.5171	36,538		
	Parks & Recreation	6,829,049	0.2216	0.2216		7,066,025	0.2216	0.2216	15,658		
	Library	6,829,049	0.0739	0.0739		7,066,025	0.0739	0.0739	5,222		
	Health	6,829,049	0.1054	0.1054		7,066,025	0.1054	0.1054	7,448		
	Cemetery	6,829,049	0.1054	0.1054		7,066,025	0.1054	0.1054	7,448		
Village of Penermon	General Revenue	156,087	0.4350	0.4350		157,257	0.4353	0.4353	685		
Castor Township of Stoddard Co	General Revenue	53,995,726	0.0723	0.0723		56,894,265	0.0723	0.0723	41,135		
	Road & Bridge	45,236,207	0.2310	0.2310		47,600,788	0.2310	0.2310	109,958		
	Special Road and Bridge	53,995,726	0.3080	0.3080		47,600,788	0.3500	0.3500	166,603		2012
Duck Creek Township of Stoddard Co	General Revenue	44,652,681	0.1000	0.1000		45,365,651	0.1000	0.1000	45,366		
	Johnson Grass	44,652,681	0.0375	0.0375		45,365,651	0.0375	0.0375	17,012		
	Road & Bridge	27,262,948	0.2596	0.2596		27,685,698	0.2601	0.2601	72,011		
	Special Road and Bridge	44,652,681	0.2512	0.2512		45,365,651	0.2512	0.2512	113,959		2011
Elk Township of Stoddard Co	General Revenue	13,083,157	0.1000	0.1000		13,682,680	0.1000	0.1000	13,683		
	Road & Bridge	10,518,308	0.3230	0.3230		11,071,589	0.3230	0.3230	35,761		
	Special Road and Bridge	13,083,157	0.2935	0.2935		**	**	**			2010
	Special Road and Bridge	**	**	**		11,071,589	0.3547	0.3547	39,271	A	2014
Liberty Township of Stoddard Co	General Revenue	185,440,561	0.0810	0.0800		192,864,740	0.0800	0.0800	154,292		
	Johnson Grass	185,440,561	0.0500	0.0500		192,864,740	0.0500	0.0500	96,432		
	Road & Bridge	185,440,561	0.1518	0.1500		192,864,740	0.1500	0.1500	289,297		
	Special Road and Bridge	185,440,561	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		192,864,740	0.3527	0.3527	680,234	A	2014
New Lisbon Township of Stoddard Co	General Revenue	10,214,186	0.0841	0.0841		10,396,396	0.0848	0.0848	8,816		
	Johnson Grass	10,214,186	0.0500	0.0500		10,396,396	0.0500	0.0500	5,198		
	Road & Bridge	10,214,186	0.2418	0.2418		10,396,396	0.2437	0.2437	25,336		
	Special Road and Bridge	10,214,186	0.3500	0.3500		10,396,396	0.3500	0.3500	36,387		2012
Pike Township of Stoddard Co	General Revenue	53,459,221	0.1000	0.1000		54,376,024	0.1000	0.1000	54,376		
	Johnson Grass	53,459,221	0.0500	0.0500		54,376,024	0.0500	0.0500	27,188		
	Road & Bridge	50,436,952	0.2427	0.2427		51,345,513	0.2427	0.2427	124,616		
Richland Township of Stoddard Co	General Revenue	26,282,711	0.0810	0.0810		27,738,564	0.0802	0.0802	22,246		
	Road & Bridge	1,808,256	0.3500	0.3500		1,835,202	0.3500	0.3500	6,423		
Stoddard County Public Health	General Revenue	387,128,244	0.1000	0.1000		401,318,320	0.1000	0.1000	401,318		
Richland R-I School District	Operating Funds-Schools	22,230,207	4.3747	3.8432		23,201,104	4.4560	4.0034	928,833		
	Debt Service	22,230,207	0.3320	0.3300		23,201,104	0.3593	0.3300	76,564		
Bell City R-II School District	Operating Funds-Schools	27,284,926	3.3011	3.1500	E	27,096,257	3.1851	3.1500	853,532	E	
Advance R-IV School District	Operating Funds-Schools	28,156,236	2.9565	2.7500	F	29,373,200	3.0156	3.0000	881,196	BE	
	Debt Service	28,156,236	0.3661	0.3661		29,373,200	0.4210	0.3661	107,535		
Puxico R-VIII School District	Operating Funds-Schools	39,293,583	2.7500	2.7500	E	39,993,314	2.7500	2.7500	1,099,816	E	
	Debt Service	39,293,583	1.1272	0.7900		39,993,314	1.0872	0.7900	315,947		
Bloomfield R-XIV School District	Operating Funds-Schools	41,161,411	2.9668	2.7500	F	43,027,856	2.9144	2.7500	1,183,266	F	
	Debt Service	41,161,411	0.3486	0.2700		43,027,856	0.2902	0.2429	104,515		
Dexter R-XI School District	Operating Funds-Schools	165,016,956	2.7585	2.7500	E	170,878,494	2.7537	2.7500	4,699,159	E	
	Debt Service	165,016,956	1.0070	0.5700		170,878,494	0.9799	0.5700	974,007		
Bernie R-XIII School District	Operating Funds-Schools	30,250,322	3.0288	3.0288	E	32,179,151	2.9952	2.9952	963,830	E	
	Debt Service	30,250,322	0.4503	0.3000		32,179,151	0.4239	0.3000	96,537		
Stoddard County	General Revenue	387,128,244	0.0000	0.0000		401,318,320	0.0000	0.0000	0		
	Johnson Grass	387,128,244	0.0000	0.0000		401,318,320	0.0000	0.0000	0		
	Senate Bill 40	387,128,244	0.0814	0.0800		401,318,320	0.0800	0.0800	321,055		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Stone										
City of Crane	General Revenue	9,104,092	0.8244	0.8244		9,087,287	0.8304	0.8304	75,461	
	Parks & Recreation	9,104,092	0.1302	0.1302		9,087,287	0.1312	0.1312	11,923	
	Library	9,104,092	0.0000	0.0000		9,087,287	0.0000	0.0000	0	
City of Galena	General Revenue	2,660,425	0.5227	0.5227		2,744,506	0.5161	0.5161	14,164	
City of Hurley	General Revenue	729,224	0.7281	0.7281		774,242	0.7064	0.7064	5,469	
City of Kimberling City	General Revenue	40,483,271	0.4400	0.4400		40,775,910	0.4400	0.4400	179,414	
City of Reeds Spring	General Revenue	6,387,242	0.6140	0.6140		6,589,132	0.6140	0.6140	40,457	
Village of McCord Bend	General Revenue	841,613	0.5000	0.5000		809,120	0.5000	0.5000	4,046	
Stone County Library	General Revenue	515,030,423	0.1000	0.1000		518,493,962	0.1000	0.1000	518,494	
Southern Stone Co Fire Prot Dist	General Revenue	415,329,718	0.2616	0.0000		414,662,856	0.2647	0.0000	0	
Hurley Fire Protection District	General Revenue	14,073,029	0.3300	0.3300		14,417,811	0.3300	0.3300	47,579	
North Stone-Northeast Barry FPD	General Revenue	28,175,969	0.3000	0.3000		30,721,952	0.2831	0.2831	86,974	
Stone County Health Department	General Revenue	515,030,423	0.0781	0.0781		518,493,962	0.0783	0.0783	405,981	
Hurley R-I School District	Operating Funds-Schools	9,792,142	3.9700	3.9700	E	10,004,199	3.9700	3.9700	397,167	E
	Debt Service	9,792,142	0.5830	0.5830		10,004,199	0.5830	0.5830	58,324	
Galena R-II School District	Operating Funds-Schools	26,965,123	3.4029	3.4029	E	27,367,326	3.4023	3.4023	931,119	E
	Debt Service	26,965,123	0.8272	0.5300		27,367,326	0.7835	0.5600	153,257	
Crane R-III School District	Operating Funds-Schools	23,542,782	3.3000	3.3000	E	23,603,509	3.3000	3.3000	778,916	E
	Debt Service	23,542,782	0.8641	0.5800		23,603,509	0.8544	0.5800	136,900	
Reeds Spring R-IV School District	Operating Funds-Schools	327,305,192	3.0468	3.0468	E	323,960,287	3.1088	3.1000	10,042,769	E
	Debt Service	327,305,192	1.1076	0.7089		323,960,287	1.6524	0.6557	2,124,208	
Blue Eye R-V School District	Operating Funds-Schools	92,088,154	3.2286	3.2286	E	93,252,905	3.2261	3.2261	3,008,432	E
	Debt Service	92,088,154	0.8411	0.8000		93,252,905	0.8453	0.8000	746,023	
Stone County	General Revenue	515,030,423	0.2830	0.1300		518,493,962	0.2839	0.1300	674,042	
	Road & Bridge	515,030,423	0.1846	0.0000		518,493,962	0.1651	0.0000	0	
	Senior Services	515,030,423	0.0480	0.0480		518,493,962	0.0481	0.0481	249,396	
Sullivan										
Sullivan County Ambulance District	General Revenue	79,188,760	0.5013	0.4513		83,848,669	0.4345	0.4345	364,322	
Locust Creek Watershed Subdistrict	General Revenue	27,196,453	0.4000	0.4000		28,637,647	0.3889	0.3889	111,372	
Harris Spec Rd Dist Sullivan Co	Road & Bridge	477,294	0.3500	0.3500		547,001	0.3205	0.3205	1,753	
Milan Special Road Dist Sullivan Co	Road & Bridge	10,354,349	0.3500	0.3500		11,713,485	0.3218	0.3218	37,694	
West Buchanan Road Dist Sullivan Co	Road & Bridge	2,563,362	0.3500	0.3500		2,692,411	0.3500	0.3500	9,423	
	Special Road and Bridge	2,563,362	0.3500	0.3500		2,692,411	0.3500	0.3500	9,423	2011
City of Green Castle	General Revenue	995,172	0.5855	0.5855		1,102,491	0.5458	0.5458	6,017	
City of Green City	General Revenue	4,092,057	0.5100	0.5100		4,692,999	0.4798	0.4798	22,517	
	Lights	4,092,057	0.1800	0.1800		4,692,999	0.1694	0.1694	7,950	
	Fire	4,092,057	0.3100	0.3100		4,692,999	0.2917	0.2917	13,689	
City of Harris	General Revenue	184,472	0.9000	0.9000		163,389	0.9000	0.9000	1,471	
Village of Humphreys	General Revenue	266,720	0.7460	0.7460		278,658	0.7249	0.7249	2,020	
	Parks & Recreation	266,720	0.4976	0.4976		278,658	0.4834	0.4834	1,347	
	Lights	266,720	1.4925	1.4925		278,658	1.4502	1.4502	4,041	
	Streets	266,720	0.9948	0.9948		278,658	0.9664	0.9664	2,693	
City of Milan	General Revenue	10,354,122	0.8888	0.8498		11,690,815	0.7823	0.7823	91,457	
	Park	10,354,122	0.1000	0.1000		11,690,815	0.0921	0.0921	10,767	
	Recreation	10,354,122	0.0500	0.0500		11,690,815	0.0460	0.0460	5,378	
Village of Newtown	General Revenue	664,109	1.0000	1.0000		756,770	0.9317	0.9317	7,051	
	Parks & Recreation	664,109	0.2000	0.2000	B	756,770	0.1863	0.1863	1,410	
	General Revenue - Temp	664,109	0.3000	0.3000	A	756,770	0.2795	0.2795	2,115	2013
	Debt Service	664,109	0.3935	0.3935		**	**	**		
Village of Osgood	General Revenue	103,799	1.0000	1.0000		94,611	1.0000	1.0000	946	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Sullivan											
Sullivan County Library	General Revenue	79,188,760	0.1000	0.1000		83,848,669	0.0963	0.0963	80,746		
Bowman Township of Sullivan Co	General Revenue	5,977,744	0.1000	0.1000		6,463,842	0.0966	0.0966	6,244		
	Road & Bridge	5,977,744	0.5000	0.5000		6,463,842	0.4831	0.4831	31,227		
	Special Road and Bridge	5,977,744	0.3500	0.3500		6,463,842	0.3382	0.3382	21,861		2012
Buchanan Township of Sullivan Co	General Revenue	3,815,176	0.1000	0.1000		3,946,844	0.1000	0.1000	3,947		
	Road & Bridge	3,815,176	0.5000	0.5000		3,946,844	0.5000	0.5000	19,734		
	Special Road and Bridge	3,815,176	0.3473	0.3473		3,946,844	0.3473	0.3473	13,707		2012
Clay Township of Sullivan Co	General Revenue	6,301,041	0.1000	0.1000		6,468,144	0.0989	0.0989	6,397		
	Road & Bridge	6,301,041	0.5000	0.5000		6,468,144	0.4945	0.4945	31,985		
	Special Road and Bridge	6,301,041	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		6,468,144	0.3500	0.3500	22,639	A	2014
Duncan Township of Sullivan Co	General Revenue	3,719,062	0.1000	0.1000		4,164,734	0.0952	0.0952	3,965		
	Road & Bridge	3,719,062	0.5000	0.5000		4,164,734	0.4757	0.4757	19,812		
	Special Road and Bridge	3,719,062	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		4,164,734	0.3500	0.3500	14,577	A	2014
Jackson Township of Sullivan Co	General Revenue	4,409,166	0.1000	0.1000		4,783,140	0.0960	0.0960	4,592		
	Road & Bridge	4,409,166	0.5000	0.5000		4,783,140	0.4799	0.4799	22,954		
	Special Road and Bridge	4,409,166	0.3489	0.3489		4,783,140	0.3349	0.3349	16,019		2012
Liberty Township of Sullivan Co	General Revenue	3,210,480	0.1000	0.1000		3,703,384	0.0933	0.0933	3,455		
	Road & Bridge	3,210,480	0.5000	0.5000		3,703,384	0.4666	0.4666	17,280		
	Special Road and Bridge	3,210,480	0.3500	0.3500		3,703,384	0.3267	0.3267	12,099		2011
Morris Township of Sullivan Co	General Revenue	3,334,038	0.1000	0.1000		3,481,869	0.0983	0.0983	3,423		
	Road & Bridge	3,334,038	0.5000	0.5000		3,481,869	0.4914	0.4914	17,110		
	Special Road and Bridge	3,334,038	0.3469	0.3469		3,481,869	0.3409	0.3409	11,870		2012
Penn Township of Sullivan Co	General Revenue	11,289,696	0.1000	0.1000		12,406,569	0.0960	0.0960	11,910		
	Road & Bridge	11,289,696	0.5000	0.5000		12,406,569	0.4801	0.4801	59,564		
Pleasant Hill Township, Sullivan Co	General Revenue	3,916,252	0.1000	0.1000		3,674,307	0.1000	0.1000	3,674		
	Road & Bridge	3,916,252	0.5000	0.5000		3,674,307	0.5000	0.5000	18,372		
	Special Road and Bridge	3,916,252	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		3,674,307	0.3794	0.3794	13,940	A	2014
Polk Township of Sullivan Co	General Revenue	26,725,665	0.1000	0.1000		28,769,738	0.0948	0.0948	27,274		
	Road & Bridge	26,725,665	0.5000	0.5000		28,769,738	0.4738	0.4738	136,311		
	Special Road and Bridge	26,725,665	0.3500	0.3500		28,769,738	0.3317	0.3317	95,429		2011
Taylor Township of Sullivan Co	General Revenue	1,657,294	0.1000	0.1000		1,786,733	0.0975	0.0975	1,742		
	Road & Bridge	1,657,294	0.5000	0.5000		1,786,733	0.4873	0.4873	8,707		
	Special Road and Bridge	1,657,294	0.3500	0.3500		**	**	**			2010
	Special Road and Bridge	**	**	**		1,786,733	0.3500	0.3500	6,254	A	2014
Union Township of Sullivan Co	General Revenue	4,744,557	0.0999	0.0999		5,046,801	0.0988	0.0988	4,986		
	Road & Bridge	4,744,557	0.4992	0.4992		5,046,801	0.4936	0.4936	24,911		
	Special Road and Bridge	4,744,557	0.3495	0.3495		**	**	**			2010
	Special Road and Bridge	**	**	**		5,046,801	0.3500	0.3500	17,664	A	2014
Medicine Creek Fire Protection Dist	General Revenue	23,624,256	0.3000	0.3000		23,481,726	0.3000	0.3000	70,445		
Galt Fire Protection District	General Revenue	12,204,127	0.3000	0.3000		12,937,944	0.2952	0.2952	38,193		
Sullivan County Health Department	General Revenue	79,188,760	0.2504	0.2504		83,848,669	0.2411	0.2411	202,159		
Green City R-I School District	Operating Funds-Schools	20,993,013	4.5046	3.9366		22,711,048	4.4046	3.9366	894,043		
	Debt Service	20,993,013	1.3692	0.6389		22,711,048	1.5734	0.6389	145,101		
Milan C-2 School District	Operating Funds-Schools	38,082,889	3.7400	3.3500	E	41,067,001	3.1702	3.1702	1,301,906	E	
Newtown-Harris R-III School Dist	Operating Funds-Schools	10,812,739	5.4479	5.0000		10,892,339	5.3542	4.9755	541,948		
Sullivan County	General Revenue	79,188,760	0.4000	0.2500		83,848,669	0.3851	0.2500	209,622		
	Hospital	79,188,760	0.4300	0.4300		83,848,669	0.4140	0.4140	347,133		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year	
Taney											
Taney County Ambulance District	General Revenue	993,406,235	0.0000	0.0000		993,578,724	0.0000	0.0000	0		
City of Branson	General Revenue	485,861,869	0.5186	0.5186		476,434,017	0.5394	0.5394	2,569,885		
City of Forsyth	General Revenue	27,084,781	0.5146	0.5146		26,964,452	0.5266	0.5266	141,995		
	Debt Service	27,084,781	0.1402	0.1402		**	**	**			
City of Hollister	General Revenue	45,134,568	0.5817	0.5817		44,907,195	0.5912	0.5912	265,491		
	Debt Service	45,134,568	0.5762	0.5762		44,907,195	0.5309	0.5309	238,412		
City of Rockaway Beach	General Revenue	6,555,397	0.7110	0.7110		6,561,362	0.7182	0.7182	47,124		
Village of Merriam Woods	General Revenue	9,859,431	0.4591	0.4591		10,068,896	0.4627	0.4627	46,589		
Village of Bull Creek	General Revenue	2,307,747	0.4598	0.4598		1,332,041	0.5000	0.5000	6,660		
Western Taney Co Fire Prot Dist	General Revenue	349,121,099	0.3635	0.3635		357,305,135	0.3648	0.3648	1,303,449		
Central Taney County Fire Prot Dist	General Revenue	70,827,820	0.4100	0.4100		67,302,622	0.4100	0.4100	275,941		
Cedarcreek Fire Protection Dist	General Revenue	4,608,906	0.3000	0.3000		4,679,607	0.3000	0.3000	14,039		
Protem Fire Protection District	General Revenue	6,455,840	0.3000	0.3000		6,549,733	0.3000	0.3000	19,649		
Taney County Health Department	General Revenue	993,406,235	0.1404	0.1404		993,578,724	0.1404	0.1404	1,394,985		
Bradleyville R-I School District	Operating Funds-Schools	7,799,214	3.8633	3.7000	E	8,091,806	3.6723	3.6723	297,155		E
Taneyville R-II School District	Operating Funds-Schools	10,427,584	3.5516	3.4355	E	10,739,506	3.4629	3.4365	369,063		E
	Debt Service	10,427,584	1.6998	0.8344		10,739,506	1.6338	0.8344	89,610		
Forsyth R-III School District	Operating Funds-Schools	72,198,045	3.3856	3.3223	E	73,173,482	3.3375	3.3375	2,442,165		E
	Debt Service	72,198,045	0.7581	0.7500		73,173,482	0.7459	0.7459	545,801		
Branson R-IV School District	Operating Funds-Schools	664,871,709	3.2154	3.1605	E	656,124,102	3.2436	3.2436	21,282,041		E
	Debt Service	664,871,709	0.8025	0.7000		656,124,102	0.7048	0.7000	4,592,869		
Hollister R-V School District	Operating Funds-Schools	172,682,321	3.4293	3.4293	E	175,343,967	3.4196	3.4196	5,996,062		E
	Debt Service	172,682,321	0.9227	0.8223		175,343,967	0.8084	0.8084	1,417,481		
Kirbyville R-VI School District	Operating Funds-Schools	35,675,688	3.2836	3.2836	E	36,261,155	3.4172	3.4172	1,239,116		E
	Debt Service	35,675,688	1.3459	0.9000		36,261,155	1.3534	0.9000	326,350		
Mark Twain R-VIII School District	Operating Funds-Schools	6,460,130	4.0497	4.0497	BE	6,554,633	4.0497	4.0497	265,443		E
Taney County	General Revenue	993,406,235	0.0000	0.0000		993,578,724	0.0000	0.0000	0		
	Road & Bridge	993,406,235	0.0000	0.0000		993,578,724	0.0000	0.0000	0		
	Developmentally Disabled	993,406,235	0.0880	0.0880		993,578,724	0.0896	0.0896	890,247		
	Senior Services	993,406,235	0.0500	0.0500	A	993,578,724	0.0500	0.0500	496,789		
Texas											
City of Cabool	General Revenue	18,000,202	0.7874	0.7874		18,348,655	0.7857	0.7857	144,165		
City of Houston	General Revenue	22,670,101	0.3227	0.3227		24,711,610	0.3128	0.3128	77,298		
	Debt Service	22,670,101	0.0206	0.0206		**	**	**			
City of Licking	General Revenue	10,770,950	0.4371	0.4371		11,435,727	0.4322	0.4322	49,425		
	Debt Service	10,770,950	0.2096	0.2096		11,435,727	0.0000	0.0000	0		
Village of Raymondville	General Revenue	2,140,106	0.4030	0.4030		2,142,243	0.4030	0.4030	8,633		
City of Summersville	General Revenue	3,417,311	0.5990	0.5990		3,518,443	0.5990	0.5990	21,075		
Texas County Library District	General Revenue	190,096,768	0.0980	0.0980		200,533,292	0.0967	0.0967	193,916		
Boone Township of Texas Co	General Revenue	1,972,339	0.0769	0.0750		2,113,043	0.0750	0.0750	1,585		
	Road & Bridge	1,972,339	0.2531	0.2469		2,113,043	0.2469	0.2469	5,217		
Burdine Township of Texas Co	General Revenue	28,947,492	0.0959	0.0959		30,935,007	0.0915	0.0915	28,306		
	Road & Bridge	28,947,492	0.3199	0.3199		30,935,007	0.3054	0.3054	94,476		
Carroll Township of Texas Co	General Revenue	7,596,097	0.1000	0.1000		7,912,701	0.1000	0.1000	7,913		
	Road & Bridge	7,596,097	0.3596	0.3596		7,912,701	0.3596	0.3596	28,454		
Cass Township of Texas Co	General Revenue	9,316,406	0.1000	0.1000		9,524,624	0.1000	0.1000	9,525		
	Road & Bridge	9,316,406	0.3373	0.3373		9,524,624	0.3373	0.3373	32,127		
Clinton Township of Texas Co	General Revenue	13,747,349	0.1000	0.1000		15,455,565	0.0927	0.0927	14,327		
	Road & Bridge	13,747,349	0.5000	0.5000		15,455,565	0.4635	0.4635	71,637		
Current Township of Texas Co	General Revenue	1,789,506	0.0960	0.0960		1,816,175	0.0960	0.0960	1,744		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Texas										
Current Township of Texas Co	Road & Bridge	1,789,506	0.2917	0.2917		1,816,175	0.2917	0.2917	5,298	
Date Township of Texas Co	General Revenue	3,532,797	0.0947	0.0947		3,820,109	0.0947	0.0947	3,618	
	Road & Bridge	3,532,797	0.2948	0.2948		3,820,109	0.2948	0.2948	11,262	
Jackson Township of Texas Co	General Revenue	8,759,270	0.0972	0.0972		9,032,127	0.0972	0.0972	8,779	
	Road & Bridge	8,759,270	0.3520	0.3520		9,032,127	0.3520	0.3520	31,793	
Lynch Township of Texas Co	General Revenue	10,402,843	0.0949	0.0949		10,627,236	0.0949	0.0949	10,085	
	Road & Bridge	10,402,843	0.2984	0.2984		10,627,236	0.2984	0.2984	31,712	
Morris Township of Texas Co	General Revenue	6,122,527	0.1000	0.1000		6,341,547	0.1000	0.1000	6,342	
	Road & Bridge	6,122,527	0.3295	0.3295		6,341,547	0.3295	0.3295	20,895	
Ozark Township of Texas Co	General Revenue	3,916,301	0.1000	0.1000		3,992,635	0.1000	0.1000	3,993	
	Road & Bridge	3,916,301	0.3633	0.3633		3,992,635	0.3634	0.3634	14,509	
Pierce Township of Texas Co	General Revenue	3,565,481	0.1000	0.0991		3,698,651	0.0985	0.0985	3,643	
	Road & Bridge	3,565,481	0.3349	0.3226		3,698,651	0.3208	0.3208	11,865	
Piney Township of Texas Co	General Revenue	42,014,779	0.0956	0.0956		44,864,630	0.0945	0.0945	42,397	
	Road & Bridge	42,014,779	0.2984	0.2984		44,864,630	0.2951	0.2951	132,396	
Roubidoux Township of Texas Co	General Revenue	13,886,901	0.0936	0.0936		14,490,320	0.0936	0.0936	13,563	
	Road & Bridge	13,886,901	0.2798	0.2798		14,490,320	0.2798	0.2798	40,544	
Sargent Township of Texas Co	General Revenue	3,133,025	0.0683	0.0683		3,223,770	0.0678	0.0678	2,186	
	Road & Bridge	3,133,025	0.2733	0.2733		3,223,770	0.2712	0.2712	8,743	
Sherrill Township of Texas Co	General Revenue	25,978,039	0.0971	0.0971		27,205,588	0.0971	0.0971	26,417	
	Road & Bridge	25,978,039	0.3429	0.3429		27,205,588	0.3429	0.3429	93,288	
Upton Township of Texas Co	General Revenue	5,411,394	0.0977	0.0977		5,473,924	0.0990	0.0990	5,419	
	Road & Bridge	5,411,394	0.3076	0.3076		5,473,924	0.3117	0.3117	17,062	
Texas County Health Department	General Revenue	190,096,768	0.0980	0.0980		200,533,292	0.0967	0.0967	193,916	
Success R-VI School District	Operating Funds-Schools	7,120,946	2.7500	2.7500	E	7,317,235	2.7500	2.7500	201,224	E
Houston R-I School District	Operating Funds-Schools	50,360,935	2.7500	2.7500	E	53,556,619	2.7500	2.7500	1,472,807	E
	Debt Service	50,360,935	0.8486	0.8000		53,556,619	0.8082	0.8000	428,453	
Summersville R-II School District	Operating Funds-Schools	23,868,274	3.0000	3.0000	E	24,696,869	3.0000	3.0000	740,906	E
Licking R-VIII School District	Operating Funds-Schools	33,734,030	2.7500	2.7500	E	35,367,809	2.7500	2.7500	972,615	E
Cabool R-IV School District	Operating Funds-Schools	41,717,137	2.7568	2.7568	E	42,688,155	2.7585	2.7568	1,176,827	E
	Operating Schools - Temp	41,717,137	0.4405	0.4405	A	42,688,155	0.4405	0.4405	188,041	2014
Plato R-V School District	Operating Funds-Schools	27,909,229	2.9127	2.9127	E	28,854,397	2.8889	2.8889	833,575	E
Raymondville R-VII School District	Operating Funds-Schools	8,022,955	3.1235	2.9900	E	8,363,171	2.9871	2.9871	249,816	E
	Operating Funds - Temp	8,022,955	0.4800	0.4800		8,363,171	0.4800	0.4800	40,143	2013
	Debt Service	8,022,955	0.3823	0.0000		8,363,171	0.4250	0.0000	0	
Texas County	General Revenue	190,096,768	0.2721	0.0000		200,533,292	0.2684	0.0000	0	
	Senate Bill 40	190,096,768	0.0980	0.0980		200,533,292	0.0967	0.0967	193,916	
Vernon										
Vernon County Ambulance District	General Revenue	221,702,195	0.1500	0.1500		231,259,014	0.1500	0.1500	346,889	
City of Bronaugh	General Revenue	970,283	0.1442	0.1345		894,135	0.1525	0.1345	1,203	
	Streets	970,283	0.3250	0.3030		894,135	0.3435	0.3030	2,709	
Village of Deerfield	General Revenue	595,102	0.3100	0.3100		574,818	0.3100	0.3100	1,782	
Village of Harwood	General Revenue	262,774	1.0000	0.9910		247,759	1.0000	0.9910	2,455	
City of Metz	General Revenue	393,128	0.6000	0.6000		378,523	0.6000	0.6000	2,271	
Village of Milo	General Revenue	267,097	0.7500	0.7500		330,165	0.6233	0.6233	2,058	
Village of Moundville	General Revenue	512,355	0.4554	0.4554		425,682	0.5000	0.4554	1,939	
	Parks & Recreation	512,355	0.2000	0.2000		425,682	0.2000	0.2000	851	
City of Nevada	General Revenue	87,881,242	0.6778	0.6778		92,144,932	0.6778	0.6778	624,558	
	Parks & Recreation	87,881,242	0.2000	0.0000		92,144,932	0.2000	0.0000	0	
	Library	87,881,242	0.2000	0.2000		92,144,932	0.2000	0.2000	184,290	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied	2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Vernon										
City of Richards	General Revenue	410,098	0.4756	0.4756	415,701	0.4756	0.4756	1,977		
	Streets	410,098	0.2379	0.2379	415,701	0.2380	0.2380	989		
City of Schell City	General Revenue	1,013,622	0.7901	0.7901	959,804	0.8389	0.8389	8,052		
City of Sheldon	General Revenue	2,465,899	0.5485	0.5373	2,513,006	0.5362	0.5362	13,475		
	Streets	2,465,899	0.1757	0.1721	2,513,006	0.1718	0.1718	4,317		
Village of Stotesbury	General Revenue	52,829	0.3065	0.3065	71,741	0.2966	0.2966	213		
	Lights	52,829	0.0892	0.0892	71,741	0.0868	0.0868	62		
	Streets	52,829	0.0446	0.0446	71,741	0.0434	0.0434	31		
City of Walker	General Revenue	1,321,680	0.6039	0.6039	1,299,727	0.6243	0.6243	8,114		
	Lights	1,321,680	0.0500	0.0500	1,299,727	0.0500	0.0500	650		
	Streets	1,321,680	0.1500	0.1500	1,299,727	0.1500	0.1500	1,950		
Bacon Township of Vernon Co	General Revenue	5,176,891	0.1000	0.1000	5,504,382	0.0987	0.0987	5,433		
	Road & Bridge	5,176,891	0.3999	0.3999	5,504,382	0.3945	0.3945	21,715		
	Special Road and Bridge	5,176,891	0.1700	0.1700	**	**	**			2010
	Special Road and Bridge	**	**	**	5,504,382	0.1700	0.1700	9,357	A	2012
Badger Township of Vernon Co	General Revenue	4,923,934	0.0984	0.0984	4,882,341	0.1000	0.1000	4,882		
	Road & Bridge	4,923,934	0.3500	0.3500	4,882,341	0.3500	0.3500	17,088		
	Special Road and Bridge	4,923,934	0.3396	0.3396	4,882,341	0.3396	0.3396	16,580		2012
Blue Mound Township of Vernon Co	General Revenue	3,459,103	0.1000	0.1000	3,513,043	0.1000	0.1000	3,513		
	Road & Bridge	3,459,103	0.2694	0.2694	3,513,043	0.2704	0.2704	9,499		
	Special Road and Bridge	3,459,103	0.1843	0.1843	3,513,043	0.1843	0.1843	6,475		2012
Center Township of Vernon Co	General Revenue	107,519,238	0.1000	0.1000	112,001,649	0.1000	0.1000	112,002		
	Road & Bridge	107,519,238	0.3366	0.3366	112,001,649	0.3366	0.3366	376,998		
Clear Creek Township of Vernon Co	General Revenue	5,360,366	0.1000	0.1000	5,387,096	0.1000	0.1000	5,387		
	Road & Bridge	5,360,366	0.3624	0.3624	5,387,096	0.3656	0.3656	19,695		
	Special Road and Bridge	**	**	**	5,387,096	0.3583	0.3500	18,855	A	2014
Coal Township of Vernon Co	General Revenue	4,989,367	0.1000	0.1000	5,375,158	0.0979	0.0979	5,262		
	Road & Bridge	4,989,367	0.3500	0.3500	5,375,158	0.3427	0.3427	18,421		
	Special Road and Bridge	4,989,367	0.3500	0.3500	5,375,158	0.3427	0.3427	18,421		2012
Deerfield Township of Vernon Co	General Revenue	9,201,023	0.0971	0.0971	10,173,587	0.0945	0.0945	9,614		
	Road & Bridge	9,201,023	0.3500	0.3500	10,173,587	0.3408	0.3408	34,672		
	Special Road and Bridge	9,201,023	0.3500	0.3500	10,173,587	0.3408	0.3408	34,672		2012
Dover Township of Vernon Co	General Revenue	4,872,232	0.1000	0.1000	4,885,890	0.1000	0.1000	4,886		
	Road & Bridge	4,872,232	0.2788	0.2702	4,885,890	0.2783	0.2702	13,202		
	Speical Road and Bridge	4,872,232	0.3487	0.3487	**	**	**			2010
	Special Road and Bridge	**	**	**	4,885,890	0.3645	0.3487	17,037	A	2014
Drywood Township of Vernon Co	General Revenue	9,866,781	0.1000	0.1000	10,203,776	0.0992	0.0992	10,122		
	Road & Bridge	9,866,781	0.2947	0.2947	10,203,776	0.2923	0.2923	29,826		
	Special Road and Bridge	9,866,781	0.3000	0.3000	**	**	**			2010
	Special Road and Bridge	**	**	**	10,203,776	0.3500	0.3500	35,713	A	2014
Harrison Township of Vernon Co	General Revenue	4,542,339	0.0992	0.0992	4,927,088	0.0982	0.0982	4,838		
	Road & Bridge	4,542,339	0.3471	0.3471	4,927,088	0.3437	0.3437	16,934		
	Special Road and Bridge	4,542,339	0.3471	0.3471	4,927,088	0.3437	0.3437	16,934		2012
Henry Township of Vernon Co	General Revenue	4,063,162	0.1000	0.1000	4,428,772	0.0976	0.0976	4,322		
	Road & Bridge	4,063,162	0.3500	0.3500	4,428,772	0.3415	0.3415	15,124		
	Special Road and Bridge	4,063,162	0.3500	0.3500	4,428,772	0.3415	0.3415	15,124		2012
Lake Township of Vernon Co	General Revenue	2,846,190	0.0992	0.0992	2,932,281	0.0992	0.0992	2,909		
	Road & Bridge	2,846,190	0.4960	0.4960	2,932,281	0.4963	0.4963	14,553		
	Special Road and Bridge	2,846,190	0.3472	0.3472	2,932,281	0.3474	0.3474	10,187		2012
Metz Township of Vernon Co	General Revenue	4,178,828	0.1000	0.1000	4,902,315	0.0978	0.0978	4,794		
	Road & Bridge	4,178,828	0.3490	0.3490	4,902,315	0.3414	0.3414	16,737		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Vernon											
Metz Township of Vernon Co	Special Road and Bridge	4,178,828	0.3477	0.3477		**	**	**			2010
	Special Road and Bridge	**	**	**		4,902,315	0.3477	0.3477	17,045	A	2014
Montevallo Township of Vernon Co	General Revenue	4,787,456	0.1000	0.1000		5,012,738	0.1000	0.1000	5,013		
	Road & Bridge	4,787,456	0.3500	0.3500		5,012,738	0.3500	0.3500	17,545		
	Special Road and Bridge	4,787,456	0.2481	0.2481		**	**	**			2010
	Special Road and Bridge	**	**	**		5,012,738	0.2620	0.2620	13,133	A	2012
Moundville Township of Vernon Co	General Revenue	6,208,323	0.1000	0.1000		6,071,278	0.1000	0.1000	6,071		
	Road & Bridge	6,208,323	0.3500	0.3500		6,071,278	0.3500	0.3500	21,249		
	Special Road and Bridge	6,208,323	0.2399	0.2399		6,071,278	0.2399	0.2399	14,565		2012
Osage Township of Vernon Co	General Revenue	3,709,559	0.0988	0.0988		3,904,558	0.0964	0.0964	3,764		
	Road & Bridge	3,709,559	0.3459	0.3459		3,904,558	0.3376	0.3376	13,182		
	Special Road and Bridge	**	**	**		3,904,558	0.3500	0.3500	13,666	A	2014
Richland Township of Vernon Co	General Revenue	3,178,288	0.0975	0.0975		3,242,540	0.0972	0.0972	3,152		
	Road & Bridge	3,178,288	0.3413	0.3413		3,242,540	0.3404	0.3404	11,038		
	Special Road and Bridge	3,178,288	0.3413	0.3413		**	**	**			2010
	Special Road and Bridge	**	**	**		3,242,540	0.3500	0.3491	11,320	A	2014
Virgil Township of Vernon Co	General Revenue	3,951,925	0.0858	0.0858		4,135,875	0.0857	0.0857	3,544		
	Road & Bridge	3,951,925	0.3112	0.3112		4,135,875	0.3109	0.3109	12,858		
Walker Township of Vernon Co	General Revenue	5,334,567	0.1000	0.0987		5,635,462	0.0954	0.0954	5,376		
	Road & Bridge	5,334,567	0.3477	0.3285		5,635,462	0.3174	0.3174	17,887		
	Special Road and Bridge	5,334,567	0.3500	0.3500		5,635,462	0.3382	0.3382	19,059		2012
Washington Township of Vernon Co	General Revenue	23,532,623	0.1000	0.1000		24,139,185	0.0995	0.0995	24,018		
	Road & Bridge	23,532,623	0.3500	0.3500		24,139,185	0.3483	0.3483	84,077		
	Special Road and Bridge	23,532,623	0.2982	0.2982		24,139,185	0.2968	0.2968	71,645		2012
Vernon County Health Department	General Revenue	221,702,195	0.1000	0.1000		231,259,014	0.1000	0.1000	231,259		
Nevada R-V School District	Operating Funds-Schools	156,854,920	3.6165	3.6165	BE	163,203,247	3.6165	3.6165	5,902,245	E	
	Debt Service	156,854,920	0.1764	0.1352		163,203,247	0.1899	0.1352	220,651		
Bronaugh R-VII School District	Operating Funds-Schools	11,651,969	3.7487	3.7487	E	11,568,484	3.7458	3.7458	433,332	E	
Sheldon R-VIII School District	Operating Funds-Schools	10,341,550	4.3486	3.8600	E	10,280,984	3.8657	3.8657	397,432	E	
	Debt Service	10,341,550	0.5304	0.5200		10,280,984	0.3443	0.3443	35,397		
Northeast Vernon County R-I	Operating Funds-Schools	16,266,306	4.4129	4.2200	E	16,531,591	4.2205	4.2200	697,633	E	
Vernon County	General Revenue	221,702,195	0.3693	0.1713		231,259,014	0.3693	0.1638	378,802		
Warren											
Marthasville Community Amb Dist	General Revenue	88,587,170	0.1546	0.1546		90,991,950	0.1546	0.1546	140,674		
	Ambulance	88,587,170	0.1353	0.1353		90,991,950	0.1353	0.1353	123,112		
Warren County Ambulance District	General Revenue	425,663,231	0.3353	0.3353		422,150,074	0.3414	0.3414	1,441,220		
City of Marthasville	General Revenue	13,992,471	0.5481	0.5481		14,765,738	0.5495	0.5495	81,138		
	Lights	13,992,471	0.1251	0.1251		14,765,738	0.1254	0.1254	18,516		
City of Truesdale	General Revenue	17,552,751	0.7021	0.7021		15,501,527	0.7999	0.7999	123,997		
City of Warrenton	General Revenue	101,479,494	0.2711	0.2711		98,190,023	0.2814	0.2814	276,307		
	Parks & Recreation	101,479,494	0.1606	0.1606		98,190,023	0.1667	0.1667	163,683		
City of Wright City	General Revenue	46,615,759	0.4654	0.4654		46,568,216	0.4818	0.4818	224,366		
	Parks & Recreation	46,615,759	0.0865	0.0865		46,568,216	0.0895	0.0895	41,679		
	Lights	46,615,759	0.1728	0.1728		46,568,216	0.1789	0.1789	83,311		
	Debt Service	46,615,759	0.0678	0.0678		46,568,216	0.0659	0.0659	30,688		
Village of Innsbrook	General Revenue	55,188,374	0.1267	0.1267		56,136,543	0.1267	0.1267	71,125		
Village of Pendleton	General Revenue	359,150	0.4998	0.4998		369,739	0.4997	0.4997	1,848		
Warren County Library District	General Revenue	518,703,145	0.0672	0.0672		517,832,377	0.0680	0.0680	352,126		
Wright City Fire Protection Dist	General Revenue	182,076,037	0.4015	0.4015		182,602,082	0.4074	0.4074	743,921		
Marthasville Fire Protection Dist	General Revenue	67,278,463	0.4040	0.4040		69,585,745	0.4040	0.4040	281,126		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
Warren										
Warrenton Fire Protection District	General Revenue	243,101,654	0.4429	0.4429		238,240,544	0.4497	0.4497	1,071,368	
Wright City R-II School District	Operating Funds-Schools	172,245,833	3.0525	3.0525	E	172,650,986	3.0964	3.0964	5,345,965	E
	Debt Service	172,245,833	1.5685	0.9370		172,650,986	1.7043	1.0970	1,893,981	
Warren Co R-III School District	Operating Funds-Schools	259,499,507	3.4095	3.3520	E	254,167,763	3.4377	3.4377	8,737,525	E
	Debt Service	259,499,507	0.6293	0.6189		254,167,763	0.8240	0.6189	1,573,044	
Warren County	General Revenue	518,703,145	0.2397	0.1339		517,832,377	0.2427	0.1290	668,004	
	Road & Bridge	518,703,145	0.1727	0.1727		517,832,377	0.1748	0.1748	905,171	
	Developmentally Disabled	518,703,145	0.1644	0.1600		517,832,377	0.1620	0.1600	828,532	
Washington										
Washington County Ambulance Dist	General Revenue	220,903,063	0.2361	0.0978		223,988,159	0.2384	0.0994	222,644	
Village of Caledonia	General Revenue	1,008,034	0.1738	0.1738		1,026,834	0.1755	0.1755	1,802	
City of Irondale	General Revenue	2,037,199	0.4817	0.4817		1,969,028	0.4998	0.4998	9,841	
Village of Mineral Point	General Revenue	1,030,631	0.2783	0.2783		1,048,536	0.2819	0.2819	2,956	
City of Potosi	General Revenue	25,624,282	0.5796	0.5796		27,278,821	0.5811	0.5811	158,517	
Washington County Library District	General Revenue	220,903,063	0.1889	0.1889		223,988,159	0.1908	0.1908	427,369	
Potosi Fire Protection District	General Revenue	145,874,989	0.2383	0.2383		149,197,293	0.2404	0.2404	358,670	
Richwoods Fire Protection District	General Revenue	15,824,451	0.2592	0.2592		15,895,471	0.2631	0.2631	41,821	
Irondale Fire Protection District	General Revenue	9,840,884	0.4760	0.4760		9,746,316	0.4814	0.4814	46,919	
Caledonia Fire Protection District	General Revenue	5,134,759	0.3695	0.3695		5,178,713	0.3710	0.3710	19,213	
Washington County Health Department	General Revenue	220,903,063	0.1416	0.1416		223,988,159	0.1430	0.1430	320,303	
Kingston K-14 School District	Operating Funds-Schools	28,478,401	3.0654	3.0218	E	30,388,765	2.9499	2.9499	896,438	E
	Debt Service	28,478,401	0.9422	0.9176		30,388,765	1.1042	0.9895	300,697	
Potosi R-III School District	Operating Funds-Schools	82,140,926	2.7500	2.7500	F	84,442,699	2.7500	2.7500	2,322,174	F
	Debt Service	82,140,926	0.8357	0.5000		84,442,699	0.7869	0.5000	422,213	
Richwoods R-VII School District	Operating Funds-Schools	13,395,878	3.0842	3.0842	E	13,327,844	3.1621	3.1620	421,426	E
Valley R-VI School District	Operating Funds-Schools	21,321,534	3.6489	3.6489	E	21,591,977	3.7089	3.7089	800,825	E
Washington County	General Revenue	220,903,063	0.1842	0.1842		223,988,159	0.1860	0.1860	416,618	
	Road & Bridge	220,903,063	0.2590	0.2590		223,988,159	0.2616	0.2616	585,953	
	Hospital	220,903,063	0.1889	0.1889		223,988,159	0.1908	0.1908	427,369	
	Senate Bill 40	220,903,063	0.1889	0.1889		223,988,159	0.1908	0.1908	427,369	
	Senior Services	220,903,063	0.0472	0.0472		223,988,159	0.0477	0.0477	106,842	
Wayne										
East Wayne County Ambulance Dist	General Revenue	55,292,405	0.2976	0.2976		54,445,325	0.3000	0.3000	163,336	
Clearwater Ambulance District	General Revenue	65,680,459	0.2828	0.2828		66,906,815	0.2859	0.2859	191,287	
Village of Mill Spring	General Revenue	492,563	0.6641	0.6641		490,275	0.6672	0.6672	3,271	
City of Piedmont	General Revenue	17,810,165	0.2255	0.2000		17,810,667	0.2225	0.2200	39,183	
	Lights	17,810,165	0.1332	0.1300		17,810,667	0.1315	0.1300	23,154	
	Library	17,810,165	0.1025	0.1000		17,810,667	0.1011	0.1000	17,811	
	Cemetery	17,810,165	0.0307	0.0300		17,810,667	0.0303	0.0300	5,343	
Clearwater Fire Protection District	General Revenue	49,741,893	0.2842	0.2842		51,303,623	0.2863	0.2863	146,882	
Wayne County Health Center	General Revenue	123,964,878	0.0971	0.0971		124,714,474	0.0971	0.0971	121,098	
Greenville R-II School District	Operating Funds-Schools	39,424,883	2.7500	2.7500	E	39,123,969	2.7500	2.7500	1,075,909	E
	Debt Service	39,424,883	0.6900	0.3600		39,123,969	1.0446	0.3600	140,846	
Clearwater R-I School District	Operating Funds-Schools	63,583,851	2.7500	2.7500	E	64,190,480	2.7500	2.7500	1,765,238	E
	Debt Service	63,583,851	0.3564	0.3423		64,190,480	0.3534	0.3500	224,667	
Wayne County	General Revenue	123,964,878	0.2934	0.1450		124,714,474	0.2934	0.1446	180,337	
	Road & Bridge	123,964,878	0.1403	0.1100		124,714,474	0.1390	0.1100	137,186	
	Senate Bill 40	123,964,878	0.0805	0.0800		124,714,474	0.0800	0.0800	99,772	

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Webster											
Village of Diggins	General Revenue	2,008,037	0.2112	0.2112		2,029,087	0.2121	0.2121	4,304		
City of Fordland	General Revenue	4,319,137	0.3963	0.3963		4,242,764	0.4038	0.4038	17,132		
City of Marshfield	Parks & Recreation	70,889,045	0.1019	0.1000		70,415,905	0.1010	0.1000	70,416		
	Cemetery	70,889,045	0.1019	0.1000		70,415,905	0.1010	0.1000	70,416		
	Debt Service	70,889,045	0.4177	0.3700		70,415,905	0.4250	0.3700	260,539		
City of Niangua	General Revenue	1,723,313	0.2682	0.2682		1,658,888	0.2786	0.2786	4,622		
City of Rogersville	General Revenue	30,258,180	0.3134	0.3134		30,829,462	0.3134	0.3134	96,620		
	Debt Service	30,258,180	0.4012	0.4012		30,829,462	0.4437	0.4437	136,790		
City of Seymour	General Revenue	15,170,295	0.3647	0.3647		15,097,896	0.3696	0.3696	55,802		
	Parks & Recreation	15,170,295	0.0810	0.0810		15,097,896	0.0821	0.0821	12,395		
	Library	6,581,251	0.0626	0.0626		6,453,968	0.0639	0.0639	4,124		
	Cemetery Fund	15,170,295	0.0507	0.0507		15,097,896	0.0514	0.0514	7,760		
Webster County Library District	General Revenue	326,348,695	0.1179	0.1179		336,550,631	0.1172	0.1172	394,437		
Southern Webster Co Fire Prot Dist	General Revenue	63,025,839	0.2989	0.2989		63,691,240	0.2994	0.2994	190,692		
Marshfield Fire Protection District	General Revenue	86,401,693	0.3000	0.3000		86,315,211	0.3000	0.3000	258,946		
Niangua Fire Protection District	General Revenue	13,232,115	0.2930	0.2500		12,790,210	0.2613	0.2613	33,421		
Webster County Health Unit	General Revenue	332,949,536	0.1374	0.1374		342,028,032	0.1371	0.1371	468,920		
Niangua R-V School District	Operating Funds-Schools	14,014,790	3.1613	3.1613	E	13,503,173	3.3125	3.3125	447,293	E	
Fordland R-III School District	Operating Funds-Schools	29,009,011	2.7500	2.7500	F	29,031,860	2.7500	2.7500	798,376	F	
	Debt Service	29,009,011	0.7888	0.7888		29,031,860	0.9245	0.9245	268,400		
Marshfield R-I School District	Operating Funds-Schools	167,949,959	2.7500	2.7500	E	157,238,438	2.7500	2.7500	4,324,057	E	
	Debt Service	167,949,959	1.2813	0.6000		157,238,438	1.2307	0.6000	943,431		
Seymour R-II School District	Operating Funds-Schools	41,628,863	2.7500	2.7500	F	41,628,267	2.7500	2.7500	1,144,777	F	
Webster County	General Revenue	332,949,536	0.2650	0.0000		342,028,032	0.0000	0.0000	0		
	Road & Bridge	332,949,536	0.1865	0.1865		342,028,032	0.1860	0.1860	636,172		
	Senate Bill 40	332,949,536	0.0785	0.0785		342,028,032	0.0783	0.0783	267,808		
	Senior Services	332,949,536	0.0500	0.0500		342,028,032	0.0499	0.0499	170,672		
Worth											
Worth County Ambulance District	General Revenue	24,595,473	0.1521	0.1500		26,168,669	0.1499	0.1499	39,227		
Worth Co Convalescent Center Dist	General Revenue	24,595,473	0.3500	0.3500		26,168,669	0.3497	0.3497	91,512		
Platte River Tributaries Sub Dist	General Revenue	578,120	0.4000	0.4000		578,520	0.4000	0.4000	2,314		
East Fork of Grand River Watershed	General Revenue	2,647,158	0.2000	0.2000		2,662,580	0.2000	0.2000	5,325		
Village of Allendale	General Revenue	476,043	0.4000	0.4000		505,507	0.4000	0.4000	2,022		
	General Revenue - Temp	476,043	0.2000	0.2000	A	505,507	0.2000	0.2000	1,011		2013
Village of Denver	General Revenue	168,519	0.8000	0.8000	B	214,143	0.7659	0.7659	1,640		
City of Grant City	General Revenue	4,381,226	1.0000	1.0000		4,402,981	1.0000	1.0000	44,030		
	Health	4,381,226	0.1800	0.1800		4,402,981	0.1800	0.1800	7,925		
	Special Fund	4,381,226	0.3000	0.3000		4,402,981	0.3000	0.3000	13,209		
City of Sheridan	General Revenue	988,436	0.9733	0.9733		1,012,912	1.0000	1.0000	10,129		
Village of Worth	General Revenue	204,020	0.4996	0.4996		195,926	0.5000	0.5000	980		
Sheridan Fire Protection District	General Revenue	4,812,728	0.1706	0.1706		5,032,452	0.1712	0.1712	8,616		
Worth County Fire Protection Dist	General Revenue	18,247,256	0.1950	0.1950		14,026,160	0.2000	0.2000	28,052		
Worth Co R-III School District	Operating Funds-Schools	22,427,410	3.5200	3.5200	E	23,812,650	3.4751	3.4751	827,513	E	
	Debt Service	**	**	**		23,812,650	0.2948	0.2500	59,532		
Worth County	General Revenue	24,595,473	0.5000	0.5000		26,168,669	0.4996	0.4996	130,739		
	Library	24,595,473	0.1000	0.1000		26,168,669	0.0999	0.0999	26,143		
	Road & Bridge	24,595,473	0.5000	0.5000		26,168,669	0.4996	0.4996	130,739		
	Special Road and Bridge	24,595,473	0.3300	0.3300	A	26,168,669	0.3297	0.3297	86,278		2013
	Senior Services	24,595,473	0.0500	0.0500		26,168,669	0.0500	0.0500	13,084		
	General Revenue-Temp	24,595,473	0.3397	0.3397		**	**	**			2010

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied		2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue		Expiration Year
Worth											
Worth County	General Revenue-Temp	**	**	**		26,168,669	0.3500	0.3500	91,590	A	2014
Wright											
City of Hartville	General Revenue	3,989,311	0.4924	0.4924		4,368,933	0.4981	0.4981	21,762		
City of Mansfield	General Revenue	10,762,237	0.4924	0.4924		10,898,726	0.4924	0.4924	53,665		
	Streets	10,762,237	0.1498	0.1498		10,898,726	0.1498	0.1498	16,326		
	Cemetery	10,762,237	0.1000	0.1000		10,898,726	0.1000	0.1000	10,899		
City of Mountain Grove	General Revenue	41,553,976	0.4684	0.0000		41,907,244	0.0000	0.0000	0		
	Parks & Recreation	41,553,976	0.0625	0.0000		41,907,244	0.0000	0.0000	0		
City of Norwood	General Revenue	3,250,549	0.3847	0.3847		3,459,472	0.3710	0.3710	12,835		
	Water	3,250,549	0.6135	0.6135		3,459,472	0.5916	0.5916	20,466		
Wright County Library	General Revenue	157,201,940	0.1411	0.1411		163,451,720	0.1397	0.1397	228,342		
Wright County Health Department	General Revenue	157,201,940	0.0806	0.0806		163,451,720	0.0798	0.0798	130,434		
Norwood R-I School District	Operating Funds-Schools	14,774,134	3.2858	3.2858	E	15,208,883	3.1911	3.1911	485,331	E	
Hartville R-II School District	Operating Funds-Schools	32,406,797	2.9000	2.9000	E	33,099,004	2.9227	2.9002	959,937	E	
	Debt Service	32,406,797	0.5646	0.5646		33,099,004	0.7543	0.6200	205,214		
Mountain Grove R-III School Dist	Operating Funds-Schools	81,702,607	2.7500	2.7500	E	84,411,485	2.7500	2.7500	2,321,316	E	
Mansfield R-IV School District	Operating Funds-Schools	33,217,217	3.4628	3.4600	E	33,129,535	3.4880	3.4500	1,142,969	E	
	Debt Service	33,217,217	0.8552	0.8000		33,129,535	1.1094	0.8000	265,036		
Manes R-V School District	Operating Funds-Schools	4,512,260	3.5721	3.5721	E	4,579,813	3.6240	3.6240	165,972	E	
Wright County	General Revenue	157,201,940	0.3125	0.0828		163,451,720	0.3095	0.0860	140,568		
	Developmentally Disabled	157,201,940	0.0806	0.0806		163,451,720	0.0798	0.0798	130,434		
St. Louis City											
St. Louis Public Libraries	General Revenue	4,422,552,849	0.5160	0.5208	C	4,262,423,871	0.5435	0.5435	23,166,274		
Baden Market Centre Spec Bus Dist	General Revenue	2,010,400	0.7391	0.7391		1,976,390	0.7620	0.7620	15,060		
Cherokee Station Special Bus Dist	General Revenue	3,339,320	0.5784	0.5784		3,064,900	0.6330	0.6330	19,401		
St. Louis Downtown Business Dist	General Revenue	0	0.0000	0.0000		0	0.0000	0.0000	0		
Kingsway Center Special Bus Dist	General Revenue	2,134,640	0.7339	0.7339		2,253,500	0.7056	0.7056	15,901		
Locust Central Business District	General Revenue	52,489,020	0.6494	0.6494		43,051,250	0.8023	0.8023	345,400		
South Grand Square Spec Bus Dist	General Revenue	0	0.0000	0.0000		0	0.0000	0.0000	0		
Central West End South SBD	General Revenue	36,326,620	0.4914	0.4914		38,941,790	0.4802	0.4802	186,998		
Central West End North SBD	General Revenue	65,209,670	0.8500	0.8500		63,169,305	0.8500	0.8500	536,939		2018
Soulard Special Business District	General Revenue	58,251,965	0.5045	0.5045		59,756,905	0.5045	0.5045	301,474		
Waterman/Lake Special Business Dist	General Revenue	5,676,750	0.6706	0.6706		5,508,320	0.6982	0.6982	38,459		2014
Westminister/Lake Special Bus Dist	General Revenue	8,918,890	0.7759	0.7759		8,683,160	0.7983	0.7983	69,318		2014
Washington Place Special Bus Dist	General Revenue	5,379,000	0.6423	0.6423		5,090,160	0.6796	0.6796	34,593		2014
East Loop/Parkview Gardens SBD	General Revenue	6,400,630	0.5407	0.5407		8,036,680	0.5350	0.5350	42,996		
Cathedral Square Special Bus Dist	General Revenue	25,364,930	0.8056	0.8056		24,935,451	0.8056	0.8056	200,880		2018
Central West End Southeast SBD	General Revenue	57,191,890	0.4233	0.4233		61,381,140	0.4233	0.4233	259,826		2018
Cherokee-Lemp Special Business Dist	General Revenue	2,149,930	0.5517	0.5517		2,144,960	0.5594	0.5594	11,999		
Gardenside Special Business Dist	General Revenue	15,427,990	0.4517	0.4455		14,956,860	0.4595	0.4595	68,727		2011
Tower Grove South Conc. Cit. SBD	General Revenue	19,909,800	0.8500	0.6800		18,934,220	0.7008	0.6800	128,753		2013
St. Louis Community College	General Revenue	27,831,047,042	0.2179	0.2179		27,229,450,548	0.2200	0.2200	59,904,791		
St. Louis City School District	Operating Funds-Schools	4,340,819,900	3.3654	3.3654	E	4,175,420,333	3.5532	3.5532	148,361,035	E	
	Debt Service	4,340,819,900	0.6211	0.6211		4,175,420,333	0.6825	0.6211	25,933,536		
City of St. Louis	Parks & Recreation	4,154,909,047	0.0178	0.0178		3,983,909,425	0.0186	0.0186	741,007		
	Health	4,154,909,047	0.0178	0.0178		3,983,909,425	0.0186	0.0186	741,007		
	Hospital	4,154,909,047	0.0888	0.0888		3,983,909,425	0.0926	0.0926	3,689,100		
	Developmentally Disabled	4,422,552,849	0.1372	0.1372		4,262,423,871	0.1445	0.1445	6,159,202		
	Mental Health	4,422,552,849	0.0823	0.0823		4,262,423,871	0.0867	0.0867	3,695,521		

APPENDIX VII
2011 PROPERTY TAX RATES
LISTING OF 2010 AND 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2010 Assessed Value	2010 Ceiling	2010 Levied	2011 Assessed Value	2011 Ceiling	2011 Levied	2011 Revenue	Expiration Year
St. Louis City									
City of St. Louis	Community Child Service	4,422,552,849	0.1880	0.1880	4,262,423,871	0.1900	0.1900	8,098,605	
	County Purposes	4,154,909,047	0.3113	0.3113	3,983,909,425	0.3247	0.3247	12,935,754	
	General Revenue No. 1	4,422,552,849	0.1461	0.1461	4,262,423,871	0.1516	0.1516	6,461,835	
	General Revenue No. 2	4,154,909,047	0.7178	0.7178	3,983,909,425	0.7486	0.7486	29,823,546	
	Debt Service	4,154,909,047	0.1307	0.1228	3,983,909,425	0.1144	0.1144	4,557,592	
							Total Revenue	$	4,705,134,264

LEGEND:

* Levy was not certified due to insufficient substantiating data; however, it does not appear that a rate was levied.
** Levy did not exist in the given year.
A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy.
B A voter approved increase to an existing levy.
C Levy includes a recoupment rate authorized by state law.
D Levied a tax rate in excess of the legally permissible tax levy as provided by state law, see the Results Section for 2011 levies and Report No. 2010-168, Review of 2010 Property Tax Rates.
E School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to $0.0000 and levy up to its calculated tax rate ceiling.
F School district has a partial Proposition C (sales tax) waiver which allows the school district to waive a portion of its required Proposition C reduction to the extent necessary to collect $2.7500 or the amount stated on the ballot.
G Article X, Section 11(g) of the Missouri Constitution allows the Kansas City 33 School District School Board to set its tax levy at a rate that is lower than the court-ordered rate for the 1995 tax year (which was $4.96). The rate so established may be changed from year to year by the School Board.
H City of Neosho in Newton County reinstated a previously authorized levy that was voluntarily reduced to zero in 1998 - 2009.

NOTE:

Taxing authorities are listed by primary county and categorized by type of taxing authority. The counties are listed alphabetically (Adair through Wright followed by the City of St. Louis). When a taxing authority is in more than one county, it is listed under the primary county only.

All rates in the levied column represent the rate extended and certified to the State Auditor's office by both the taxing authority and the county or counties in which the tax rate is levied.

Assessed Value column presents only the assessed valuation the property tax is levied against.

The revenue generated is computed by dividing the assessed valuation by 100 and multiplying the quotient by the tax rate levied.

This Appendix does not list taxing authorities that levied a separate tax rate for each subclass of property. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Taxing authorities partially in St. Louis County, whether the primary county is St. Louis County or another county, are required to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi rate calculation. See Appendixes VIII-A and VIII-B for a listing of 2011 and 2010 taxing authorities that calculated separate tax rates for each subclass of property.

APPENDIX VIII-A
2011 PROPERTY TAX RATES
LISTING OF 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue
Clay														
City of Gladstone	General Revenue	240,926,430	0.9290	0.9290	519,040	0.9290	0.9290	58,338,511	0.9290	0.9290	50,543,720	0.9290	0.9290	3,254,545
St. Louis														
City of Bellefontaine Neighbors	General Revenue	61,648,110	0.2450	0.2450	70	0.0000	0.0000	10,732,659	0.1800	0.1800	12,218,528	0.2360	0.2360	199,193
	Debt Service	61,648,110	0.5440	0.0000	70	0.5440	0.0000	10,732,659	0.5440	0.0000	12,218,528	0.5440	0.0000	0
Village of Bellerive Acres	General Revenue	3,288,160	0.8000	0.8000	0	0.0000	0.0000	341,920	0.0000	0.0000	1,008,443	0.7670	0.7670	34,040
Village of Bel Nor	General Revenue	17,101,741	0.4960	0.4960	0	0.0000	0.0000	425,820	0.4630	0.4630	2,312,934	0.5530	0.5530	99,588
Village of Bel Ridge	General Revenue	9,208,670	0.3500	0.3500	0	0.0000	0.0000	5,447,823	0.3500	0.3500	3,166,264	0.0000	0.0000	51,297
	Debt Service	9,208,670	0.1510	0.1510	0	0.1510	0.1510	5,447,823	0.1510	0.1510	3,166,264	0.1510	0.1510	26,912
City of Berkeley	General Revenue	39,610,410	0.7790	0.7790	3,850	1.0000	1.0000	114,521,304	0.8230	0.8230	48,578,798	0.9200	0.9200	1,698,038
	Pension	39,610,410	0.1100	0.1100	3,850	0.1100	0.1100	114,521,304	0.1100	0.1100	48,578,798	0.1100	0.1100	222,985
	Debt Service	39,610,410	0.1900	0.1900	3,850	0.1900	0.1900	114,521,304	0.1900	0.1900	48,578,798	0.1900	0.1900	385,157
City of Beverly Hills	General Revenue	2,548,260	0.2330	0.2330	0	0.0000	0.0000	1,228,241	0.2330	0.2330	633,559	0.2320	0.2320	10,269
City of Black Jack	Debt Service	52,575,130	0.5950	0.5950	2,880	0.5950	0.5950	2,220,110	0.5950	0.5950	11,580,601	0.5950	0.5950	394,954
City of Breckenridge Hills	General Revenue	21,340,870	0.2130	0.2100	0	0.0000	0.0000	8,888,916	0.2160	0.2100	4,170,529	0.0000	0.0000	63,483
City of Brentwood	General Revenue	140,987,730	0.0000	0.0000	0	0.0000	0.0000	99,972,271	0.2150	0.1860	31,200,819	0.2070	0.2070	250,534
	Library	140,987,730	0.1570	0.1500	0	0.0000	0.0000	99,972,271	0.1880	0.1660	31,200,819	0.1790	0.1790	433,285
	Pension	140,987,730	0.3650	0.3530	0	0.0000	0.0000	99,972,271	0.4110	0.4110	31,200,819	0.3850	0.3850	1,028,696
	Debt Service	140,987,730	0.1650	0.1100	0	0.1650	0.1100	99,972,271	0.1650	0.1100	31,200,819	0.1650	0.1100	299,377
City of Bridgeton	General Revenue	102,995,480	0.2500	0.1600	118,570	0.0000	0.0000	271,102,745	0.2420	0.2420	75,633,053	0.0000	0.0000	820,862
Village of Calverton Park	General Revenue	8,743,500	0.2680	0.2150	0	0.0000	0.0000	534,760	0.2370	0.2150	1,454,436	0.2150	0.2150	23,076
City of Charlack	General Revenue	6,964,900	0.2150	0.2150	0	0.0000	0.0000	2,761,160	0.2180	0.2180	1,653,842	0.2570	0.2570	25,244
City of Clarkson Valley	General Revenue	96,172,020	0.1200	0.1200	4,100	0.1950	0.1950	15,094,850	0.1010	0.1010	10,130,780	0.1530	0.1530	146,160
City of Clayton	General Revenue	461,116,400	0.6350	0.6260	0	0.0000	0.0000	339,228,065	0.6810	0.6810	76,869,253	0.7070	0.7070	5,740,198
	Police	461,116,400	0.1270	0.0000 A	0	0.1200	0.0000 A	339,228,065	0.1233	0.0000 A	76,869,253	0.1218	0.0000 A	0
	Debt Service	461,116,400	0.1160	0.0910	0	0.1160	0.0910	339,228,065	0.1160	0.0910	76,869,253	0.1160	0.0910	798,265
City of Cool Valley	General Revenue	6,582,880	0.2170	0.2170	0	0.0000	0.0000	6,065,167	0.3500	0.3500	2,900,651	0.1650	0.1650	40,299
City of Country Club Hills	General Revenue	4,321,290	0.7830	0.7830	0	0.0000	0.0000	893,630	0.8050	0.8050	1,151,230	0.7300	0.7300	49,434
	Parks & Recreation	4,321,290	0.3620	0.3620	0	0.0000	0.0000	893,630	0.3500	0.3500	1,151,230	0.3340	0.3340	22,616
	Health	4,321,290	0.2000	0.2000	0	0.0000	0.0000	893,630	0.2000	0.2000	1,151,230	0.1880	0.1880	12,594
Village of Country Life Acres	General Revenue	6,342,960	0.3730	0.3730	240	0.0000	0.0000	75,235	0.4130	0.4130	471,002	0.4200	0.4200	25,948
City of Crestwood	General Revenue	170,158,790	0.2410	0.2410	150	0.0000	0.0000	64,703,945	0.3830	0.3830	26,483,545	0.2790	0.2790	731,788
	General Revenue-Temp	170,158,790	0.2000	0.2000	150	0.0000	0.0000	64,703,945	0.2000	0.2000	26,483,545	0.2000	0.2000	522,693

APPENDIX VIII-A
2011 PROPERTY TAX RATES
LISTING OF 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue
City of Creve Coeur	General Revenue	447,716,770	0.0870	0.0840	2,270	0.1000	0.0910	357,004,329	0.0800	0.0790	0	0.0000	0.0000	658,117
City of Crystal Lake Park	General Revenue	14,813,290	0.6700	0.6700	0	0.0000	0.0000	151,907	0.3180	0.3170	1,198,380	0.8080	0.8080	109,414
City of Dellwood	General Revenue	25,724,990	0.2220	0.2210	0	0.0000	0.0000	7,654,760	0.2270	0.1850	6,878,754	0.2350	0.2350	87,178
City of Des Peres	General Revenue	214,512,110	0.0000	0.0000	223,090	0.0000	0.0000	139,549,850	0.0000	0.0000	40,168,780	0.0000	0.0000	0
	Debt Service	214,512,110	0.9020	0.0000	223,090	0.9020	0.0000	139,549,850	0.9020	0.0000	40,168,780	0.9020	0.0000	0
City of Edmundson	General Revenue	4,415,500	0.0000	0.0000	0	0.0000	0.0000	21,255,240	0.4880	0.4880	8,735,572	0.0000	0.0000	103,726
City of Ellisville	General Revenue	144,559,660	0.4070	0.1500	610	0.1640	0.1500	102,325,904	0.4060	0.1500	0	0.0000	0.0000	370,329
City of Eureka	General Revenue	132,805,010	0.4630	0.3900	105,590	0.4520	0.3900	56,260,225	0.4550	0.3900	32,059,086	0.3900	0.3900	862,797
City of Ferguson	General Revenue	113,589,100	0.4490	0.4490	8,220	0.4500	0.4500	38,381,770	0.4500	0.4500	32,755,000	0.4500	0.4500	830,168
	Parks & Recreation	113,589,100	0.1940	0.1940	8,220	0.2000	0.2000	38,381,770	0.1950	0.1950	32,755,000	0.1980	0.1980	360,078
	Debt Service	113,589,100	0.3790	0.3790	8,220	0.3790	0.3790	38,381,770	0.3790	0.3790	32,755,000	0.3790	0.3790	700,142
City of Flordell Hills	General Revenue	2,883,480	0.5310	0.5310	0	0.0000	0.0000	804,930	1.0000	1.0000	0	0.0000	0.0000	23,360
City of Florissant	General Revenue	366,115,260	0.0000	0.0000	25,450	0.0000	0.0000	128,716,371	0.0000	0.0000	72,633,730	0.0000	0.0000	0
City of Frontenac	General Revenue	175,034,390	0.4890	0.4890	0	0.0000	0.0000	41,367,320	0.5340	0.5340	16,526,850	0.5530	0.5530	1,168,212
Village of Glen Echo Park	General Revenue	1,163,190	0.4480	0.4480	0	0.0000	0.0000	7,460	0.5000	0.5000	186,220	0.5000	0.5000	6,179
City of Glendale	General Revenue	134,339,510	0.4220	0.4220	0	0.0000	0.0000	4,948,168	0.4700	0.4700	13,374,922	0.5190	0.5190	659,585
	Pension	134,339,510	0.0810	0.0810	0	0.0000	0.0000	4,948,168	0.0940	0.0940	13,374,922	0.1000	0.1000	126,841
Town of Grantwood Village	General Revenue	20,433,410	0.2300	0.2300	46,740	0.4920	0.4920	1,402,763	0.1560	0.1560	2,458,514	0.2610	0.2610	55,832
City of Greendale	General Revenue	5,243,500	0.5190	0.5180	0	0.0000	0.0000	253,560	0.4430	0.4420	0	0.0000	0.0000	28,282
Village of Hanley Hills	General Revenue	9,972,140	0.5000	0.5000	0	0.0000	0.0000	286,030	0.4190	0.4190	1,895,021	0.4500	0.4500	59,587
City of Hazelwood	General Revenue	189,530,970	0.7670	0.7670	379,780	0.5450	0.5450	203,294,461	0.7700	0.7700	106,232,895	0.7540	0.7540	3,822,136
	Debt Service	189,530,970	0.2220	0.2220	379,780	0.2220	0.2220	203,294,461	0.2220	0.2220	106,232,895	0.2220	0.2220	1,108,753
Village of Hillsdale	General Revenue	3,844,797	0.5000	0.5000	0	0.0000	0.0000	2,237,730	0.5000	0.5000	1,876,740	0.5000	0.5000	39,797
City of Huntleigh	General Revenue	38,846,810	0.2020	0.2020	5,900	0.2880	0.2880	392,555	0.2710	0.2710	2,773,838	0.2190	0.2190	85,627
City of Jennings	General Revenue	56,448,850	1.0000	1.0000	0	0.0000	0.0000	15,090,457	1.0000	1.0000	13,202,543	1.0000	1.0000	847,418
	Pension	56,448,850	0.2450	0.2450	0	0.0000	0.0000	15,090,457	0.2450	0.2450	13,202,543	0.2450	0.2450	207,618
City of Kinloch	General Revenue	918,020	1.0000	1.0000	0	0.0000	0.0000	1,421,330	0.7290	0.7860	D 559,660	1.0000	1.0000	25,949
City of Kirkwood	General Revenue	520,942,110	0.2950	0.2760	0	0.0000	0.0000	106,477,570	0.2950	0.2730	66,541,299	0.2760	0.2760	1,912,138
	Parks & Recreation	520,942,110	0.1390	0.1300	0	0.0000	0.0000	106,477,570	0.1400	0.1290	66,541,299	0.1300	0.1300	901,085
	Library	514,669,320	0.1910	0.1820	0	0.0000	0.0000	93,923,650	0.2260	0.2240	64,810,039	0.2350	0.2350	1,299,391
	Pension	520,942,110	0.1300	0.1190	0	0.0000	0.0000	106,477,570	0.1410	0.1360	66,541,299	0.1720	0.1720	879,181
	Library-Temp	514,669,320	0.1200	0.1200	0	0.0000	0.0000	93,923,650	0.1200	0.1200	64,810,039	0.1200	0.1200	808,083
	Debt Service	514,669,320	0.0800	0.0780	0	0.0800	0.0780	93,923,650	0.0800	0.0780	64,810,039	0.0800	0.0780	525,254
City of Ladue	General Revenue	539,866,910	0.7100	0.7100	1,110	0.9910	0.9910	42,400,788	0.7440	0.7440	40,281,791	0.7560	0.7560	4,453,058
City of Lakeshire	General Revenue	14,587,060	0.3750	0.3750	0	0.0000	0.0000	203,530	0.3750	0.3750	0	0.0000	0.0000	55,464
Village of Mackenzie	General Revenue	1,593,150	0.1580	0.1580	0	0.0000	0.0000	56,348	0.1560	0.1560	239,614	0.1850	0.1850	3,048

APPENDIX VIII-A
2011 PROPERTY TAX RATES
LISTING OF 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate				Agricultural Real Estate			Commercial Real Estate			Personal Property			
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue
City of Manchester	General Revenue	242,522,350	0.0550	0.0450		0	0.0000	0.0000	62,062,470	0.0570	0.0450	39,281,630	0.0500	0.0500	156,704
	Debt Service	242,522,350	0.1610	0.1610		0	0.1610	0.1610	62,062,470	0.1610	0.1610	39,281,630	0.1610	0.1610	553,625
City of Maplewood	General Revenue	74,923,870	0.3450	0.2460		0	0.0000	0.0000	53,154,345	0.5350	0.5350	19,077,449	0.5670	0.5670	576,858
	Pension	74,923,870	0.3920	0.3920		0	0.0000	0.0000	53,154,345	0.4470	0.4470	19,077,449	0.4450	0.4450	616,197
	Solid Waste	74,923,870	0.1600	0.1530		0	0.0000	0.0000	53,154,345	0.1820	0.1820	19,077,449	0.2180	0.2180	252,964
Village of Marlborough	General Revenue	13,484,560	0.1080	0.1080		0	0.0000	0.0000	8,663,325	0.1020	0.1020	3,887,203	0.1110	0.1110	27,715
City of Normandy	General Revenue	18,332,190	0.4000	0.4000		0	0.0000	0.0000	3,849,780	0.4000	0.4000	4,084,150	0.4000	0.4000	105,065
City of Northwoods	General Revenue	20,496,430	0.4060	0.4060		0	0.0000	0.0000	4,784,094	0.2690	0.2690	3,953,267	0.3600	0.3600	110,317
	Debt Service	20,496,430	1.5135	1.5135		0	1.5135	1.5135	4,784,094	1.5135	1.5135	3,953,267	1.5135	1.5135	442,453
Village of Norwood Court	General Revenue	3,532,273	0.0000	0.0000		0	0.0000	0.0000	184,790	0.0000	0.0000	664,226	0.0000	0.0000	0
City of Oakland	General Revenue	24,003,250	0.1920	0.1920		0	0.0000	0.0000	2,602,281	0.2460	0.2460	3,037,282	0.2370	0.2370	59,686
City of Olivette	General Revenue	155,642,360	0.6360	0.6360		0	0.0000	0.0000	57,940,582	0.6990	0.6990	24,372,051	0.7710	0.7710	1,582,799
	Pension	155,642,360	0.2280	0.2160		0	0.0000	0.0000	57,940,582	0.2390	0.2380	24,372,051	0.2500	0.2500	535,016
City of Overland	General Revenue	108,943,430	0.0910	0.0680		0	0.0000	0.0000	81,861,431	0.1000	0.0840	24,143,831	0.0970	0.0970	166,266
	Pension	108,943,430	0.1200	0.1200		0	0.0000	0.0000	81,861,431	0.1200	0.1200	34,143,831	0.1200	0.1200	269,939
City of Pagedale	General Revenue	11,428,630	0.2680	0.2690	D	0	0.0000	0.0000	11,669,390	0.3180	0.3180	5,901,706	0.3500	0.3500	88,508
City of Pasadena Hills	General Revenue	11,655,700	0.2640	0.2640		0	0.0000	0.0000	100,230	0.2150	0.2150	1,598,050	0.3100	0.3100	35,940
	Debt Service	11,655,700	1.1008	1.1008		0	1.1008	1.1008	100,230	1.1008	1.1008	1,598,050	1.1008	1.1008	147,000
Village of Pasadena Park	General Revenue	4,425,699	0.2770	0.2770		0	0.0000	0.0000	23,260	0.0000	0.0000	594,371	0.3090	0.3090	14,096
City of Pine Lawn	General Revenue	11,207,030	0.3000	0.3000		0	0.0000	0.0000	3,211,156	0.2930	0.2930	2,340,903	0.2570	0.2570	49,046
City of Richmond Heights	General Revenue	176,474,590	0.3350	0.2900		0	0.0000	0.0000	114,520,835	0.3350	0.2900	26,489,784	0.2980	0.2900	920,706
	Library	176,474,590	0.1780	0.1780		0	0.0000	0.0000	114,520,835	0.2250	0.2250	26,489,784	0.2120	0.2120	627,955
	Pension	176,474,590	0.3140	0.2990		0	0.0000	0.0000	114,520,835	0.3320	0.3200	26,489,784	0.3200	0.3200	978,893
Village of Riverview	General Revenue	12,206,710	0.3340	0.3340		0	0.0000	0.0000	2,077,103	0.2940	0.2940	2,128,621	0.3120	0.3120	53,518
City of Rock Hill	General Revenue	61,774,300	0.2660	0.2660		0	0.0000	0.0000	25,430,669	0.2820	0.2820	10,588,607	0.3400	0.3400	272,035
	Library	61,774,300	0.2700	0.2700		0	0.0000	0.0000	25,430,669	0.2890	0.2890	10,609,577	0.3550	0.3550	277,950
	Debt Service	61,774,300	0.3800	0.3800		0	0.3800	0.3800	25,430,669	0.3800	0.3800	10,588,607	0.3800	0.3800	371,616
City of St. Ann	General Revenue	85,657,970	0.1900	0.1770		0	0.0000	0.0000	29,169,856	0.2000	0.2000	16,060,320	0.0000	0.0000	209,955
City of St. George	General Revenue	11,740,740	0.1230	0.1230		0	0.0000	0.0000	339,151	0.1310	0.1310	1,753,100	0.1390	0.1390	17,322
City of St. John	General Revenue	39,905,720	0.3470	0.3470		0	0.0000	0.0000	7,550,020	0.4900	0.4820	10,417,416	0.4500	0.4500	221,742
City of Shrewsbury	General Revenue	74,960,730	0.4860	0.4860		0	0.0000	0.0000	27,703,095	0.4810	0.4810	14,054,265	0.5770	0.5770	578,654
	Debt Service	74,960,730	0.4730	0.4730		0	0.4730	0.4730	27,703,095	0.4730	0.4730	14,054,265	0.4730	0.4730	552,077
City of Sunset Hills	General Revenue	209,561,480	0.0550	0.0540		115,260	0.0760	0.0600	101,201,740	0.0570	0.0570	35,970,895	0.0600	0.0600	192,500
Village of Sycamore Hills	General Revenue	5,018,110	0.2120	0.2120		0	0.0000	0.0000	480,949	0.2470	0.2470	971,909	0.2530	0.2530	14,285
	Health	5,018,110	0.0980	0.0980		0	0.0000	0.0000	480,949	0.1150	0.1150	971,909	0.1180	0.1180	6,618
City of Town and Country	General Revenue	450,181,310	0.0000	0.0000		31,160	0.0000	0.0000	195,662,913	0.0000	0.0000	71,519,723	0.0000	0.0000	0

APPENDIX VIII-A
2011 PROPERTY TAX RATES
LISTING OF 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue
City of Town and Country	Dispatch	450,181,310	0.0000	0.0000	31,160	0.0000	0.0000	195,662,913	0.0000	0.0000	71,519,723	0.0000	0.0000	0
Village of Twin Oaks	General Revenue	5,194,260	0.0000	0.0000	0	0.0000	0.0000	8,896,992	0.3160	0.3160	1,525,151	0.0000	0.0000	28,114
City of University City	General Revenue	483,729,790	0.5610	0.5610	0	0.0000	0.0000	48,703,960	0.6680	0.6680	53,032,170	0.6800	0.6800	3,399,685
	Library	483,729,790	0.2410	0.2410	0	0.0000	0.0000	48,703,960	0.2800	0.2800	53,032,170	0.2800	0.2800	1,450,650
	Pension	483,729,790	0.1580	0.1580	0	0.0000	0.0000	48,703,960	0.1900	0.1900	53,032,170	0.1950	0.1950	960,244
	Debt Service	483,729,790	0.0340	0.0340	0	0.0340	0.0340	48,703,960	0.0340	0.0340	53,032,170	0.0340	0.0340	199,058
Village of Uplands Park	General Revenue	2,324,410	0.3430	0.3430	0	0.0000	0.0000	72,488	0.3860	0.3860	445,840	0.3910	0.3910	9,996
City of Valley Park	General Revenue	73,572,680	0.4480	0.4480	17,270	0.0000	0.0000	33,118,980	0.7410	0.6570	16,390,550	0.5700	0.5700	640,624
City of Velda City	General Revenue	6,124,362	0.3610	0.3610	0	0.0000	0.0000	68,350	0.5000	0.5000	1,079,187	0.3820	0.3820	26,573
	Debt Service	6,124,362	0.4540	0.4540	0	0.4540	0.4540	68,350	0.4540	0.4540	1,079,187	0.4540	0.4540	33,015
Village of Velda Village Hills	General Revenue	4,868,740	0.3330	0.3210	0	0.0000	0.0000	257,610	0.2650	0.4860 D	946,025	0.3780	0.3780	20,457
City of Vinita Park	General Revenue	8,077,850	0.2390	0.2080	0	0.0000	0.0000	29,807,863	0.2380	0.2290	5,640,812	0.2300	0.2300	98,036
	Debt Service	8,077,850	0.2020	0.2020	0	0.2020	0.2020	29,807,863	0.2020	0.2020	5,640,812	0.2020	0.2020	87,923
Village of Vinita Terrace	General Revenue	1,695,170	0.0440	0.0440	0	0.0000	0.0000	482,570	0.0500	0.0500	0	0.0000	0.0000	987
	Health	1,695,170	0.1290	0.1290	0	0.0000	0.0000	482,570	0.2000	0.2000	0	0.0000	0.0000	3,152
City of Warson Woods	General Revenue	50,814,250	0.3670	0.3670	0	0.0000	0.0000	7,167,682	0.4310	0.4310	5,333,204	0.0000	0.0000	217,381
City of Webster Groves	General Revenue	398,269,720	0.2330	0.2330	0	0.0000	0.0000	52,474,505	0.2290	0.2290	48,909,073	0.2800	0.2800	1,185,080
	Library	398,269,720	0.1500	0.1500	0	0.0000	0.0000	52,474,505	0.1470	0.1470	49,164,393	0.1800	0.1800	763,039
	Streets	398,269,720	0.1500	0.1500	0	0.0000	0.0000	52,474,505	0.1480	0.1480	48,909,073	0.1810	0.1810	763,592
	Pension	398,269,720	0.1200	0.1200	0	0.0000	0.0000	52,474,505	0.1180	0.1180	48,909,073	0.1450	0.1450	610,762
	Library-Temp	398,269,720	0.1350	0.1350	0	0.0000	0.0000	52,474,505	0.1340	0.1340	49,164,393	0.1350	0.1350	674,352
	Debt Service	398,269,720	0.2920	0.2600	0	0.2920	0.2600	52,474,505	0.2920	0.2600	48,909,073	0.2920	0.2600	1,299,099
City of Wellston	General Revenue	3,820,950	0.6000	0.5610	0	0.0000	0.0000	8,267,939	0.5770	0.4800	3,282,312	0.6000	0.6000	80,816
Village of Westwood	General Revenue	18,382,810	0.0570	0.0570	0	0.0000	0.0000	255,097	0.0920	0.0920	0	0.0000	0.0000	10,713
City of Winchester	General Revenue	14,685,130	0.1980	0.1980	0	0.0000	0.0000	3,025,296	0.1720	0.1720	2,352,600	0.2610	0.2610	40,421
City of Woodson Terrace	General Revenue	22,980,870	0.2790	0.2790	0	0.0000	0.0000	16,817,586	0.3360	0.3360	24,910,288	0.2510	0.2510	183,149
City of Chesterfield	Debt Service	0	0.0620	0.0300	0	0.0620	0.0300	0	0.0620	0.0300	0	0.0620	0.0300	0
Ferguson Municipal Pub Library Dist	General Revenue	113,589,100	0.2200	0.2200	8,220	0.0000	0.0000	43,518,826	0.2200	0.2200	33,970,740	0.2200	0.2200	420,373
Maplewood Public Library	General Revenue	73,659,490	0.2600	0.2600	0	0.0000	0.0000	51,283,365	0.2760	0.2760	22,202,539	0.3020	0.3020	400,109
	Debt Service	73,659,490	0.1680	0.1680	0	0.1680	0.1680	51,283,365	0.1680	0.1680	22,202,539	0.1680	0.1680	247,204
St. Louis County Library	General Revenue	11,433,449,570	0.1710	0.1630	4,826,680	0.2000	0.2000	4,910,331,716	0.1900	0.1900	2,788,631,125	0.1500	0.1500	32,158,753
Valley Park Community Library	General Revenue	31,428,353	0.1360	0.1360	1,040	0.1700	0.1700	8,773,590	0.1440	0.1440	10,416,173	0.1700	0.1700	73,086
Affton Fire Protection District	General Revenue	364,046,220	0.7270	0.7270	240	0.7940	0.7940	59,434,623	0.7890	0.7890	66,695,427	0.7940	0.7940	3,645,119
	Ambulance	364,046,220	0.1400	0.1400	240	0.0000	0.0000	59,434,623	0.1400	0.1400	66,695,427	0.1400	0.1400	686,247
	Pension	364,046,220	0.0580	0.0580	240	0.0000	0.0000	59,434,623	0.0650	0.0650	66,695,427	0.0640	0.0640	292,465
	Dispatch	364,046,220	0.0250	0.0250	240	0.0000	0.0000	59,434,623	0.0280	0.0280	66,695,427	0.0270	0.0270	125,662

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2011 PROPERTY TAX RATES
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		Residential Real Estate				Agricultural Real Estate			Commercial Real Estate			Personal Property			
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue
Metro West Fire Protection District	General Revenue	1,320,706,280	0.4900	0.4900		740,760	0.5800	0.5800	222,903,400	0.5300	0.5300	191,900,274	0.5610	0.5610	8,733,706
	Ambulance	1,320,706,280	0.2540	0.2540		740,760	0.3000	0.3000	222,903,400	0.2680	0.2680	191,900,274	0.2900	0.2900	4,510,708
	Pension	1,320,706,280	0.0930	0.0930		740,760	0.1100	0.1100	222,903,400	0.0990	0.0990	191,900,274	0.1060	0.1060	1,653,160
	Dispatch	1,320,706,280	0.0430	0.0430		740,760	0.0480	0.0480	222,903,400	0.0440	0.0440	191,900,274	0.0480	0.0480	758,449
	Debt Service	1,320,706,280	0.1500	0.1500		740,760	0.1500	0.1500	222,903,400	0.1500	0.1500	191,900,274	0.1500	0.1500	2,604,375
Black Jack Fire Protection District	General Revenue	401,739,880	0.9910	0.9910		121,630	1.0000	1.0000	52,521,496	1.0000	1.0000	74,748,042	1.0000	1.0000	5,255,153
	Pension	401,739,880	0.1000	0.1000		121,630	0.1000	0.1000	52,521,496	0.1000	0.1000	74,748,042	0.1000	0.1000	529,131
	NCCFA System	401,739,880	0.0500	0.0500		121,630	0.0500	0.0500	52,521,496	0.0500	0.0500	74,748,042	0.0500	0.0500	264,566
	Debt Service	401,739,880	0.1540	0.0780		121,630	0.1540	0.0780	52,521,496	0.1540	0.0780	74,748,042	0.1540	0.0780	412,722
Monarch Fire Protection District	General Revenue	1,421,880,955	0.4710	0.4330		948,620	0.5300	0.4050	483,825,830	0.5300	0.5240	273,060,043	0.5300	0.5300	10,143,052
	Ambulance	1,421,880,955	0.2920	0.2720		948,620	0.3300	0.2520	483,825,830	0.3300	0.3150	273,060,043	0.3300	0.3300	6,295,056
	Pension	1,421,880,955	0.0870	0.0810		948,620	0.1000	0.0760	483,825,830	0.1000	0.0960	273,060,043	0.1000	0.1000	1,889,978
	Dispatch	1,421,880,955	0.0460	0.0430		948,620	0.0480	0.0370	483,825,830	0.0480	0.0480	273,060,043	0.0480	0.0480	975,065
	Debt Service	1,421,880,955	0.0130	0.0130		948,620	0.0130	0.0130	483,825,830	0.0130	0.0130	273,060,043	0.0130	0.0130	283,363
Community Fire Protection District	General Revenue	276,281,100	0.9810	0.9810		0	0.0000	0.0000	160,173,259	1.0000	1.0000	110,265,750	1.0000	1.0000	5,414,709
	Ambulance	276,281,100	0.5000	0.5000		0	0.0000	0.0000	160,173,259	0.5000	0.5000	110,265,750	0.5000	0.5000	2,733,601
	Pension	276,281,100	0.2500	0.2500		0	0.0000	0.0000	160,173,259	0.2500	0.2500	110,265,750	0.2500	0.2500	1,366,800
	Dispatch	276,281,100	0.0290	0.0290		0	0.0000	0.0000	160,173,259	0.0300	0.0300	110,265,750	0.0300	0.0300	161,254
	Debt Service	276,281,100	0.2410	0.0930		0	0.2410	0.0930	160,173,259	0.2410	0.0930	110,265,750	0.2410	0.0930	508,449
Creve Coeur Fire Protection Dist	General Revenue	653,981,300	0.5400	0.5400		3,580	0.5400	0.5400	459,533,074	0.5400	0.5400	186,089,777	0.5400	0.5400	7,017,882
	Ambulance	653,981,300	0.1700	0.1700		3,580	0.1700	0.1700	459,533,074	0.1700	0.1700	186,089,777	0.1700	0.1700	2,209,333
	Pension	653,981,300	0.1400	0.1400		3,580	0.1500	0.1500	459,533,074	0.1420	0.1420	186,089,777	0.1500	0.1500	1,847,251
	Dispatch	653,981,300	0.0470	0.0430		3,580	0.0500	0.0350	459,533,074	0.0470	0.0430	186,089,777	0.0500	0.0500	571,857
Fenton Fire Protection District	General Revenue	428,866,430	0.5770	0.3500		85,130	0.6500	0.6500	288,662,284	0.6000	0.6000	121,253,026	0.5140	0.5140	3,856,801
	Ambulance	428,866,430	0.3000	0.1790		85,130	0.3000	0.3000	288,662,284	0.3000	0.3000	121,253,026	0.3000	0.3000	1,997,672
	Pension	428,866,430	0.1000	0.1000		85,130	0.1000	0.1000	288,662,284	0.1000	0.1000	121,253,026	0.1000	0.1000	838,866
	Dispatch	428,866,430	0.0500	0.0320		85,130	0.0500	0.0500	288,662,284	0.0500	0.0500	121,253,026	0.0500	0.0500	342,238
Florissant Valley Fire Prot Dist	General Revenue	523,375,110	0.6900	0.6900		154,540	0.6900	0.6900	136,592,599	0.6900	0.6900	105,783,509	0.6900	0.6900	5,284,749
	Ambulance	523,375,110	0.4370	0.4370		154,540	0.4400	0.4400	136,592,599	0.4390	0.4390	105,783,509	0.4400	0.4400	3,352,918
	Pension	523,375,110	0.1000	0.1000		154,540	0.1000	0.1000	136,592,599	0.1000	0.1000	105,783,509	0.1000	0.1000	765,907
	Dispatch	523,375,110	0.0300	0.0300		154,540	0.0300	0.0300	136,592,599	0.0300	0.0300	105,783,509	0.0300	0.0300	229,772
	Debt Service	523,375,110	0.1000	0.0150		154,540	0.1000	0.0150	136,592,599	0.1000	0.0150	105,783,509	0.1000	0.0150	114,886
Kinloch Fire Protection District	General Revenue	1,501,800	0.8430	0.9000	D	0	0.0000	0.0000	710,970	0.9000	0.9000	1,115,709	0.9000	0.9000	29,956
	Dispatch	1,501,800	0.0000	0.0000		0	0.0000	0.0000	710,970	0.0000	0.0000	1,115,709	0.0000	0.0000	0
Lemay Fire Protection District	General Revenue	118,125,030	0.8490	0.8490		1,280	0.1560	0.1560	89,443,298	0.8640	0.8640	57,848,898	0.9900	0.9900	2,348,378
	Ambulance	118,125,030	0.1820	0.1820		1,280	0.0780	0.0780	89,443,298	0.2080	0.2080	57,848,898	0.2500	0.2500	545,653

APPENDIX VIII-A
2011 PROPERTY TAX RATES
LISTING OF 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue
Lemay Fire Protection District	Pension	118,125,030	0.0860	0.0860	1,280	0.0000	0.0000	89,443,298	0.0880	0.0880	57,848,898	0.1000	0.1000	238,147
	Central Alarm Fund	118,125,030	0.0420	0.0420	1,280	0.0000	0.0000	89,443,298	0.0440	0.0440	57,848,898	0.0500	0.0500	117,892
West County EMS & Fire Prot Dist	General Revenue	522,158,920	0.4100	0.4100	243,260	0.4400	0.4400	130,661,655	0.4250	0.4250	85,464,820	0.4400	0.4400	3,073,279
	Ambulance	522,158,920	0.1730	0.1730	243,260	0.2000	0.2000	130,661,655	0.1780	0.1780	85,464,820	0.1940	0.1940	1,302,202
	Pension	522,158,920	0.0860	0.0860	243,260	0.1000	0.1000	130,661,655	0.0900	0.0900	85,464,820	0.0970	0.0970	649,796
	Dispatch	522,158,920	0.0440	0.0440	243,260	0.0490	0.0490	130,661,655	0.0440	0.0440	85,464,820	0.0490	0.0490	329,238
	Debt Service	522,158,920	0.3860	0.1850	243,260	0.3860	0.1850	130,661,655	0.3860	0.1850	85,464,820	0.3860	0.1850	1,366,278
Maryland Heights Fire Prot Dist	General Revenue	224,032,730	0.8000	0.8000	3,420	0.7900	0.7900	259,425,251	0.8000	0.8000	122,400,478	0.8000	0.8000	4,846,895
	Ambulance	224,032,730	0.3600	0.3600	3,420	0.3220	0.3220	259,425,251	0.3620	0.3620	122,400,478	0.3680	0.3680	2,196,082
	Pension	224,032,730	0.1300	0.1300	3,420	0.0880	0.0880	259,425,251	0.1300	0.1300	122,400,478	0.1300	0.1300	787,620
	Dispatch	224,032,730	0.0500	0.0500	3,420	0.0500	0.0500	259,425,251	0.0500	0.0500	122,400,478	0.0500	0.0500	302,931
Mehlville Fire Protection District	General Revenue	1,531,356,190	0.5770	0.5770 B	494,330	0.9580	0.9580 B	449,555,869	0.7010	0.7010 B	293,633,621	0.7570	0.7570 B	14,214,855
	Ambulance	1,531,356,190	0.0000	0.0000 B	494,330	0.0000	0.0000 B	449,555,869	0.0000	0.0000 B	293,633,621	0.0000	0.0000 B	0
	Pension	1,531,356,190	0.0350	0.0350	494,330	0.0600	0.0600	449,555,869	0.0380	0.0380	293,633,621	0.0560	0.0560	871,538
	Alarm Fund	1,531,356,190	0.0430	0.0330	494,330	0.0500	0.0400	449,555,869	0.0430	0.0330	293,633,621	0.0480	0.0380	765,480
Metro-North Fire Protection Dist	General Revenue	82,792,650	1.6098	1.6098	0	0.0000	0.0000	16,291,540	1.5399	1.5399	17,368,931	1.7410	1.7410	1,886,062
	Pension	82,792,650	0.2440	0.2440	0	0.0000	0.0000	16,291,540	0.2430	0.2430	17,368,931	0.2490	0.2490	284,851
	Dispatch	82,792,650	0.0300	0.0300	0	0.0000	0.0000	16,291,540	0.0300	0.0300	17,368,931	0.0300	0.0300	34,936
	Debt Service	82,792,650	0.2870	0.2870	0	0.2870	0.2870	16,291,540	0.2870	0.2870	17,368,931	0.2870	0.2870	334,221
Northeast Ambulance & FPD	General Revenue	134,529,070	1.5078	1.5078	5,780	1.5078	1.5078	27,447,154	1.5078	1.5078	33,343,198	1.5000	1.5000	2,942,512
	Ambulance	134,529,070	0.2900	0.2900	5,780	0.2900	0.2900	27,447,154	0.2900	0.2900	33,343,198	0.2900	0.2900	566,443
	Pension	134,529,070	0.1000	0.1000	5,780	0.1000	0.1000	27,447,154	0.1000	0.1000	33,343,198	0.1000	0.1000	195,325
	Dispatch	134,529,070	0.0420	0.0400	5,780	0.0500	0.0400	27,447,154	0.0420	0.0400	33,343,198	0.0400	0.0400	78,130
Pattonville Fire Protection Dist	General Revenue	123,861,250	0.9830	0.9830	380,660	0.9830	0.9830	420,213,368	0.9830	0.9830	172,129,729	0.9830	0.9830	7,044,030
	Ambulance	123,861,250	0.2500	0.2500	380,660	0.2500	0.2500	420,213,368	0.2500	0.2500	172,129,729	0.2500	0.2500	1,791,462
	Pension	123,861,250	0.1500	0.1500	380,660	0.1500	0.1500	420,213,368	0.1500	0.1500	172,129,729	0.1500	0.1500	1,074,878
	Dispatch	123,861,250	0.0500	0.0500	380,660	0.0500	0.0500	420,213,368	0.0500	0.0500	172,129,729	0.0500	0.0500	358,293
	Debt Service	123,861,250	0.3090	0.1750	380,660	0.3090	0.1750	420,213,368	0.3090	0.1750	172,129,729	0.3090	0.1750	1,254,023
Riverview Fire Protection District	General Revenue	98,818,400	1.4612	1.4612	2,400	1.4612	1.4612	16,583,526	1.4612	1.4612	19,199,754	1.4544	1.4544	1,965,528
	Pension	98,818,400	0.2500	0.2500	2,400	0.2500	0.2500	16,583,526	0.2500	0.2500	19,199,754	0.2500	0.2500	336,510
	Dispatch	98,818,400	0.0500	0.0500	2,400	0.0420	0.0420	16,583,526	0.0500	0.0500	19,199,754	0.0500	0.0500	67,302
	Debt Service	98,818,400	0.2630	0.2630	2,400	0.2630	0.2630	16,583,526	0.2630	0.2630	19,199,754	0.2630	0.2630	354,008
Robertson Fire Protection District	General Revenue	39,194,570	0.8900	0.8900	224,790	0.8900	0.8900	181,081,426	0.8900	0.8900	89,718,889	0.8900	0.8900	2,760,956
	Ambulance	39,194,570	0.6630	0.6630	224,790	0.7000	0.7000	181,081,426	0.6980	0.6980	89,718,889	0.7000	0.7000	2,153,414
	Pension	39,194,570	0.2000	0.2000	224,790	0.2000	0.2000	181,081,426	0.2000	0.2000	89,718,889	0.2000	0.2000	620,440
	Dispatch	39,194,570	0.0500	0.0500	224,790	0.0500	0.0500	181,081,426	0.0500	0.0500	89,718,889	0.0500	0.0500	155,109

APPENDIX VIII-A
2011 PROPERTY TAX RATES
LISTING OF 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue
Robertson Fire Protection District	Debt Service	39,194,570	0.2940	0.2090	224,790	0.2940	0.2090	181,081,426	0.2940	0.2090	89,718,889	0.2940	0.2090	648,359
Spanish Lake Fire Protection Dist	General Revenue	111,927,730	1.4587	1.4587	83,540	1.5000	1.5000	26,048,762	1.3951	1.3951	24,174,654	1.5000	1.5000	2,359,969
	Pension	111,927,730	0.1500	0.1500	83,540	0.1500	0.1500	26,048,762	0.1500	0.1500	24,174,654	0.1500	0.1500	243,352
	Dispatch	111,927,730	0.0500	0.0500	83,540	0.0500	0.0500	26,048,762	0.0500	0.0450	24,174,654	0.0500	0.0500	79,815
	Debt Service	111,927,730	0.1640	0.1640	83,540	0.1640	0.1640	26,048,762	0.1640	0.1640	24,174,654	0.1640	0.1640	266,064
Valley Park Fire Protection Dist	General Revenue	151,060,000	0.8020	0.7590	137,390	0.8380	0.8380	53,562,805	0.8400	0.8400	41,973,418	0.8800	0.8800	1,966,990
	Ambulance	151,060,000	0.2750	0.2750	137,390	0.2880	0.2880	53,562,805	0.2860	0.2860	41,973,418	0.3000	0.3000	694,921
	Pension	151,060,000	0.0920	0.0920	137,390	0.0960	0.0960	53,562,805	0.0950	0.0950	41,973,418	0.1000	0.1000	231,965
	Dispatch	151,060,000	0.0270	0.0270	137,390	0.0280	0.0280	53,562,805	0.0280	0.0280	41,973,418	0.0300	0.0300	68,414
Mid-County Fire Protection District	General Revenue	44,676,980	1.7507	1.7507	0	0.0000	0.0000	53,613,693	1.8304	1.8304	30,757,317	1.8500	1.8500	2,332,515
	Ambulance	44,676,980	0.1500	0.1500	0	0.0000	0.0000	53,613,693	0.1500	0.1500	30,757,317	0.1500	0.1500	193,572
	Pension	44,676,980	0.2500	0.2500	0	0.0000	0.0000	53,613,693	0.2500	0.2500	30,757,317	0.2500	0.2500	322,619
	Dispatch	44,676,980	0.0300	0.0300	0	0.0000	0.0000	53,613,693	0.0300	0.0300	30,757,317	0.0300	0.0300	38,714
	Debt Service	44,676,980	0.2940	0.2400	0	0.2940	0.2400	53,613,693	0.2940	0.2400	30,757,317	0.2940	0.2400	309,716
West Overland Fire Protection Dist	General Revenue	52,802,690	0.7100	0.7100	0	0.0000	0.0000	71,887,909	0.7100	0.7100	22,556,709	0.7100	0.7100	1,045,456
	Ambulance	52,802,690	0.6250	0.6250	0	0.0000	0.0000	71,887,909	0.6300	0.6300	22,556,709	0.6500	0.6500	929,530
	Pension	52,802,690	0.1500	0.1500	0	0.0000	0.0000	71,887,909	0.1500	0.1500	22,556,709	0.1500	0.1500	220,871
	Dispatch	52,802,690	0.0500	0.0500	0	0.0000	0.0000	71,887,909	0.0500	0.0500	22,556,709	0.0500	0.0500	73,623
	Debt Service	52,802,690	0.3000	0.3000	0	0.3000	0.3000	71,887,909	0.3000	0.3000	22,556,709	0.3000	0.3000	441,742
Black Creek Sewer	General Revenue	767,727,480	0.0860	0.0000	0	0.0000	0.0000	615,906,255	0.0920	0.0000	136,858,106	0.0950	0.0000	0
Black Jack-Dellwood Sewer	General Revenue		*	0.0000		*	0.0000		*	0.0000		*	0.0000	
Clayton Central Sewer	General Revenue	59,741,360	0.0910	0.0000	0	0.0000	0.0000	277,162,992	0.0960	0.0000	41,523,477	0.0900	0.0000	0
Coldwater Creek Sewer	General Revenue	982,330,730	0.1000	0.1000	208,880	0.0320	0.0320	528,362,735	0.1000	0.1000	369,542,293	0.1000	0.1000	1,880,303
Creve Coeur-Frontenac Sewer	General Revenue	317,907,480	0.0750	0.0000	0	0.0000	0.0000	190,572,672	0.0730	0.0000	61,791,356	0.0760	0.0000	0
Deer Creek Sewer	General Revenue	2,541,766,220	0.0840	0.0840	227,570	0.0790	0.0790	1,079,894,760	0.0820	0.0820	376,425,068	0.0930	0.0930	3,370,853
Fountain Creek Sewer	General Revenue	92,361,330	0.1110	0.0000	0	0.0000	0.0000	22,109,196	0.1030	0.0000	17,452,270	0.1000	0.0000	0
Gravois Creek Sewer	General Revenue	987,074,590	0.0800	0.0800	151,910	0.1000	0.0120	438,228,801	0.0820	0.0820	195,532,297	0.0860	0.0860	1,317,184
Loretta-Joplin Sewer	General Revenue	21,238,860	0.0770	0.0740	0	0.0000	0.0000	1,974,396	0.0800	0.0800	3,868,568	0.0900	0.0900	20,779
Maline Creek Sewer	General Revenue	369,173,920	0.1000	0.1000	25,870	0.1000	0.1000	217,313,471	0.0800	0.0800	114,709,465	0.1000	0.1000	657,760
Marlborough Sewer	General Revenue		*	0.0000		*	0.0000		*	0.0000		*	0.0000	
Meramec River Basin Sewer	General Revenue	2,073,139,110	0.0000	0.0000	885,030	0.0000	0.0000	868,289,293	0.0000	0.0000	392,660,050	0.0000	0.0000	0
Missouri River-Bonfils Sewer	General Revenue	133,619,830	0.0000	0.0000	124,520	0.0000	0.0000	550,503,241	0.0000	0.0000	170,239,424	0.0000	0.0000	0
North Affton Sewer	General Revenue	60,213,420	0.0790	0.0790	0	0.0000	0.0000	4,716,157	0.0790	0.0790	8,961,193	0.0850	0.0850	58,912
Paddock Creek Sewer	General Revenue		*	0.0000		*	0.0000		*	0.0000		*	0.0000	
Seminary Branch RDP Sewer	General Revenue	231,008,510	0.0670	0.0670	0	0.0000	0.0000	45,796,763	0.0770	0.0770	39,250,535	0.0760	0.0760	219,870
Shrewsbury Branch RDP Sewer	General Revenue	21,464,280	0.0620	0.0620	0	0.0000	0.0000	4,485,961	0.0660	0.0660	3,478,798	0.0820	0.0820	19,122

APPENDIX VIII-A
2011 PROPERTY TAX RATES
LISTING OF 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue
Sugar Creek Sewer	General Revenue	272,810,940	0.0590	0.0590	130	0.0000	0.0000	101,673,563	0.0420	0.0420	37,393,857	0.0690	0.0690	229,463
University City Branch RDP Sewer	General Revenue	514,291,420	0.0850	0.0850	3,580	0.0000	0.0000	272,983,651	0.0940	0.0940	134,325,010	0.0940	0.0940	820,019
Upper Paddock Creek Sewer	General Revenue		*	0.0000		*	0.0000		*	0.0000		*	0.0000	
Watkins Creek Sewer	General Revenue	96,799,650	0.1000	0.1000	6,060	0.1000	0.1000	33,763,812	0.1000	0.1000	21,501,988	0.0990	0.0990	151,857
Wedgewood Creek Sewer	General Revenue		*	0.0000		*	0.0000		*	0.0000		*	0.0000	
Wellston Sewer	General Revenue	13,954,270	0.1000	0.1000	0	0.0000	0.0000	12,883,189	0.1000	0.1000	8,020,635	0.1000	0.1000	34,858
Hancock Street Light Dist St. Louis	General Revenue	44,632,070	0.1560	0.1560	0	0.0000	0.0000	70,835,930	0.2000	0.2000	40,147,760	0.1700	0.1700	279,549
Wheaton Cook Lyndhurst Light Dist	General Revenue	6,050,791	0.1930	0.1930	0	0.0000	0.0000	1,199,630	0.1850	0.1850	1,168,430	0.2000	0.2000	16,234
Castle Point Street Light District	General Revenue	9,445,210	0.1900	0.1900	0	0.0000	0.0000	283,560	0.1900	0.1900	1,509,850	0.1850	0.1850	21,278
Glasgow Village Street Light Dist	General Revenue	20,591,020	0.1590	0.1590	0	0.0000	0.0000	336,950	0.0930	0.0930	2,551,320	0.1580	0.1580	37,084
Elmwood Park Street Light District	General Revenue	2,114,100	0.0000	0.4000 D	0	0.0000	0.0000	27,000	0.0000	0.4000 D	352,490	0.0000	0.4000 D	9,974
Clayton Special Business District	General Revenue	52,034,210	0.1220	0.1100	0	0.0000	0.0000	283,020,730	0.1310	0.1310	0	0.0000	0.0000	427,995
Maplewood Special Business District	General Revenue	481,730	0.2350	0.2350	0	0.0000	0.0000	18,715,900	0.3220	0.3220	0	0.0000	0.0000	61,397
University City Spec Bus Dist BD57	General Revenue	1,026,860	0.5900	0.5900	0	0.0000	0.0000	6,576,570	0.5360	0.5360	0	0.0000	0.0000	41,308
Webster Groves-Old Webster Bus Di	General Revenue	517,400	0.1660	0.1660	0	0.0000	0.0000	11,872,930	0.3090	0.3090	0	0.0000	0.0000	37,546
Webster Groves-Old Orchard Bus Di	General Revenue	175,580	0.3770	0.3600	0	0.0000	0.0000	8,029,210	0.3770	0.3600	0	0.0000	0.0000	29,537
Kirkwood Special Business District	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	27,556,800	0.4820	0.4560	0	0.0000	0.0000	125,659
Jennings Special Business District	General Revenue	39,330	0.4300	0.4300	0	0.0000	0.0000	1,846,820	0.4300	0.4300	0	0.0000	0.0000	8,110
Productive Living Board	General Revenue	13,426,480,910	0.0840	0.0840	4,857,070	0.0900	0.0900	5,504,727,756	0.0900	0.0900	3,082,039,198	0.0900	0.0900	19,010,705
Parkview Gardens Spec Bus Dist BD	General Revenue	11,657,260	0.6260	0.6260	0	0.0000	0.0000	2,378,930	0.7220	0.7220	0	0.0000	0.0000	90,150
Crossroads Special Business Dist	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	4,221,770	0.3790	0.3790	0	0.0000	0.0000	16,001
Robinwood West Community Imp Di	General Revenue	14,718,950	0.7490	0.7490	0	0.0000	0.0000	0	0.0000	0.0000	0	0.0000	0.0000	110,245
	General Revenue-Temp	14,718,950	0.2800	0.2800	0	0.0000	0.0000	0	0.0000	0.0000	0	0.0000	0.0000	41,213
Crestwood Point Community Imp Di	Debt Service	0	5.0903	3.0000	0	5.0903	3.0000	1,805,400	5.0903	3.0000	0	5.0903	3.0000	54,162
Crossings Community Imp District	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	4,298,790	1.9947	1.9947	0	0.0000	0.0000	85,748
Crestwood Market Community Imp	Debt Service	0	6.9914	5.0000	0	6.9914	5.0000	1,491,040	6.9914	5.0000	0	6.9914	5.0000	74,552
Hazelwood R-I School District	Operating Funds-Schools	904,168,560	5.2804	5.2804 E	765,880	5.5500	5.5500 E	424,041,850	5.4277	5.4277 E	318,489,720	5.4050	5.4050 E	88,016,311
	Debt Service	904,168,560	1.0585	0.9400	765,880	1.0585	0.9400	424,041,850	1.0585	0.9400	318,489,720	1.0585	0.9400	15,486,179
Ferguson-Florissant R-II Sch Dist	Operating Funds-Schools	433,210,840	4.7400	4.7400 E	15,770	4.7400	4.7400 E	338,815,210	4.6961	4.6961 E	210,767,650	4.7400	4.7400 E	46,436,429
	Debt Service	433,210,840	0.2800	0.2800	15,770	0.2800	0.2800	338,815,210	0.2800	0.2800	210,767,650	0.2800	0.2800	2,751,866
Pattonville R-III School District	Operating Funds-Schools	398,709,280	4.1100	3.9345	185,060	4.1100	3.9345	596,560,400	4.1100	3.9345	269,314,170	3.9305	3.9345 D	49,762,333
	Debt Service	398,709,280	0.5150	0.4900	185,060	0.5150	0.4900	596,560,400	0.5150	0.4900	269,314,170	0.5150	0.4900	6,197,367
Kirkwood R-VII School District	Operating Funds-Schools	840,742,450	3.1908	3.1908 E	226,550	4.4176	4.4176 E	218,752,190	4.2005	4.3097 E	119,480,230	3.6614	3.6614 E	40,638,630
	Operating Funds-Temp	840,742,450	0.7320	0.7320	226,550	0.7320	0.7320	218,752,190	0.7320	0.7320	119,480,230	0.7320	0.7320	8,631,754
	Debt Service	840,742,450	0.3650	0.3650	226,550	0.3650	0.3650	218,752,190	0.3650	0.3650	119,480,230	0.3650	0.3650	4,304,085
Lindbergh R-VIII School District	Operating Funds-Schools	759,820,120	3.5769	3.5769 B	188,680	5.7261	4.7978 B	273,955,810	3.8906	3.8906 B	133,670,180	3.9096	3.9096 B	43,071,552

APPENDIX VIII-A
2011 PROPERTY TAX RATES
LISTING OF 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate				Agricultural Real Estate				Commercial Real Estate				Personal Property				
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Revenue
Lindbergh R-VIII School District	Debt Service	759,820,120	0.4850	0.4850		188,680	0.4850	0.4850		273,955,810	0.4850	0.4850		133,670,180	0.4850	0.4850		5,663,029
Mehlville R-IX School District	Operating Funds-Schools	1,167,547,990	3.6304	3.6304	E	338,080	4.0567	4.0567	E	291,695,780	3.5187	3.4042	E	231,362,030	3.9761	3.9348	E	61,433,918
	Debt Service	1,167,547,990	0.0330	0.0330		338,080	0.0330	0.0330		291,695,780	0.0330	0.0330		231,362,030	0.0330	0.0330		558,012
Parkway C-2 School District	Operating Funds-Schools	2,657,453,360	3.3361	3.3361	E	673,970	5.1200	5.1200	E	1,073,003,790	4.0460	4.0460	E	518,511,400	3.7379	3.7379	E	151,484,980
	Debt Service	2,657,453,360	0.5350	0.3400		673,970	0.5350	0.3400		1,073,003,790	0.5350	0.3400		518,511,400	0.5350	0.3400		14,448,784
Affton 101 School District	Operating Funds-Schools	268,706,890	5.3189	5.2974	E	0	0.0000	0.0000	E	60,874,090	5.6189	5.6189	E	52,617,340	5.5131	5.5131	E	20,555,780
Bayless School District	Operating Funds-Schools	111,958,780	3.2083	3.2083	E	0	0.0000	0.0000	E	12,225,860	3.3227	3.3227	E	20,398,100	3.8500	3.8500	E	4,783,530
	Debt Service	111,958,780	0.7440	0.5240		0	0.7440	0.5240		12,225,860	0.7440	0.5240		20,398,100	0.7440	0.5240		757,614
Brentwood School District	Operating Funds-Schools	146,210,580	3.2635	3.3169		0	0.0000	0.0000		97,832,080	4.0317	4.2785	C	36,121,410	3.3447	3.2707		10,216,828
	Debt Service	146,210,580	0.7130	0.2800		0	0.7130	0.2800		97,832,080	0.7130	0.2800		36,121,410	0.7130	0.2800		784,460
Clayton School District	Operating Funds-Schools	494,584,050	3.3276	3.2759	C	0	0.0000	0.0000		413,128,740	3.6842	3.6664	C	87,816,430	3.4726	3.4060		34,340,059
	Debt Service	494,584,050	1.0191	0.6230		0	1.0191	0.6230		413,128,740	1.0191	0.6230		87,816,430	1.0191	0.6230		6,202,147
Hancock Place School District	Operating Funds-Schools	43,920,610	3.1767	3.1767	E	0	0.0000	0.0000	E	70,788,420	3.7169	3.7169	E	40,025,930	4.3000	4.3000	E	5,747,476
	Debt Service	43,920,610	1.0501	1.0100		0	1.0501	1.0100		70,788,420	1.0501	1.0100		40,025,930	1.0501	1.0100		1,562,823
Jennings School District	Operating Funds-Schools	63,251,550	5.5500	5.5000	E	0	0.0000	0.0000	E	13,989,280	5.5500	5.5500	E	19,653,550	4.8034	4.8034	E	5,199,279
	Debt Service	63,251,550	0.9900	0.9900		0	0.9900	0.9900		13,989,280	0.9900	0.9900		19,653,550	0.9900	0.9900		959,254
Ladue School District	Operating Funds-Schools	1,081,106,880	2.7500	2.7500		4,690	2.7500	2.7500		229,384,090	2.7500	2.7500		124,241,130	2.7500	2.7500		39,455,261
	Debt Service	1,081,106,880	0.7700	0.3500		4,690	0.7700	0.3500		229,384,090	0.7700	0.3500		124,241,130	0.7700	0.3500		5,021,578
Maplewood-Richmond Heights SD	Operating Funds-Schools	168,397,290	4.2410	4.2410	E	0	0.0000	0.0000	E	59,208,270	4.3500	4.3500	E	32,567,090	4.9158	4.9158	E	11,318,222
	Debt Service	168,397,290	1.1100	1.0200		0	1.1100	1.0200		59,208,270	1.1100	1.0200		32,567,090	1.1100	1.0200		2,653,760
Normandy School District	Operating Funds-Schools	166,796,200	4.6600	4.5443	F	5,780	4.6600	4.5443	F	40,740,670	4.6600	4.5443	F	49,125,100	4.6600	4.5443	F	11,663,753
	Debt Service	166,796,200	1.8839	1.7314		5,780	1.8839	1.7314		40,740,670	1.8839	1.7314		49,125,100	1.8839	1.7314		4,443,945
Ritenour School District	Operating Funds-Schools	267,487,540	3.9964	4.0732	G	0	0.0000	0.0000	E	168,075,340	4.2295	4.3319	G	113,262,280	4.0492	4.0492	E	22,762,374
	Debt Service	267,487,540	1.4767	0.9100		0	1.4767	0.9100		168,075,340	1.4767	0.9100		113,262,280	1.4767	0.9100		4,994,310
Riverview Gardens School District	Operating Funds-Schools	179,975,540	4.3500	4.3500	E	2,400	4.3500	4.3500	E	20,448,030	4.3500	4.3500	E	33,627,600	4.1177	4.1177	E	10,103,213
	Debt Service	179,975,540	1.0347	1.0300		2,400	1.0347	1.0300		20,448,030	1.0347	1.0300		33,627,600	1.0347	1.0300		2,410,752
University City School District	Operating Funds-Schools	485,821,820	3.9730	3.9730	E	0	0.0000	0.0000	E	56,720,520	4.4742	4.4742	E	58,931,320	4.9884	4.9884	E	24,779,221
	Debt Service	485,821,820	0.8100	0.7380		0	0.8100	0.7380		56,720,520	0.8100	0.7380		58,931,320	0.8100	0.7380		4,438,875
Valley Park School District	Operating Funds-Schools	95,371,720	4.3875	4.2975	E	17,370	4.5690	4.5690	E	39,194,800	4.4809	4.4809	E	29,809,400	4.6500	4.6500	E	7,241,811
	Debt Service	95,371,720	0.7580	0.6460		17,370	0.7580	0.6460		39,194,800	0.7580	0.6460		29,809,400	0.7580	0.6460		1,061,980
Webster Groves School District	Operating Funds-Schools	548,317,500	5.1865	5.1865	E	0	0.0000	0.0000	E	78,454,150	5.6165	5.6165	E	71,497,390	5.9100	5.9100	E	37,070,360
	Debt Service	548,317,500	0.5690	0.5690		0	0.5690	0.5690		78,454,150	0.5690	0.5690		71,497,390	0.5690	0.5690		3,973,151
St. Louis County	General Revenue	13,426,480,910	0.2820	0.2000		4,841,410	0.3500	0.2000		5,452,300,266	0.2860	0.2000		3,100,918,258	0.2000	0.2000		43,969,083
	Parks & Recreation	13,426,480,910	0.0700	0.0500		4,841,410	0.0680	0.0500		5,452,300,266	0.0700	0.0500		3,100,918,258	0.0500	0.0500		10,992,270
	Road & Bridge	13,426,480,910	0.1800	0.1050		4,841,410	0.1800	0.1050		5,452,300,266	0.1800	0.1050		3,100,918,258	0.1050	0.1050		23,083,767
	Health	13,426,480,910	0.2470	0.1400		4,841,410	0.3000	0.1400		5,452,300,266	0.2500	0.1400		3,100,918,258	0.1400	0.1400		30,778,357

APPENDIX VIII-A
2011 PROPERTY TAX RATES
LISTING OF 2011 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue
St. Louis County	Debt Service	13,426,480,910	0.1000	0.0280	4,841,410	0.1000	0.0280	5,452,300,266	0.1000	0.0280	3,100,918,258	0.1000	0.0280	6,155,672
													Total Revenue	$ 1,225,879,223

LEGEND:

* Levy was not certified due to insufficient substantiating data; however, it does not appear that a rate was levied.
** Levy did not exist.
A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy.
B A voter approved increase to an existing levy.
C Levy includes a recoupment rate authorized by state law.
D Levied a tax rate in excess of the legally permissible tax levy as provided by state law, see the Results Section for the 2011 levies.
E School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to $0.000 and levy up to its calculated tax rate ceiling.
F School district has a partial Proposition C (sales tax) waiver which allows the school district to waive a portion of its required Proposition C reduction to the extent necessary to collect $2.7500 or the amount stated on the ballot.
G Levy includes a recoupment rate authorized by state law. School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to $0.0000 and levy up to its calculated tax rate ceiling.

NOTE:

This Appendix contains levy information for political subdivisions wholly in St. Louis County and the City of Gladstone in Clay County. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Political subdivisions partially in St. Louis County and partially in another county(ies) were also required by previous legislation to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi rate calculation. See Appendix VII for a listing of 2011 and 2010 taxing authorities that calculated a single tax rate to apply to all property.

All rates in the levied column represent the rate extended and certified to the State Auditor's office by both taxing authority and the county or counties in which the tax rate is levied.

Assessed Value column presents only the assessed valuation the property tax is levied against.

The revenue generated is computed by dividing the assessed valuation by 100 and multiplying the quotient by the tax rate levied.

APPENDIX VIII-B
2011 PROPERTY TAX RATES
LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
Clay													
City of Gladstone	General Revenue	245,624,610	0.9290	0.9290	580,580	0.9290	0.9290	60,008,099	0.9290	0.9290	46,857,560	0.9290	0.9290
St. Louis													
City of Bellefontaine Neighbors	General Revenue	66,885,800	0.2250	0.1630	70	0.0000	0.0000	10,549,349	0.1800	0.1120	12,435,841	0.2360	0.2360
	Debt Service	66,885,800	0.5300	0.5300	70	0.5300	0.5300	10,549,349	0.5300	0.5300	12,435,841	0.5300	0.5300
Village of Bellerive Acres	General Revenue	3,546,230	0.7900	0.7900	0	0.0000	0.0000	344,310	0.0000	0.0000	1,157,617	0.7670	0.7670
Village of Bel Nor	General Revenue	18,299,874	0.4960	0.4960	0	0.0000	0.0000	461,300	0.4250	0.4250	2,235,833	0.5530	0.5530
Village of Bel Ridge	General Revenue	9,895,520	0.3500	0.3500	0	0.0000	0.0000	4,718,080	0.3500	0.3500	3,368,304	0.0000	0.0000
	Debt Service	9,895,520	0.1540	0.1540	0	0.1540	0.1540	4,718,080	0.1540	0.1540	3,368,304	0.1540	0.1540
City of Berkeley	General Revenue	44,105,660	0.6220	0.6220	4,140	0.9900	0.9900	97,372,806	0.8520	0.8520	64,485,234	0.9200	0.9200
	Pension	44,105,660	0.1020	0.1020	4,140	0.1100	0.1100	97,372,806	0.1100	0.1100	64,485,234	0.1100	0.1100
	Debt Service	44,105,660	0.1840	0.1840	4,140	0.1840	0.1840	97,372,806	0.1840	0.1840	64,485,234	0.1840	0.1840
City of Beverly Hills	General Revenue	2,726,440	0.2150	0.2150	0	0.0000	0.0000	1,244,233	0.2270	0.2270	681,438	0.2320	0.2320
City of Black Jack	Debt Service	61,616,870	0.5220	0.5200	2,880	0.5220	0.5200	4,026,612	0.5220	0.5200	9,815,252	0.5220	0.5200
City of Breckenridge Hills	General Revenue	22,694,140	0.2200	0.2000	0	0.0000	0.0000	9,616,863	0.2200	0.2000	4,385,302	0.0000	0.0000
City of Brentwood	General Revenue	144,844,790	0.0000	0.0000	0	0.0000	0.0000	132,858,700	0.1730	0.1730	31,528,580	0.2070	0.2070
	Library	144,844,790	0.1500	0.1500	0	0.0000	0.0000	132,858,700	0.1540	0.1540	31,528,580	0.1790	0.1790
	Pension	144,844,790	0.3520	0.3520	0	0.0000	0.0000	132,858,700	0.4110	0.4110	31,528,580	0.3850	0.3850
	Debt Service	144,844,790	0.3040	0.1100	0	0.3040	0.1100	132,858,700	0.3040	0.1100	31,528,580	0.3040	0.1100
City of Bridgeton	General Revenue	111,707,960	0.1750	0.1600	129,420	0.0000	0.0000	270,634,136	0.2420	0.2420	0	0.0000	0.0000
Village of Calverton Park	General Revenue	9,870,660	0.2360	0.2150	0	0.0000	0.0000	518,193	0.2580	0.2150	1,497,251	0.2150	0.2150
City of Charlack	General Revenue	7,211,180	0.2040	0.2040	0	0.0000	0.0000	2,821,766	0.2090	0.2090	1,787,817	0.2570	0.2570
City of Clarkson Valley	General Revenue	98,208,980	0.1160	0.1160	4,100	0.1950	0.1950	6,186,560	0.1220	0.1220	9,411,882	0.1530	0.1530
City of Clayton	General Revenue	476,298,820	0.6010	0.6010	0	0.0000	0.0000	337,586,241	0.6860	0.6730	76,754,725	0.7070	0.7070
	Debt Service	476,298,820	0.1200	0.0910	0	0.1200	0.0910	337,586,241	0.1200	0.0910	76,754,725	0.1200	0.0910
City of Cool Valley	General Revenue	6,780,790	0.1720	0.1720	0	0.0000	0.0000	6,141,426	0.3480	0.3480	4,399,523	0.1650	0.1650
City of Country Club Hills	General Revenue	4,487,730	0.7370	0.7370	0	0.0000	0.0000	919,830	0.7780	0.7780	1,249,873	0.7330	0.7330
	Parks & Recreation	4,487,730	0.3410	0.3410	0	0.0000	0.0000	919,830	0.3340	0.3340	1,249,873	0.3370	0.3370
	Health	4,487,730	0.1950	0.1950	0	0.0000	0.0000	919,830	0.1710	0.1710	1,249,873	0.1900	0.1900
Village of Country Life Acres	General Revenue	7,072,840	0.3350	0.3350	240	0.0000	0.0000	73,498	0.4160	0.4160	432,161	0.4200	0.4200
City of Crestwood	General Revenue	178,023,680	0.2280	0.2280	150	0.0000	0.0000	69,488,001	0.3570	0.4060 C	27,532,388	0.2790	0.2790
	General Revenue-Temp	178,023,680	0.2000	0.2020 C	150	0.0000	0.0000	69,488,001	0.2000	0.2000	27,532,388	0.2000	0.2000
City of Creve Coeur	General Revenue	464,746,450	0.0840	0.0860 C	4,380	0.0910	0.0910	358,036,622	0.0790	0.0830 C	0	0.0000	0.0000

APPENDIX VIII-B
2011 PROPERTY TAX RATES
LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate				Agricultural Real Estate				Commercial Real Estate				Personal Property			
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	
City of Crystal Lake Park	General Revenue	15,272,220	0.6500	0.6410		0	0.0000	0.0000		163,268	0.2950	0.2880		1,154,906	0.8080	0.8080	
City of Dellwood	General Revenue	28,843,060	0.1990	0.1990		0	0.0000	0.0000		8,242,290	0.2110	0.2110		6,566,200	0.2350	0.2350	
City of Des Peres	General Revenue	219,335,820	0.0000	0.0000		230,720	0.0000	0.0000		144,160,140	0.0000	0.0000		42,525,211	0.0000	0.0000	
	Debt Service	219,335,820	0.6430	0.0000		230,720	0.6430	0.0000		144,160,140	0.6430	0.0000		42,525,211	0.6430	0.0000	
City of Edmundson	General Revenue	4,459,720	0.0000	0.0000		0	0.0000	0.0000		21,404,600	0.4850	0.4850		6,829,696	0.0000	0.0000	
City of Ellisville	General Revenue	145,998,690	0.4090	0.1500		830	0.6020	0.1500		100,712,886	0.4110	0.1500		31,048,046	0.0000	0.0000	
City of Eureka	General Revenue	141,681,370	0.4230	0.3730		109,370	0.4380	0.3730		62,134,487	0.4090	0.3560		34,842,387	0.3900	0.3900	
City of Ferguson	General Revenue	128,049,660	0.4010	0.3760		8,430	0.4270	0.4270		41,342,130	0.4290	0.3980		35,806,960	0.4500	0.4500	
	Parks & Recreation	128,049,660	0.1660	0.1640		8,430	0.1820	0.1820		41,342,130	0.1850	0.1720		35,806,960	0.1980	0.1980	
City of Flordell Hills	General Revenue	3,069,610	0.4960	0.4960		0	0.0000	0.0000		847,840	0.9610	0.9610		0	0.0000	0.0000	
City of Florissant	General Revenue	403,898,140	0.0000	0.0000		25,580	0.0000	0.0000		127,373,496	0.0000	0.0000		76,032,975	0.0000	0.0000	
City of Frontenac	General Revenue	180,207,200	0.4690	0.4740	C	0	0.0000	0.0000		41,783,980	0.5290	0.5440	C	17,123,030	0.5530	0.5530	
Village of Glen Echo Park	General Revenue	1,253,450	0.4160	0.4160		0	0.0000	0.0000		7,520	0.5000	0.5000		192,220	0.5000	0.5000	
City of Glendale	General Revenue	134,192,820	0.4210	0.4210		0	0.0000	0.0000		5,158,201	0.4510	0.4510		12,620,714	0.5190	0.5190	
	Pension	134,192,820	0.0810	0.0810		0	0.0000	0.0000		5,158,201	0.0900	0.0900		12,620,714	0.1000	0.1000	
Town of Grantwood Village	General Revenue	20,909,250	0.2260	0.2250		46,740	0.4940	0.4300		1,008,140	0.2140	0.2140		2,424,410	0.2610	0.2610	
City of Greendale	General Revenue	5,386,210	0.5050	0.5050		0	0.0000	0.0000		272,860	0.4140	0.4140		0	0.0000	0.0000	
Village of Hanley Hills	General Revenue	10,464,910	0.4160	0.4160		0	0.0000	0.0000		235,380	0.4110	0.4110		1,895,439	0.4500	0.4500	
City of Hazelwood	General Revenue	205,407,390	0.7670	0.7670		381,110	0.5340	0.5340		202,163,172	0.7700	0.7700		118,560,024	0.7540	0.7540	
	Debt Service	205,407,390	0.2120	0.2120		381,110	0.2120	0.2120		202,163,172	0.2120	0.2120		118,560,024	0.2120	0.2120	
Village of Hillsdale	General Revenue	3,185,580	0.5000	0.5000		0	0.0000	0.0000		2,666,676	0.5000	0.5000		2,428,197	0.5000	0.5000	
City of Huntleigh	General Revenue	36,432,650	0.2420	0.2060		5,900	0.3220	0.2920		366,738	0.3360	0.2860		2,446,740	0.2690	0.2190	
City of Jennings	General Revenue	60,522,370	1.0000	1.0000		0	0.0000	0.0000		15,575,405	1.0000	1.0000		13,228,117	1.0000	1.0000	
	Pension	60,522,370	0.2450	0.2450		0	0.0000	0.0000		15,575,405	0.2450	0.2450		13,228,117	0.2450	0.2450	
City of Kinloch	General Revenue	1,173,730	0.8750	0.9210	D	0	0.0000	0.0000		1,322,950	0.7190	0.9910	D	535,436	1.0000	1.0000	
City of Kirkwood	General Revenue	529,575,560	0.2880	0.2760		0	0.0000	0.0000		109,239,920	0.2880	0.2730		65,555,297	0.2760	0.2760	
	Parks & Recreation	529,575,560	0.1360	0.1300		0	0.0000	0.0000		109,239,920	0.1360	0.1290		65,555,297	0.1300	0.1300	
	Library	523,197,900	0.1860	0.1820		0	0.0000	0.0000		93,772,120	0.2330	0.2240		64,377,257	0.2350	0.2350	
	Pension	529,575,560	0.1260	0.1190		0	0.0000	0.0000		109,239,920	0.1430	0.1360		65,555,297	0.1720	0.1720	
	Library-Temp	523,197,900	0.1200	0.1200		0	0.0000	0.0000		93,772,120	0.1200	0.1200		64,377,257	0.1200	0.1200	
	Debt Service	529,575,560	0.1050	0.0900		0	0.1050	0.0900		109,239,920	0.1050	0.0900		65,555,297	0.1050	0.0900	
City of Ladue	General Revenue	557,535,500	0.6810	0.6810		1,110	1.0000	1.0000		43,573,222	0.7240	0.7240		40,763,716	0.7560	0.7560	
City of Lakeshire	General Revenue	14,391,020	0.3750	0.3750	B	0	0.0000	0.0000		196,187	0.3750	0.3750	B	0	0.0000	0.0000	
Village of Mackenzie	General Revenue	1,646,260	0.1530	0.1530		0	0.0000	0.0000		54,299	0.1600	0.1600		223,756	0.1850	0.1850	
City of Manchester	General Revenue	246,868,750	0.0550	0.0450		0	0.0000	0.0000		65,605,230	0.0520	0.0450		38,560,380	0.0500	0.0500	
	Debt Service	246,868,750	0.2070	0.1930		0	0.2070	0.1930		65,605,230	0.2070	0.1930		38,560,380	0.2070	0.1930	

APPENDIX VIII-B
2011 PROPERTY TAX RATES
LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate				Agricultural Real Estate				Commercial Real Estate				Personal Property			
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	
City of Maplewood	General Revenue	78,458,920	0.3570	0.2560		0	0.0000	0.0000		54,364,569	0.5080	0.5080		19,037,382	0.5670	0.5670	
	Pension	78,458,920	0.3920	0.3920		0	0.0000	0.0000		54,364,569	0.4470	0.4470		19,037,382	0.4450	0.4450	
	Solid Waste	78,458,920	0.1530	0.1530		0	0.0000	0.0000		54,364,569	0.1750	0.1750		19,037,382	0.2180	0.2180	
Village of Marlborough	General Revenue	13,767,090	0.1060	0.1060		0	0.0000	0.0000		8,753,846	0.0990	0.0990		4,060,480	0.1110	0.1110	
City of Normandy	General Revenue	19,128,910	0.3990	0.3990		0	0.0000	0.0000		3,819,470	0.3620	0.3620		4,480,265	0.4000	0.4000	
City of Northwoods	General Revenue	21,722,950	0.3830	0.3830		0	0.0000	0.0000		4,893,930	0.2580	0.2580		4,031,478	0.3600	0.3600	
	Debt Service	21,722,950	1.5135	1.5135		0	1.5135	1.5135		4,893,930	1.5135	1.5135		4,031,478	1.5135	1.5135	
Village of Norwood Court	General Revenue	3,566,454	0.0000	0.0000		0	0.0000	0.0000		203,180	0.0000	0.0000		637,282	0.0000	0.0000	
City of Oakland	General Revenue	24,160,260	0.1890	0.1880		0	0.0000	0.0000		2,551,283	0.2460	0.2460		2,988,123	0.2370	0.2370	
City of Olivette	General Revenue	157,223,730	0.5000	0.5930	D	0	0.0000	0.0000		60,963,609	0.5000	0.6640	D	26,283,158	0.5000	0.7710	D
	Pension	157,223,730	0.2200	0.2240	D	0	0.0000	0.0000		60,963,609	0.2270	0.2280	D	26,283,158	0.2500	0.2500	
City of Overland	General Revenue	116,247,700	0.0810	0.0680		0	0.0000	0.0000		86,723,256	0.0940	0.0840		35,252,252	0.0970	0.0970	
	Pension	116,247,700	0.1200	0.1200		0	0.0000	0.0000		86,723,256	0.1200	0.1200		35,252,252	0.1200	0.1200	
City of Pagedale	General Revenue	12,157,410	0.2580	0.2580		0	0.0000	0.0000		11,271,240	0.3180	0.3180		5,751,004	0.3500	0.3500	
City of Pasadena Hills	General Revenue	12,213,960	0.2530	0.2530		0	0.0000	0.0000		97,170	0.2190	0.2190		1,443,830	0.3100	0.3100	
	Debt Service	12,213,960	1.0687	1.0687		0	1.0687	1.0687		97,170	1.0687	1.0687		1,443,830	1.0687	1.0687	
Village of Pasadena Park	General Revenue	4,281,351	0.2820	0.2820		0	0.0000	0.0000		0	0.0000	0.0000		568,374	0.3090	0.3090	
City of Pine Lawn	General Revenue	11,796,610	0.2910	0.2590		0	0.0000	0.0000		3,313,369	0.2780	0.2520		2,423,216	0.2570	0.2580	D
City of Richmond Heights	General Revenue	182,741,650	0.3230	0.3290		0	0.0000	0.0000		117,300,307	0.3230	0.3280		27,762,974	0.2980	0.2980	
	Library	182,741,650	0.1700	0.1720	C	0	0.0000	0.0000		117,300,307	0.2170	0.2230	C	27,762,974	0.2120	0.2120	
	Pension	182,741,650	0.2870	0.2900	C	0	0.0000	0.0000		117,300,307	0.3410	0.3290		27,762,974	0.3200	0.3200	
Village of Riverview	General Revenue	12,976,980	0.3140	0.3020		0	0.0000	0.0000		1,350,460	0.4370	0.4170		1,979,480	0.3120	0.3120	
City of Rock Hill	General Revenue	61,755,650	0.2610	0.2640	C	0	0.0000	0.0000		28,071,917	0.2540	0.2639	C	11,528,496	0.3400	0.3400	
	Library	61,755,650	0.2640	0.2670	C	0	0.0000	0.0000		28,071,917	0.2600	0.2699	C	11,559,666	0.3550	0.3550	
	Debt Service	61,755,650	0.3790	0.3790		0	0.3790	0.3790		28,071,917	0.3790	0.3790		11,528,496	0.3790	0.3790	
City of St. Ann	General Revenue	91,700,870	0.1770	0.1770		0	0.0000	0.0000		34,584,096	0.1740	0.1740		17,196,282	0.0000	0.0000	
City of St. George	General Revenue	13,339,540	0.1080	0.1080		0	0.0000	0.0000		349,765	0.1270	0.1270		1,737,895	0.1390	0.1390	
City of St. John	General Revenue	44,224,310	0.3130	0.3130		0	0.0000	0.0000		7,933,360	0.4660	0.4660		10,298,187	0.4500	0.4500	
City of Shrewsbury	General Revenue	75,845,900	0.4860	0.4860		0	0.0000	0.0000		29,956,853	0.4810	0.4810		14,057,676	0.5770	0.5770	
	Debt Service	75,845,900	0.4570	0.4570		0	0.4570	0.4570		29,956,853	0.4570	0.4570		14,057,676	0.4570	0.4570	
City of Sunset Hills	General Revenue	216,382,670	0.0610	0.0540		145,030	0.0780	0.0600		102,534,390	0.0610	0.0550		35,640,600	0.0600	0.0600	
Village of Sycamore Hills	General Revenue	5,293,120	0.2010	0.2010		0	0.0000	0.0000		488,321	0.2430	0.2430		966,006	0.2530	0.2530	
	Health	5,293,120	0.0930	0.0930		0	0.0000	0.0000		488,321	0.1130	0.1130		966,066	0.1180	0.1180	
City of Town and Country	General Revenue	457,654,700	0.0000	0.0000		33,290	0.0000	0.0000		216,614,130	0.0000	0.0000		81,249,353	0.0000	0.0000	
	Dispatch	457,654,700	0.0000	0.0000		33,290	0.0000	0.0000		216,614,130	0.0000	0.0000		81,249,353	0.0000	0.0000	
Village of Twin Oaks	General Revenue	5,220,240	0.4030	0.0000		0	0.0000	0.0000		9,096,625	0.3090	0.3090		1,838,687	0.0000	0.0000	

APPENDIX VIII-B
2011 PROPERTY TAX RATES
LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate				Agricultural Real Estate				Commercial Real Estate				Personal Property			
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	
City of University City	General Revenue	487,064,080	0.5570	0.5570		0	0.0000	0.0000		47,387,340	0.6370	0.6370		52,503,090	0.6800	0.6800	
	Library	487,064,080	0.2440	0.2380		0	0.0000	0.0000		47,387,340	0.2800	0.2800		52,735,740	0.2800	0.2800	
	Pension	487,064,080	0.1560	0.1560		0	0.0000	0.0000		47,387,340	0.1810	0.1810		52,735,740	0.1950	0.1950	
	Debt Service	487,064,080	0.0480	0.0480		0	0.0480	0.0480		47,387,340	0.0480	0.0480		52,503,090	0.0480	0.0480	
Village of Uplands Park	General Revenue	2,450,390	0.3260	0.3260		0	0.0000	0.0000		67,627	0.4080	0.4080		430,670	0.3910	0.3910	
City of Valley Park	General Revenue	63,866,300	0.5580	0.4700		7,410	0.0000	0.0000		26,296,760	0.7420	0.6570		14,995,800	0.6850	0.5700	
City of Velda City	General Revenue	6,470,709	0.3360	0.3360		0	0.0000	0.0000		143,090	0.4620	0.4620		1,084,586	0.3820	0.3820	
	Debt Service	6,470,709	1.2990	1.2990		0	1.2990	1.2990		143,090	1.2990	1.2990		1,084,586	1.2990	1.2990	
Village of Velda Village Hills	General Revenue	5,193,310	0.3130	0.3130		0	0.0000	0.0000		136,360	0.4790	0.4790		925,966	0.3780	0.3780	
City of Vinita Park	General Revenue	8,500,260	0.2080	0.2080		0	0.0000	0.0000		31,033,830	0.2290	0.2290		6,299,760	0.2300	0.2300	
	Debt Service	8,500,260	0.2020	0.2020		0	0.2020	0.2020		31,033,830	0.2020	0.2020		6,299,760	0.2020	0.2020	
Village of Vinita Terrace	General Revenue	1,742,280	0.0360	0.0360		0	0.0000	0.0000		862,570	0.0420	0.0420		0	0.0000	0.0000	
	Health	1,742,280	0.1040	0.1040		0	0.0000	0.0000		862,570	0.1540	0.1540		0	0.0000	0.0000	
City of Warson Woods	General Revenue	52,525,860	0.3570	0.3550		0	0.0000	0.0000		8,324,890	0.3730	0.3710		5,394,924	0.0000	0.0000	
City of Webster Groves	General Revenue	404,363,980	0.2290	0.2310	C	0	0.0000	0.0000		54,189,125	0.2220	0.2318	C	47,080,159	0.2800	0.2800	
	Library	404,363,980	0.1470	0.1470		0	0.0000	0.0000		54,189,125	0.1420	0.1420		47,080,159	0.1800	0.1800	
	Streets	404,363,980	0.1480	0.1490	C	0	0.0000	0.0000		54,189,125	0.1430	0.1498	C	47,080,159	0.1810	0.1810	
	Pension	404,363,980	0.1180	0.1190	C	0	0.0000	0.0000		54,189,125	0.1140	0.1189	C	47,080,159	0.1450	0.1450	
	Library-Temp	404,363,980	0.1350	0.1350		0	0.0000	0.0000		54,189,125	0.1340	0.1340		47,080,159	0.1350	0.1350	
	Debt Service	404,363,980	0.4080	0.3780		0	0.4080	0.3780		54,189,125	0.4080	0.3780		47,080,159	0.4080	0.3780	
City of Wellston	General Revenue	3,886,330	0.6000	0.5610		0	0.0000	0.0000		8,584,363	0.6000	0.4800		3,906,651	0.6000	0.6000	
Village of Westwood	General Revenue	18,447,610	0.0570	0.0570		0	0.0000	0.0000		248,495	0.0930	0.0930		0	0.0000	0.0000	
City of Winchester	General Revenue	15,933,460	0.1780	0.1760		0	0.0000	0.0000		3,245,019	0.1670	0.1540		2,523,415	0.2610	0.2610	
City of Woodson Terrace	General Revenue	24,856,010	0.2490	0.2490		0	0.0000	0.0000		18,275,604	0.3090	0.3090		25,692,782	0.2510	0.2510	
City of Chesterfield	Debt Service	1,107,876,390	0.0420	0.0300		1,329,450	0.0420	0.0300		516,540,865	0.0420	0.0300		268,112,830	0.0420	0.0300	
Ferguson Municipal Pub Library Dist	General Revenue	128,049,660	0.1970	0.2000	C	8,430	0.0000	0.0000		46,105,632	0.2080	0.2200	C	37,305,849	0.2200	0.2200	
Maplewood Public Library	General Revenue	78,301,200	0.2370	0.2390	C	0	0.0000	0.0000		54,177,648	0.2570	0.2660	C	23,916,072	0.3020	0.3020	
	Debt Service	78,301,200	0.1600	0.1600		0	0.1600	0.1600		54,177,648	0.1600	0.1600		23,916,072	0.1600	0.1600	
St. Louis County Library	General Revenue	11,929,811,790	0.1580	0.1565		6,562,660	0.1650	0.1500		5,211,442,957	0.1770	0.1887	C	2,960,644,876	0.1500	0.1500	
Valley Park Community Library	General Revenue	28,695,440	0.1410	0.1410		1,040	0.1700	0.1700		11,780,137	0.1040	0.1040		12,245,449	0.1700	0.1700	
Affton Fire Protection District	General Revenue	387,386,180	0.6820	0.6820		240	0.7940	0.7940		62,418,509	0.7500	0.7500		66,868,962	0.7940	0.7940	
	Ambulance	387,386,180	0.1400	0.1400		240	0.1400	0.1400		62,418,509	0.1400	0.1400		66,868,962	0.1400	0.1400	
	Pension	387,386,180	0.0540	0.0540		240	0.0700	0.0700		62,418,509	0.0620	0.0620		66,868,962	0.0640	0.0640	
	Dispatch	387,386,180	0.0230	0.0230		240	0.0000	0.0000		62,418,509	0.0270	0.0270		66,868,962	0.0270	0.0270	
Metro West Fire Protection District	General Revenue	1,342,660,660	0.4810	0.4810		748,260	0.5800	0.5800		224,776,037	0.5030	0.5030		187,200,128	0.5610	0.5610	
	Ambulance	1,342,660,660	0.2480	0.2480		748,260	0.3000	0.3000		224,776,037	0.2550	0.2550		187,200,128	0.2900	0.2900	

APPENDIX VIII-B
2011 PROPERTY TAX RATES
LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate				Personal Property		
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied
Metro West Fire Protection District	Pension	1,342,660,660	0.0910	0.0910	748,260	0.1100	0.1100	224,776,037	0.0940	0.0940		187,200,128	0.1060	0.1060
	Dispatch	1,342,660,660	0.0420	0.0420	748,260	0.0480	0.0480	224,776,037	0.0420	0.0420		187,200,128	0.0480	0.0480
	Debt Service	1,342,660,660	0.1500	0.1500	748,260	0.1500	0.1500	224,776,037	0.1500	0.1500		187,200,128	0.1500	0.1500
Black Jack Fire Protection District	General Revenue	455,690,810	0.9420	0.9420	124,840	1.0000	1.0000	54,591,005	1.0000	1.0000		74,815,084	1.0000	1.0000
	Pension	455,690,810	0.0940	0.0940	124,840	0.1000	0.1000	54,591,005	0.1000	0.1000		74,815,084	0.1000	0.1000
	NCCFA System	455,690,810	0.0470	0.0470	124,840	0.0500	0.0500	54,591,005	0.0500	0.0500		74,815,084	0.0500	0.0500
	Debt Service	455,690,810	0.1810	0.1810	124,840	0.1810	0.1810	54,591,005	0.1810	0.1810		74,815,084	0.1810	0.1810
Monarch Fire Protection District	General Revenue	1,462,781,434	0.4330	0.4330	2,546,950	0.4050	0.4050	522,139,390	0.5240	0.5240		301,509,420	0.5300	0.5300
	Ambulance	1,462,781,434	0.2720	0.2720	2,546,950	0.2520	0.2520	522,139,390	0.3150	0.3150		301,509,420	0.3300	0.3300
	Pension	1,462,781,434	0.0810	0.0810	2,546,950	0.0760	0.0760	522,139,390	0.0960	0.0960		301,509,420	0.1000	0.1000
	Dispatch	1,462,781,434	0.0430	0.0430	2,546,950	0.0380	0.0380	522,139,390	0.0480	0.0480		301,509,420	0.0480	0.0480
Community Fire Protection District	General Revenue	296,536,810	0.8890	0.8890	0	0.0000	0.0000	171,484,424	0.9740	0.9740		110,326,037	1.0000	1.0000
	Ambulance	296,536,810	0.4790	0.4790	0	0.0000	0.0000	171,484,424	0.4880	0.4880		110,326,037	0.5000	0.5000
	Pension	296,536,810	0.2500	0.2500	0	0.0000	0.0000	171,484,424	0.2500	0.2500		110,326,037	0.2500	0.2500
	Dispatch	296,536,810	0.0270	0.0270	0	0.0000	0.0000	171,484,424	0.0280	0.0280		110,326,037	0.0300	0.0300
	Debt Service	296,536,810	0.2130	0.2130	0	0.2130	0.2130	171,484,424	0.2130	0.2130		110,326,037	0.2130	0.2130
Creve Coeur Fire Protection Dist	General Revenue	684,714,070	0.5400	0.5400	5,690	0.5400	0.5400	469,635,219	0.5400	0.5400		200,723,955	0.5400	0.5400
	Ambulance	684,714,070	0.1700	0.1700	5,690	0.1700	0.1700	469,635,219	0.1700	0.1700		200,723,955	0.1700	0.1700
	Pension	684,714,070	0.1310	0.1310	5,690	0.1050	0.1050	469,635,219	0.1360	0.1360		200,723,955	0.1500	0.1500
	Dispatch	684,714,070	0.0440	0.0440	5,690	0.0350	0.0350	469,635,219	0.0450	0.0450		200,723,955	0.0500	0.0500
Fenton Fire Protection District	General Revenue	432,030,950	0.4990	0.3500	109,023	0.6500	0.6500	305,539,741	0.5620	0.5620		180,162,784	0.5140	0.5140
	Ambulance	432,030,950	0.2930	0.1790	109,023	0.3000	0.3000	305,539,741	0.3000	0.3000		180,162,784	0.3000	0.3000
	Pension	432,030,950	0.1000	0.1000	109,023	0.1000	0.1000	305,539,741	0.1000	0.1000		180,162,784	0.1000	0.1000
	Dispatch	432,030,950	0.0490	0.0320	109,023	0.0500	0.0500	305,539,741	0.0500	0.0500		180,162,784	0.0500	0.0500
Florissant Valley Fire Prot Dist	General Revenue	590,620,600	0.6090	0.6090	155,590	0.6900	0.6900	146,290,332	0.6900	0.6900		107,142,035	0.6900	0.6900
	Ambulance	590,620,600	0.3810	0.3810	155,590	0.4400	0.4400	146,290,332	0.4360	0.4360		107,142,035	0.4400	0.4400
	Pension	590,620,600	0.0870	0.0870	155,590	0.1000	0.1000	146,290,332	0.1000	0.1000		107,142,035	0.1000	0.1000
	Dispatch	590,620,600	0.0300	0.0300	155,590	0.0300	0.0300	146,290,332	0.0300	0.0300		107,142,035	0.0300	0.0300
	Debt Service	590,620,600	0.1950	0.1950	155,590	0.1950	0.1950	146,290,332	0.1950	0.1950		107,142,035	0.1950	0.1950
Kinloch Fire Protection District	General Revenue	1,267,790	0.8100	0.6600	0	0.0000	0.0000	1,321,834	0.6740	0.8920	D	639,863	0.9000	0.9000
	Dispatch	1,267,790	0.0000	0.0000	0	0.0000	0.0000	1,321,834	0.0000	0.0000		639,863	0.0000	0.0000
Lemay Fire Protection District	General Revenue	135,315,715	0.7360	0.7360	180	0.9900	0.9900	86,712,480	0.8580	0.8970	C	59,762,077	0.9900	0.9900
	Ambulance	135,315,715	0.1570	0.1570	180	0.3000	0.3000	86,712,480	0.2080	0.2168	C	59,762,077	0.2500	0.2500
	Pension	135,315,715	0.0740	0.0740	180	0.0000	0.0000	86,712,480	0.0870	0.0909	C	59,762,077	0.1000	0.1000
	Central Alarm Fund	135,315,715	0.0370	0.0370	180	0.0000	0.0000	86,712,480	0.0440	0.0459	C	59,762,077	0.0500	0.0500
West County EMS & Fire Prot Dist	General Revenue	516,929,010	0.4040	0.4040	243,980	0.4400	0.4400	136,945,474	0.4030	0.4030		84,667,171	0.4400	0.4400

APPENDIX VIII-B
2011 PROPERTY TAX RATES
LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
West County EMS & Fire Prot Dist	Ambulance	516,929,010	0.1710	0.1710	243,980	0.2000	0.2000	136,945,474	0.1690	0.1690	84,667,171	0.1940	0.1940	
	Pension	516,929,010	0.0850	0.0850	243,980	0.1000	0.1000	136,945,474	0.0850	0.0850	84,667,171	0.0970	0.0970	
	Dispatch	516,929,010	0.0430	0.0430	243,980	0.0490	0.0490	136,945,474	0.0420	0.0420	84,667,171	0.0490	0.0490	
	Debt Service	516,929,010	0.4120	0.2100	243,980	0.4120	0.2100	136,945,474	0.4120	0.2100	84,667,171	0.4120	0.2100	
Maryland Heights Fire Prot Dist	General Revenue	236,873,740	0.8000	0.8000	2,850	0.8000	0.8000	289,389,397	0.8000	0.8000	132,812,142	0.8000	0.8000	
	Ambulance	236,873,740	0.3400	0.3400	2,850	0.3860	0.3860	289,389,397	0.3620	0.3620	132,812,142	0.3680	0.3680	
	Pension	236,873,740	0.1300	0.1300	2,850	0.1300	0.1300	289,389,397	0.1300	0.1300	132,812,142	0.1300	0.1300	
	Dispatch	236,873,740	0.0500	0.0500	2,850	0.0350	0.0350	289,389,397	0.0500	0.0500	132,812,142	0.0500	0.0500	
Mehlville Fire Protection District	General Revenue	1,579,766,890	0.3500	0.3500	507,490	0.7200	0.7200	468,174,520	0.4580	0.4580	297,272,836	0.5370	0.5370	
	Ambulance	1,579,766,890	0.1980	0.1980	507,490	0.2000	0.2000	468,174,520	0.1840	0.1840	297,272,836	0.2000	0.2000	
	Pension	1,579,766,890	0.0350	0.0350	507,490	0.0600	0.0600	468,174,520	0.0370	0.0370	297,272,836	0.0560	0.0560	
	Alarm Fund	1,579,766,890	0.0420	0.0420	507,490	0.0500	0.0500	468,174,520	0.0410	0.0410	297,272,836	0.0480	0.0480	
Metro-North Fire Protection Dist	General Revenue	89,896,640	1.6098	1.6098	0	0.0000	0.0000	17,402,652	1.5399	1.5399	17,310,477	1.7410	1.7410	
	Pension	89,896,640	0.2350	0.2350	0	0.0000	0.0000	17,402,652	0.2380	0.2380	17,310,477	0.2490	0.2490	
	Dispatch	89,896,640	0.0280	0.0280	0	0.0000	0.0000	17,402,652	0.0250	0.0250	17,310,477	0.0300	0.0300	
	Debt Service	89,896,640	0.4580	0.4580	0	0.4580	0.4580	17,402,652	0.4580	0.4580	17,310,477	0.4580	0.4580	
Northeast Ambulance & FPD	General Revenue	141,584,030	1.5078	1.5078	5,780	1.5052	1.5052	28,029,267	1.5078	1.5078	30,961,239	1.5000	1.5000	
	Ambulance	141,584,030	0.2900	0.2900	5,780	0.2900	0.2900	28,029,267	0.2900	0.2900	30,961,239	0.2900	0.2900	
	Pension	141,584,030	0.1000	0.1000	5,780	0.1000	0.1000	28,029,267	0.1000	0.1000	30,961,239	0.1000	0.1000	
	Dispatch	141,584,030	0.0500	0.0400	5,780	0.0500	0.0400	28,029,267	0.0500	0.0400	30,961,239	0.0500	0.0400	
Pattonville Fire Protection Dist	General Revenue	136,154,770	0.9830	0.9830	397,270	0.9830	0.9830	463,758,854	0.9830	0.9830	151,699,280	0.9830	0.9830	
	Ambulance	136,154,770	0.2500	0.2500	397,270	0.2500	0.2500	463,758,854	0.2500	0.2500	151,699,280	0.2500	0.2500	
	Pension	136,154,770	0.1500	0.1500	397,270	0.1500	0.1500	463,758,854	0.1500	0.1500	151,699,280	0.1500	0.1500	
	Dispatch	136,154,770	0.0500	0.0500	397,270	0.0500	0.0500	463,758,854	0.0500	0.0500	151,699,280	0.0500	0.0500	
	Debt Service	136,154,770	0.1450	0.1450	397,270	0.1450	0.1450	463,758,854	0.1450	0.1450	151,699,280	0.1450	0.1450	
Riverview Fire Protection District	General Revenue	106,082,810	1.3963	1.3963	2,400	1.4583	1.4583	16,754,927	1.4612	1.4612	19,878,915	1.4544	1.4544	
	Pension	106,082,810	0.2400	0.2400	2,400	0.2500	0.2500	16,754,927	0.2500	0.2500	19,878,915	0.2500	0.2500	
	Dispatch	106,082,810	0.0480	0.0480	2,400	0.0420	0.0420	16,754,927	0.0500	0.0500	19,878,915	0.0500	0.0500	
	Debt Service	106,082,810	0.2370	0.1780	2,400	0.2370	0.1780	16,754,927	0.2370	0.1780	19,878,915	0.2370	0.1780	
Robertson Fire Protection District	General Revenue	41,383,090	0.8900	0.8900	236,610	0.8900	0.8900	191,808,296	0.8900	0.8900	102,429,196	0.8900	0.8900	
	Ambulance	41,383,090	0.6630	0.6630	236,610	0.7000	0.7000	191,808,296	0.6980	0.6980	102,429,196	0.7000	0.7000	
	Pension	41,383,090	0.2000	0.2000	236,610	0.2000	0.2000	191,808,296	0.2000	0.2000	102,429,196	0.2000	0.2000	
	Dispatch	41,383,090	0.0500	0.0500	236,610	0.0500	0.0500	191,808,296	0.0500	0.0500	102,429,196	0.0500	0.0500	
	Debt Service	41,383,090	0.2580	0.2090	236,610	0.2580	0.2090	191,808,296	0.2580	0.2090	102,429,196	0.2580	0.2090	
Spanish Lake Fire Protection Dist	General Revenue	130,061,990	1.4587	1.4587 B	83,950	1.5000	1.5000 B	27,734,347	1.3951	1.3951 B	24,384,669	1.5000	1.5000 B	
	Pension	130,061,990	0.1490	0.1490	83,950	0.1500	0.1500	27,734,347	0.1440	0.1440	24,384,669	0.1500	0.1500	

APPENDIX VIII-B
2011 PROPERTY TAX RATES
LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
Spanish Lake Fire Protection Dist	Dispatch	130,061,990	0.0500	0.0500	83,950	0.0500	0.0500	27,734,347	0.0450	0.0450	24,384,669	0.0500	0.0500
	Debt Service	130,061,990	0.1260	0.1260	83,950	0.1260	0.1260	27,734,347	0.1260	0.1260	24,384,669	0.1260	0.1260
Valley Park Fire Protection Dist	General Revenue	142,465,070	0.7590	0.7590	146,240	0.7300	0.7300	46,436,372	0.7970	0.7970	46,360,269	0.8800	0.8800
	Ambulance	142,465,070	0.2600	0.2600	146,240	0.2510	0.2510	46,436,372	0.2710	0.2710	46,360,269	0.3000	0.3000
	Pension	142,465,070	0.0870	0.0860	146,240	0.0840	0.0840	46,436,372	0.0900	0.0900	46,360,269	0.1000	0.1000
	Dispatch	142,465,070	0.0260	0.0260	146,240	0.0240	0.0240	46,436,372	0.0270	0.0270	46,360,269	0.0300	0.0300
Mid-County Fire Protection District	General Revenue	46,465,510	1.7507	1.7507	0	0.0000	0.0000	56,782,943	1.8110	1.8110	35,197,737	1.8500	1.8500
	Ambulance	46,465,510	0.1400	0.1400	0	0.0000	0.0000	56,782,943	0.1500	0.1500	35,197,737	0.1500	0.1500
	Pension	46,465,510	0.2500	0.2500	0	0.0000	0.0000	56,782,943	0.2480	0.2480	35,197,737	0.2500	0.2500
	Dispatch	46,465,510	0.0270	0.0270	0	0.0000	0.0000	56,782,943	0.0300	0.0300	35,197,737	0.0300	0.0300
	Debt Service	46,465,510	0.3400	0.3400	0	0.3400	0.3400	56,782,943	0.3400	0.3400	35,197,737	0.3400	0.3400
West Overland Fire Protection Dist	General Revenue	57,739,440	0.7100	0.7100	0	0.0000	0.0000	82,918,552	0.7100	0.7100	27,235,803	0.7100	0.7100
	Ambulance	57,739,440	0.6250	0.6250	0	0.0000	0.0000	82,918,552	0.6300	0.6300	27,235,803	0.6500	0.6500
	Pension	57,739,440	0.1500	0.1500	0	0.0000	0.0000	82,918,552	0.1500	0.1500	27,235,803	0.1500	0.1500
	Dispatch	57,739,440	0.0500	0.0500	0	0.0000	0.0000	82,918,552	0.0500	0.0500	27,235,803	0.0500	0.0500
	Debt Service	57,739,440	0.1400	0.1400	0	0.1400	0.1400	82,918,552	0.1400	0.1400	27,235,803	0.1400	0.1400
Black Creek Sewer	General Revenue	796,424,580	0.0830	0.0830	0	0.0000	0.0000	595,132,527	0.0920	0.0920	142,857,524	0.0950	0.0950
Black Jack-Dellwood Sewer	General Revenue	154,804,720	0.0920	0.0920	11,380	0.0490	0.0490	60,262,621	0.0960	0.0960	32,857,489	0.0980	0.0980
Clayton Central Sewer	General Revenue	60,541,850	0.0870	0.0870	0	0.0000	0.0000	284,984,594	0.0910	0.0910	40,977,493	0.0900	0.0900
Coldwater Creek Sewer	General Revenue	1,098,953,230	0.0970	0.0970	210,500	0.0310	0.0310	512,016,874	0.1000	0.1000	455,109,350	0.1000	0.1000
Creve Coeur-Frontenac Sewer	General Revenue	333,522,530	0.0700	0.0700	0	0.0000	0.0000	199,911,197	0.0680	0.0680	69,652,827	0.0760	0.0760
Deer Creek Sewer	General Revenue	2,612,959,100	0.0810	0.0810	235,720	0.0760	0.0760	1,059,508,418	0.0820	0.0820	392,338,798	0.0930	0.0930
Fountain Creek Sewer	General Revenue	102,612,970	0.1220	0.1000	0	0.0000	0.0000	22,479,742	0.1410	0.1000	17,421,964	0.1400	0.1000
Gravois Creek Sewer	General Revenue	1,037,158,710	0.0750	0.0750	166,250	0.1000	0.1000	454,969,348	0.0780	0.0780	202,509,430	0.0860	0.0860
Loretta-Joplin Sewer	General Revenue	22,962,150	0.0710	0.0710	0	0.0000	0.0000	2,059,813	0.0770	0.0770	3,894,015	0.0900	0.0900
Maline Creek Sewer	General Revenue	405,533,430	0.0930	0.0930	26,370	0.0990	0.0990	163,753,060	0.0930	0.0930	118,147,829	0.1000	0.1000
Marlborough Sewer	General Revenue	44,481,060	0.0530	0.0530	0	0.0000	0.0000	14,018,958	0.0520	0.0520	6,965,327	0.0580	0.0580
Meramec River Basin Sewer	General Revenue	2,037,985,500	0.0000	0.0000	845,600	0.0000	0.0000	820,641,357	0.0000	0.0000	450,337,678	0.0000	0.0000
Missouri River-Bonfils Sewer	General Revenue	141,881,820	0.0000	0.0000	118,680	0.0000	0.0000	540,505,843	0.0000	0.0000	199,440,692	0.0000	0.0000
North Affton Sewer	General Revenue	65,387,670	0.0720	0.0720	0	0.0000	0.0000	4,908,132	0.0760	0.0760	8,678,642	0.0850	0.0850
Paddock Creek Sewer	General Revenue	111,205,550	0.0880	0.0880	580	0.1000	0.1000	28,000,608	0.0970	0.0970	19,263,623	0.0990	0.0990
Seminary Branch RDP Sewer	General Revenue	234,710,280	0.0660	0.0660	0	0.0000	0.0000	47,880,907	0.0740	0.0740	40,009,213	0.0760	0.0760
Shrewsbury Branch RDP Sewer	General Revenue	21,839,160	0.0600	0.0600	0	0.0000	0.0000	4,673,008	0.0630	0.0630	3,766,541	0.0820	0.0820
Sugar Creek Sewer	General Revenue	277,444,730	0.0580	0.0580	130	0.0000	0.0000	74,951,039	0.0510	0.0510	39,573,625	0.0690	0.0690
University City Branch RDP Sewer	General Revenue	527,814,160	0.0800	0.0800	3,580	0.0000	0.0000	276,851,136	0.0910	0.0910	147,523,082	0.0940	0.0940
Upper Paddock Creek Sewer	General Revenue	27,101,880	0.0810	0.0810	580	0.1000	0.1000	5,567,438	0.0850	0.0850	4,348,416	0.0910	0.0910

APPENDIX VIII-B
2011 PROPERTY TAX RATES
LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
Watkins Creek Sewer	General Revenue	112,519,740	0.0970	0.0970	6,050	0.0990	0.0990	34,208,635	0.0990	0.0990	22,850,403	0.0990	0.0990
Wedgewood Creek Sewer	General Revenue	25,017,620	0.0950	0.0950	0	0.0000	0.0000	19,731,894	0.0850	0.0850	6,411,172	0.1000	0.1000
Wellston Sewer	General Revenue	14,125,740	0.1000	0.1000	0	0.0000	0.0000	13,469,134	0.1000	0.1000	8,594,625	0.1000	0.1000
Hancock Street Light Dist St. Louis	General Revenue	47,906,880	0.1450	0.1450	0	0.0000	0.0000	78,697,810	0.1810	0.1810	40,524,760	0.1700	0.1700
Wheaton Cook Lyndhurst Light Dist	General Revenue	6,507,810	0.1790	0.1790	0	0.0000	0.0000	1,251,570	0.1780	0.1780	975,390	0.2000	0.2000
Castle Point Street Light District	General Revenue	6,583,750	0.1790	0.1790	0	0.0000	0.0000	296,640	0.1380	0.1380	1,137,090	0.1850	0.1850
Glasgow Village Street Light Dist	General Revenue	20,917,440	0.1560	0.1560	0	0.0000	0.0000	340,880	0.1120	0.1120	2,574,750	0.1580	0.1580
Elmwood Park Street Light District	General Revenue		*			*			*			*	
Clayton Special Business District	General Revenue	50,732,430	0.1080	0.1080	0	0.0000	0.0000	280,600,250	0.1310	0.1290	0	0.0000	0.0000
Maplewood Special Business District	General Revenue	506,560	0.2350	0.2350	0	0.0000	0.0000	19,115,280	0.3150	0.3150	0	0.0000	0.0000
University City Spec Bus Dist BD57	General Revenue	1,162,530	0.5210	0.5210	0	0.0000	0.0000	6,733,500	0.4980	0.5160 D	0	0.0000	0.0000
Webster Groves-Old Webster Bus Di	General Revenue	546,940	0.1570	0.1570	0	0.0000	0.0000	12,449,390	0.2950	0.2950	0	0.0000	0.0000
Webster Groves-Old Orchard Bus Di	General Revenue	183,510	0.3600	0.3600	0	0.0000	0.0000	8,406,930	0.3600	0.3600	0	0.0000	0.0000
Kirkwood Special Business District	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	27,193,880	0.4760	0.4560	0	0.0000	0.0000
Jennings Special Business District	General Revenue	41,150	0.4300	0.4300	0	0.0000	0.0000	1,898,370	0.4300	0.4300	0	0.0000	0.0000
Productive Living Board	General Revenue	13,964,889,770	0.0790	0.0790	6,563,380	0.0870	0.0870	5,770,831,027	0.0850	0.0850	3,276,896,368	0.0900	0.0900
Parkview Gardens Spec Bus Dist BD	General Revenue	11,212,220	0.6390	0.6390	0	0.0000	0.0000	2,444,140	0.7030	0.7030	0	0.0000	0.0000
Crossroads Special Business Dist	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	4,327,160	0.3700	0.3801	0	0.0000	0.0000
Robinwood West Community Imp Di	General Revenue	15,213,750	0.7260	0.7240	0	0.0000	0.0000	0	0.0000	0.0000	0	0.0000	0.0000
	General Revenue-Temp	15,213,750	0.2800	0.2800	0	0.0000	0.0000	0	0.0000	0.0000	0	0.0000	0.0000
Crestwood Point Community Imp Di	Debt Service	0	3.4375	3.0000	0	3.4375	3.0000	1,949,730	3.4375	3.0000	0	3.4375	3.0000
Crossings Community Imp District	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	4,066,830	2.0000	2.0000	0	0.0000	0.0000
Crestwood Market Community Imp	Debt Service	0	5.7931	5.0000	0	5.7931	5.0000	1,830,400	5.7931	5.0000	0	5.7931	5.0000
Hazelwood R-I School District	Operating Funds-School	1,028,533,850	5.2804	5.2804 E	782,800	5.4589	5.4589 E	461,634,730	5.4277	5.4277 E	350,630,140	5.4050	5.4050 E
	Debt Service	1,028,533,850	1.0111	0.9400	782,800	1.0111	0.9400	461,634,730	1.0111	0.9400	350,630,140	1.0111	0.9400
Ferguson-Florissant R-II Sch Dist	Operating Funds-School	480,376,860	4.6708	4.3605 E	16,270	4.7326	4.7326 E	318,350,520	4.7400	4.2576 E	249,828,940	4.7400	4.7400 E
	Debt Service	480,376,860	0.2800	0.2800	16,270	0.2800	0.2800	318,350,520	0.2800	0.2800	249,828,940	0.2800	0.2800
Pattonville R-III School District	Operating Funds-School	432,212,230	3.6688	3.5866 C	184,790	4.1100	3.9700	658,181,920	3.9780	4.1784 C	259,559,930	3.9305	3.7905
	Debt Service	432,212,230	0.5030	0.4900	184,790	0.5030	0.4900	658,181,920	0.5030	0.4900	259,559,930	0.5030	0.4900
Kirkwood R-VII School District	Operating Funds-School	857,497,820	3.1181	3.0899 H	234,720	4.2638	4.2638 E	238,389,750	3.9543	3.9519 H	120,910,820	3.7875	3.6614 E
	Operating Funds-Temp	857,497,820	0.7320	0.7320	234,720	0.6340	0.6340	238,389,750	0.7320	0.7536 C	120,910,820	0.7320	0.7320
	Debt Service	857,497,820	0.3650	0.3650	234,720	0.3650	0.3650	238,389,750	0.3650	0.3650	120,910,820	0.3650	0.3650
Lindbergh R-VIII School District	Operating Funds-School	786,255,360	2.7500	2.7500	221,850	4.1487	4.1487	289,605,680	2.9554	2.9554	139,366,710	3.0444	3.0444
	Debt Service	786,255,360	0.4250	0.3800	221,850	0.4250	0.3800	289,605,680	0.4250	0.3800	139,366,710	0.4250	0.3800
Mehlville R-IX School District	Operating Funds-School	1,209,228,650	3.1624	3.5169 I	334,700	3.7500	4.0600 I	306,391,370	2.8784	3.3647 I	233,877,910	3.6248	3.9348 I
	Debt Service	1,209,228,650	0.0310	0.0300	334,700	0.0310	0.0300	306,391,370	0.0310	0.0300	233,877,910	0.0310	0.0300

APPENDIX VIII-B
2011 PROPERTY TAX RATES
LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate				Agricultural Real Estate				Commercial Real Estate				Personal Property			
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	
Parkway C-2 School District	Operating Funds-School	2,721,539,000	3.7441	3.2272	E	2,274,230	2.7500	2.7500	E	1,165,433,920	3.8234	3.7123	E	547,864,220	3.7379	3.7379	E
	Debt Service	2,721,539,000	0.3410	0.3400		2,274,230	0.3410	0.3400		1,165,433,920	0.3410	0.3400		547,864,220	0.3410	0.3400	
Affton 101 School District	Operating Funds-School	281,995,170	5.0283	5.0283	E	0	0.0000	0.0000	E	65,787,550	5.4478	5.4478	E	53,754,450	5.5131	5.5131	E
Bayless School District	Operating Funds-School	123,904,590	2.8912	2.8912	E	0	0.0000	0.0000	E	12,947,260	3.1191	3.2551	H	20,320,080	3.8500	3.8500	E
	Debt Service	123,904,590	0.6440	0.3900		0	0.6440	0.3900		12,947,260	0.6440	0.3900		20,320,080	0.6440	0.3900	
Brentwood School District	Operating Funds-School	145,771,730	3.3305	3.2233		0	0.0000	0.0000		104,155,240	3.7390	3.7182	C	38,537,820	3.3915	3.3153	
	Debt Service	145,771,730	0.2480	0.2100		0	0.2480	0.2100		104,155,240	0.2480	0.2100		38,537,820	0.2480	0.2100	
Clayton School District	Operating Funds-School	517,603,530	3.1299	3.1195	G	0	0.0000	0.0000		424,727,490	3.5212	3.5450	G	91,118,250	3.4726	3.4476	D
	Debt Service	517,603,530	0.7250	0.6230		0	0.7250	0.6230		424,727,490	0.7250	0.6230		91,118,250	0.7250	0.6230	
Hancock Place School District	Operating Funds-School	47,044,770	3.0573	3.1579	E	0	0.0000	0.0000	E	71,440,420	3.2141	3.4773	E	40,488,240	4.3000	4.3000	E
	Debt Service	47,044,770	1.1174	1.0100		0	1.1174	1.0100		71,440,420	1.1174	1.0100		40,488,240	1.1174	1.0100	
Jennings School District	Operating Funds-School	67,826,630	4.9902	4.9902	E	0	0.0000	0.0000	E	14,903,190	5.5500	5.5500	E	22,429,090	4.8034	4.8034	E
	Debt Service	67,826,630	0.6100	0.5100		0	0.6100	0.5100		14,903,190	0.6100	0.5100		22,429,090	0.6100	0.5100	
Ladue School District	Operating Funds-School	1,112,956,290	2.7500	2.7500		4,690	2.7500	2.7500		231,033,590	2.7500	2.7500		132,237,980	2.7500	2.7500	
	Debt Service	1,112,956,290	0.6780	0.3500		4,690	0.6780	0.3500		231,033,590	0.6780	0.3500		132,237,980	0.6780	0.3500	
Maplewood-Richmond Heights SD	Operating Funds-School	175,583,070	3.8776	3.9119	K	0	0.0000	0.0000	E	62,917,880	4.3466	4.4552	K	33,016,240	4.9158	4.9158	J
	Debt Service	175,583,070	1.1100	1.0757		0	1.1100	1.0757		62,917,880	1.1100	1.0757		33,016,240	1.1100	1.0757	
Normandy School District	Operating Funds-School	171,243,700	4.6600	4.5189	F	5,780	4.6540	4.5129	F	34,813,540	4.6600	4.5189	F	44,155,710	4.6600	4.5189	F
	Debt Service	171,243,700	2.1084	1.7314		5,780	2.1084	1.7314		34,813,540	2.1084	1.7314		44,155,710	2.1084	1.7314	
Ritenour School District	Operating Funds-School	288,267,960	3.6921	3.7634	H	0	0.0000	0.0000	E	181,018,350	3.9251	4.0201	H	114,255,190	4.0492	4.0492	E
	Debt Service	288,267,960	1.2267	0.8600		0	1.2267	0.8600		181,018,350	1.2267	0.8600		114,255,190	1.2267	0.8600	
Riverview Gardens School District	Operating Funds-School	193,911,980	4.1342	4.1673	H	2,400	4.3333	4.3330	E	21,680,740	4.2690	4.3771	H	33,495,660	4.1177	4.1177	E
	Debt Service	193,911,980	1.0107	1.0100		2,400	1.0107	1.0100		21,680,740	1.0107	1.0100		33,495,660	1.0107	1.0100	
University City School District	Operating Funds-School	489,040,960	4.0726	3.9238	E	0	0.0000	0.0000	E	56,184,960	4.3996	4.2367	E	60,580,220	5.1824	4.9884	E
	Debt Service	489,040,960	0.7440	0.7380		0	0.7440	0.7380		56,184,960	0.7440	0.7380		60,580,220	0.7440	0.7380	
Valley Park School District	Operating Funds-School	86,597,750	4.0275	4.0714	H	7,030	4.6500	4.6500	E	32,944,790	4.1290	4.3825	H	33,782,550	4.6500	4.6500	E
	Debt Service	86,597,750	0.8240	0.6460		7,030	0.8240	0.6460		32,944,790	0.8240	0.6460		33,782,550	0.8240	0.6460	
Webster Groves School District	Operating Funds-School	555,675,580	5.0165	5.0165	J	0	0.0000	0.0000	E	82,847,230	5.3045	5.3045	J	70,632,550	5.9100	5.9100	J
	Debt Service	555,675,580	0.5610	0.5610		0	0.5610	0.5610		82,847,230	0.5610	0.5610		70,632,550	0.5610	0.5610	
St. Louis County	General Revenue	13,964,889,770	0.2480	0.2000		6,557,550	0.3350	0.2000		5,770,831,027	0.2690	0.2000		3,276,896,368	0.2810	0.2000	
	Parks & Recreation	13,964,889,770	0.0620	0.0500		6,557,550	0.0670	0.0500		5,770,831,027	0.0670	0.0500		3,276,896,368	0.0700	0.0500	
	Road & Bridge	13,964,889,770	0.1590	0.1050		6,557,550	0.1720	0.1050		5,770,831,027	0.1690	0.1050		3,276,896,368	0.1800	0.1050	
	Health	13,964,889,770	0.2120	0.1400		6,557,550	0.2870	0.1400		5,770,831,027	0.2310	0.1400		3,276,896,368	0.2410	0.1400	
	Debt Service	13,964,889,770	0.0690	0.0280		6,557,550	0.0690	0.0280		5,770,831,027	0.0690	0.0280		3,276,896,368	0.0690	0.0280	

APPENDIX VIII-B
2011 PROPERTY TAX RATES
LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied

LEGEND:

* Levy was not certified due to insufficient substantiating data; however, it does not appear a rate was levied.
** Levy did not exist.
A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy.
B A voter approved increase to an existing levy.
C Levy includes a recoupment rate authorized by state law.
D Levied a tax rate in excess of the legally permissible tax levy as provided by state law, see Report No. 2010-168, Review of 2010 Property Tax Rates.
E School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to $0.000 and levy up to its calculated tax rate ceiling.
F School district has a partial Proposition C (sales tax) waiver which allows the school district to waive a portion of its required Proposition C reduction to the extent necessary to collect $2.7500 or the amount stated on the ballot.
G Levied a tax rate in excess of the legally permissible tax levy as provided by state law, see the Results Section for the 2010 levies. Levy includes a recoupment rate authorized by state law. School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to $0.0000 and levy up to its calculated tax rate ceiling.
H Levy includes a recoupment rate authorized by state law. School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to $0.0000 and levy up to its calculated tax rate ceiling.
I Determination of compliance is pending an Attorney General Opinion requested to determine interpretation of the correct operating levy established by the ballot language from November 2008. Levy also includes a recoupment rate authorized by state law. School district also has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to $0.0000 and levy up to its calculated tax rate ceiling.
J A voter approved increase to an existing levy. School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to $0.0000 and levy up to its calculated tax rate ceiling.
K A voter approved increase to an existing levy. Levy includes a recoupment rate authorized by state law. School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to $0.0000 and levy up to its calculated tax rate ceiling.

NOTE:

This Appendix contains levy information for political subdivisions wholly in St. Louis County and the City of Gladstone in Clay County. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Political subdivisions partially in St. Louis County and partially in another county(ies) were also required by previous legislation to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi rate calculation. See Appendix VII for a listing of 2011 and 2010 taxing authorities that calculated a single tax rate to apply to all property.

All rates in the levied column represent the rate extended and certified to the State Auditor's office by both taxing authority and the county or counties in which the tax rate is levied.

Assessed Value column presents only the assessed valuation the property tax is levied against.

The revenue generated is computed by dividing the assessed valuation by 100 and multiplying the quotient by the tax rate levied.

Thomas A. Schweich

Missouri State Auditor

Ozark County

December 2011

Report No. 2011-117

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Ozark County

County Disbursements	The Presiding Commissioner signed a lease agreement between the county and a not-for-profit organization for which he served as President. The County Commission meeting minutes do not reflect the discussion or vote to approve the lease, and it is not clear how the county established the lease rate ($300 per month) or why it did not advertise the property for lease or solicit competitive bids. The county did not solicit bids, retain sufficient bid documentation, including sole source justifications, or advertise for various items or services as required by state law. The Sheriff did not solicit bids, as was required, to purchase a patrol sports utility vehicle (SUV) and related equipment costing $47,371 with federal monies, and six months later purchased two similar, but newer, SUVs for $28,275 each. The county did not maintain fuel logs for eight of its ten road and bridge bulk fuel tanks, six of which are located at employee residences, the Sheriff's department did not always maintain mileage information on its vehicles, and the Assessor's office did not track who drove its vehicles and the purpose of the trip. Finally, the county did not have adequate documentation to support two disbursements of Community Development Block Grant monies.
County Sales Tax	The county did not sufficiently reduce the General Revenue property tax levy for sales tax receipts and has accumulated approximately $50,000 in excess property tax revenue. The County Commission needs to reduce the General Revenue property tax levy to compensate for this excess. In addition, the county did not accurately report property tax reduction amounts to the State Auditor's office resulting in a reduction in the county's property tax rate ceiling. After identifying the reporting errors made by the county, the State Auditor's office made the necessary corrections to reinstate the county's tax rate ceiling.
Sheriff's Controls and Procedures	The Sheriff's department needs to improve its receipting and depositing procedures. Receipts collected at the Sheriff's department front window are not adequately safeguarded, and the composition of receipts is not always documented or reconciled to bank deposits. Deposits are not always made intact or timely, and the change fund for phone card sales is not maintained at a constant amount. The Sheriff's department used Sheriff's Revolving Fund monies to purchase surveillance and recording equipment, but state law restricts these funds to expenditures associated with concealed carry endorsements or renewals. The Sheriff's department collects a $10 bond processing fee, but state law no longer authorizes collecting such a fee (and previously only authorized a $5 fee).
Prosecuting Attorney Controls and Procedures	As noted in our prior audit report, the Prosecuting Attorney's office lacks adequate controls and procedures for receipting, depositing, and processing bad checks. The Prosecuting Attorney's office does not issue receipt slips for monies received, does not immediately restrictively endorse money orders, and does not maintain a centralized record of all monies collected, making it more difficult to ensure all monies are transmitted to the County

Treasurer. Bad check complaint forms should be sequentially numbered as they are received, and a log should be maintained to track the disposition of each complaint.

Budgets

As noted in our prior audit report, the County Commission needs to improve its budgeting procedures. The County Commission does not regularly review budget to actual statements, and actual disbursements were more than budgeted disbursements for some funds. Some budgets were not prepared until after the monies had already been spent, and no documentation was available to show that the County Commission had approved some budget amendments.

Sheriff Compensatory Leave

Sheriff's department employees accrued more compensatory time than allowed by county policy resulting in higher Sheriff's department payroll costs. Employees accrued compensatory time for time worked over 40 hours in one week, but federal law, and county policy, only require compensatory time be accrued for law enforcement for hours worked in excess of 171 hours in a 28 day period. The Sheriff's department does not submit its leave records to the County Clerk's office, making it difficult for the County Commission to ensure compensatory time is managed in compliance with law and policy.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

During the two years ended December 31, 2010, the county was awarded a $127,850 Bureau of Justice Assistance Recovery Act: Assistance to Rural Law Enforcement to Combat Crime and Drugs Grant for personnel and fringe benefits, travel expenses, and a vehicle and vehicle equipment for a drug task force officer. As of June 30, 2011, the county had expended $96,983, and an additional $30,867 remained to be spent before October 2011. The Sheriff noted that, without additional funding, the position created by this grant may be eliminated.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Ozark County
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Management Advisory Report - State Auditor's Findings

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THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Ozark County

We have audited certain operations of Ozark County in fulfillment of our duties under Section 29.230, RSMo. In addition, Davis, Lynn & Moots, P.C., Certified Public Accountants, was engaged to audit the financial statements of Ozark County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2010. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Ozark County.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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	Connie James
	Joshua Allen, CPA

1. County Disbursements

The county did not take steps to avoid the appearance of or actual conflicts of interest when leasing the Courthouse Annex to a local not-for-profit (NFP) organization. In addition, controls and procedures over county disbursements including bidding, fuel use, and monitoring grant funds need improvement.

1.1 Courthouse Annex

Presiding Commissioner David Morrison signed a lease agreement between the county and a local NFP organization, for which he served as President, with no discussion or vote to approve the agreement documented in the County Commission meeting minutes. In addition, it is unclear how the lease rate was determined, and capital improvements made in exchange for lease payments were not documented.

On April 5, 2010, the Presiding Commissioner signed an agreement for the county to lease approximately one half of the space in the almost 7,200 square foot courthouse annex to the NFP for which he served as the President. Although the County Commission met on April 5, 2010, the discussion and vote to approve this lease agreement was not documented in the meeting minutes. The minutes simply indicate the County Commission approved the lease.

The lease agreement waived first year lease payments in exchange for capital improvements to the structure, and guaranteed a monthly lease rate of $300 per month for the next 5 years. According to the Presiding Commissioner, the rental rate was set low because the NFP provides services to low income families and individuals in the county; however, this benefit was not disclosed in the lease agreement. Capital improvements included new heating and air systems, handicap accessible deck and decking on the rear entrance, installation of dividing walls for offices and meeting space, drop ceiling, and flooring; however, the county did not obtain and review documentation from the organization to support the required improvements totaling approximately $33,000 until our request in September 2011. In addition, the county did not solicit competitive bids for leasing the space, advertise the space for lease, or list the space with a local real estate agent. Further, there is no documentation to indicate how the lease amount was determined.

As an elected official, the Presiding Commissioner serves in a fiduciary capacity and has an obligation to the public to avoid the appearance of impropriety. Signing a lease agreement for the county with a NFP that he serves as president without any documented abstention from the vote creates the appearance of a conflict of interest. To avoid potential conflicts of interest, meeting minutes should include documentation of all discussions and votes to approve such agreements and related abstentions. The county should perform and document a cost analysis for leasing office space, and utilize tools such as competitive bidding, advertisement, or professional

services as needed to maximize the revenue to the county. Further, when the county allows services or improvements to be exchanged for payments due, the County Commissioners should obtain and review applicable supporting documentation to ensure contract compliance.

1.2 Bidding

The county did not solicit bids, retain sufficient bid documentation including sole source justification, or advertise for various items or services.

- The Sheriff did not solicit bids for the following purchases:

Items	Cost
Jail Food (2009 and 2010)	$67,869
Patrol SUV	39,250
Patrol truck	17,500
Patrol vehicle surveillance systems	10,380
Patrol SUV equipment	8,121
Dispatch radio	7,768
Sheriff's Department surveillance system	4,575

  The patrol SUV ($39,250) and related equipment ($8,121) noted in the table above were purchased using American Recovery and Reinvestment Act monies received by the Sheriff's Department. The grant required the solicitation of bids for these purchases. Six months later, the Sheriff purchased two similar SUVs one model year newer at a cost of $28,275 each, using the state contract.

- Although county officials indicate bids were solicited, sufficient documentation was not retained to show compliance with state law for the purchase of tires for road and bridge equipment totaling $17,942 or grader blades totaling $7,982.

- The county did not document sole source procurement for ready mix concrete and patrol car repairs totaling $30,222 and $17,412, respectively, during the 2 years ended December 31, 2010. According to county officials, these items and services were not competitively bid because only one vendor could provide the items or services needed.

Section 50.660, RSMo, provides guidance on bidding requirements and procedures. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, and the county's selection process and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made. In addition, the failure to comply with bidding requirements

for purchases from federal grant funds can result in reduced funding in future years.

1.3 Fuel and vehicle use

Improvement is needed in the controls and procedures over fuel and vehicle use. Accounting records indicate fuel purchases totaled approximately $264,000, $65,000, and $5,000 by the road and bridge department, Sheriff's department, and Assessor's office, respectively, during the 2 years ended December 31, 2010.

Road and bridge

Fuel logs are not maintained for eight of the county's ten bulk fuel tanks. These eight tanks are not located on county property and six of these eight tanks are located at employee residences. Without fuel logs, the county is unable to compare the amount of fuel used to the amount of fuel purchased to ensure all fuel is accounted for properly.

Sheriff

Mileage information is not always maintained for Sheriff's department vehicles. While this information is supposed to be documented on the daily maintenance log for each vehicle by the deputy assigned to the vehicle, our review of maintenance logs found no documentation of mileage information.

Assessor

Mileage and fuel logs maintained for the Assessor's office vehicle do not indicate the individual driving the vehicle or the purpose of the trip.

Conclusion

To ensure the reasonableness and propriety of fuel used and fuel disbursements, procedures should be established to monitor fuel use and reconcile the amount of fuel used to fuel purchased. Mileage and fuel logs are necessary to support fuel charges and to document the appropriate use of vehicles. Failure to account for fuel purchases could result in loss, theft, and misuse going undetected.

1.4 Community Development Block Grant (CDBG)

The county did not have adequate documentation to support the disbursement of $125,000 in CDBG monies during the 2 years ended December 31, 2010. In June 2009, the county was awarded a CDBG from the Department of Economic Development (DED). These funds were received for the purpose of providing an acquisition loan to a local company for the expansion of their facilities and area job creation.

The county submitted two requests for funds to the DED. The first included a request for $13,283 for working capital and the second request for $111,717 for machinery and equipment. The county did not request or receive any supporting documentation of actual costs incurred from the local company prior to making these requests for funds.

To ensure all disbursements of grant funds meet the requirements and restrictions specified in the grant agreement, the county should require adequate supporting documentation be submitted for all disbursements.

Similar conditions were noted in our prior audit report.

Recommendations

The County Commission:

1.1 Avoid the appearance of and actual conflicts of interest and ensure all pertinent information is documented in meeting minutes. In addition, the County Commission should perform procedures to maximize revenues and obtain and review documentation to ensure contract compliance.

1.2 Perform a competitive procurement process for all major purchases and maintain documentation of decisions made. If it is not practical to obtain bids in a specific instance, or if sole source procurement is necessary, the circumstances should be thoroughly documented.

1.3 Require fuel logs be maintained, and these logs be reviewed for accuracy and reconciled to fuel purchases. Any significant discrepancies should be investigated. In addition, the Sheriff and Assessor should ensure complete mileage logs are maintained for county vehicles.

1.4 Require adequate supporting documentation for all disbursements.

Auditee's Response

The County provided the following responses:

1.1 Improvements have been made in the content of County Commission meeting minutes since the date of this lease agreement. Our meeting minutes will document the specific vote and related abstentions to avoid any apparent or actual conflicts of interest, and we will advertise available lease space for bids. Documentation to show improvements made to the courthouse annex are now on file with the county.

1.2 We will discuss the bidding noncompliance with the Sheriff, and in the future, we will require sufficient documentation from the Sheriff to show state bidding laws were followed before the check is approved for payment.

1.3 Meters have now been purchased for these eight road and bridge department fuel tanks and logs will be maintained. We will discuss the lack of mileage information with the Sheriff, and the Assessor has already implemented this recommendation.

1.4 Documentation was maintained for most of the disbursements related to this grant. We believe the grant administrator, South Central Ozark Council of Governments has the documentation that was not on file at the county; however, we will require a copy of all supporting documentation be sent to the County Commission before disbursement of grant funds are approved in the future.

The Sheriff provided the following responses:

1.2 We are now utilizing state bids for more purchases and will better document bids received and actions taken to ensure the best vendor is selected.

1.3 We have now implemented a daily mileage log.

2. County Sales Tax

Property tax reductions were not sufficient to offset sales taxes received by a total of approximately $50,000 for the years 2007 through 2011. In addition, property tax reduction amounts were not properly reported to the State Auditor's office.

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. Ozark County voters enacted a one-half cent sales tax with a provision to reduce property taxes by 50 percent of sales taxes collected. The county is required to estimate the annual property tax levy to meet a 50 percent reduction requirement, and certify to the State Auditor's office the annual property tax levy including the amount the levy is required to be reduced for sales tax collections, as well as any voluntary reductions. The county did not sufficiently reduce the General Revenue property tax levy for sales tax receipts, and has accumulated approximately $50,000 in excess property tax revenue as follows:

	Year Ended December 31,		
	2011*	2010	2009
Required property tax reduction	$ 126,510	126,510	131,295
Actual/Estimated property tax revenue reduction	136,312	88,688	170,386
(Under)/Over collection	(9,802)	37,822	(39,091)
Prior years (under)/over collection	60,035	22,213	61,304
Total property tax (under)/over collected	$ 50,233	60,035	22,213

* The required property tax reduction is based upon estimated 2011 sales tax revenues.

Further, because the county did not specify the reductions were sales tax related on the levy certification forms, the reductions were considered voluntary and due to Section 137.073(5) (4), RSMo, the tax rate ceiling for the General Revenue Fund was initially lowered for 2011, further limiting the county's ability to correct the excess property collections from prior years. After identifying these errors made by the county, the State Auditor's

office made the necessary corrections to reinstate the county's tax rate ceiling for 2011.

To ensure property tax levies are properly set and property tax ceilings are maintained, the County Clerk should ensure property tax levies are adequately reduced by 50 percent of sales tax revenue and the property tax levy reductions are accurately classified when reported to the State Auditor's office.

Recommendation

The County Commission adequately reduce property tax levies for 50 percent of sales tax revenue and properly distinguish between sales tax and voluntary reductions on certified property tax forms.

Auditee's Response

The County Commission provided the following response:

Along with the County Clerk, we will ensure the county's property tax levy is properly reduced for 50 percent of sales tax revenue and tax forms are completed properly before remitting the forms to the State Auditor's office next year.

3. Sheriff's Controls and Procedures

Weaknesses exist in accounting controls and procedures in the Sheriff's department. The Sheriff's department collected approximately $78,000 and $75,000 during the 2 years ended December 31, 2010 and 2009, respectively.

3.1 Receipting and depositing procedures

Receipting and depositing procedures need improvement.

- Receipts taken at the front window of the Sheriff's department are not adequately safeguarded. They are kept in the bookkeeper's deposit book on her desk where all staff on duty can access them.

- Tow fees collected for local tow truck drivers on impounded vehicles are not receipted and are held in cash and given to the truck driver when the next vehicle is delivered to the Sheriff's impound lot. The Sheriff's department collects approximately $100 in towing fees per vehicle.

- The composition of receipts is not reconciled to the composition of deposits because the method of payment is not always correctly recorded on receipt slips issued, and the composition of deposits is not always correctly recorded on the deposit slips. For example, on December 30, 2010, the bookkeeper issued a receipt slip indicating $1,100 cash was received for phone card sales. When the deposit slip was prepared, instead of documenting cash and check, the bookkeeper documented the receipt number as a check number and the amount of $1,100 as though a check was received. Through our review of bank

back up documentation, we found $908 of this was cash and $192 was check or money order.

- Deposits are not always made intact. We noted a personal check was cashed from department receipts during a cash count on July 13, 2011.

- Deposits for monies collected in the jail are not always made in a timely manner. For example, $1,100 cash was received for an impound fee invoice on December 22, 2010, but was not deposited until December 31, 2010. During 2010, it appeared the bookkeeper was only depositing jail receipts once a week. Also, phone card sale receipts are only transferred to the secretary once a month for deposit. Most of these receipts are cash and during 2010, average monthly deposits totaled $1,400.

- A change fund, provided for phone card sales, is not maintained at a constant amount. For example, when monies were deposited on September 30, 2010, $31 remained in the cash box to be used as a change fund; however, after the following deposit on November 2, 2010, $75 remained.

Failure to implement adequate receipt and depositing procedures increases the risk that loss or misuse of money received will go undetected.

3.2 Sheriff's Revolving Fund

Disbursements from the Sheriff's Revolving Fund are not in compliance with state law. The Sheriff purchased a surveillance and recording system costing $4,575 on February 1, 2011, to record activity in the interrogation and booking rooms, parking lot, and gas tank area.

Per Section 50.535, RSMo, Sheriff's Revolving Fund monies are to be used for the purchase of equipment, to provide training, and to make necessary expenditures to process applications for concealed carry endorsements or renewals, including but not limited to the purchase of equipment, training, fingerprinting and background checks, and employment of additional personnel.

3.3 Bond fees

The Sheriff's department currently collects a $10 bond processing fee; however, state law does not include provisions to collect such a fee. Bond processing fees of approximately $1,300 collected during the 2 years ended December 31, 2010, were deposited into the Law Enforcement Sales Tax Fund. Although Section 57.280, RSMo, previously authorized the Sheriff to collect a $5 fee for taking and returning every bond required by law, this statute was amended and does not currently contain a provision to collect bond processing fees. Therefore, it appears the Sheriff does not have statutory authority to collect this fee and should refrain from collecting it.

Recommendations

The Sheriff:

3.1 Adequately safeguard receipts from loss or misuse, issue receipt slips for all monies received, ensure the correct composition is documented on receipt slips and deposit slips, disallow the cashing of personal checks from department receipts, ensure all monies are deposited intact and in a timely manner, and ensure change funds are maintained on an imprest basis.

3.2 Use Sheriff's Revolving Fund monies in accordance with state law.

3.3 Discontinue collecting the bond fee.

Auditee's Response

The Sheriff provided the following responses:

3.1 We will move monies collected to a more secure location, ensure receipt slips are issued for tow fees collected, and ensure the method of payment is correctly documented on all receipt slips, and we will not cash personal checks from cash receipts in the future. We have already started depositing more timely and will try to maintain a more consistent change fund for phone card sales.

3.2 We believe the purchase of this equipment was allowable. The fingerprinting machine and camera are located in the booking area. We take each CCW applicant into this area to fulfill the fingerprinting requirement and take their picture. To meet safety regulations, all activity in this area is required to be recorded.

3.3 We have already stopped collecting this fee.

4. Prosecuting Attorney Controls and Procedures

Procedures for receipting, depositing, and processing bad checks are in need of improvement. The Prosecuting Attorney's office collected fees totaling approximately $14,000 during the 2 years ended December 31, 2010.

4.1 Receipting and depositing procedures

Receipt slips are not issued for monies received, and money orders are not restrictively endorsed immediately upon receipt. No detailed record of the monies collected by the Prosecuting Attorney's office is maintained. While the Prosecuting Attorney's clerk makes a copy of each money order and places it in the defendant's file, there is no centralized record of all money collected to ensure all monies are properly transmitted to the County Treasurer.

To ensure monies are accounted for properly and transmitted intact, pre-numbered receipt slips should be issued for all monies received, the method

of payment should be indicated on each receipt slip, and the composition of receipt slips issued should be reconciled to the composition of the amounts transmitted to the County Treasurer. In addition, money orders payable to the Prosecuting Attorney should be restrictively endorsed immediately upon receipt.

4.2 Bad check processing procedures

An adequate system to account for all bad checks received by the Prosecuting Attorney's office, as well as the subsequent disposition of these bad checks, has not been established. Currently, merchants complete a complaint form at the time the bad check is turned over to the Prosecuting Attorney for collection. The complaint form and information regarding the handling of each case is maintained in the individual case files. The Prosecuting Attorney's office has not established a log of each check received and its disposition to ensure the bad checks have been accounted for properly.

To ensure all bad checks turned over to the Prosecuting Attorney are handled and accounted for properly, a sequential number should be assigned to each bad check complaint form or bad check received and a log should be maintained showing each bad check and its disposition. The log should contain information such as the assigned number, the merchant, the issuer of the check, the amount of the check, the amount of the bad check fee, and the disposition of the bad check.

Similar conditions previously reported

Conditions similar to points 4.1 and 4.2 were noted in our prior audit report.

Recommendations

The Prosecuting Attorney:

4.1 Issue receipt slips for all monies received and reconcile receipt slips to amounts transmitted to the County Treasurer. Additionally, the Prosecuting Attorney should ensure money orders are restrictively endorsed immediately upon receipt.

4.2 Implement procedures to adequately track the receipt and disposition of all bad check complaints.

Auditee's Response

The Prosecuting Attorney provided the following response:

We are currently in the process of making plans to upgrade our computer system. The new system will provide better accountability over bad check money orders received and allow us to more easily track the disposition of all cases. In addition, money orders will be endorsed immediately upon receipt.

5. Budgets

The County Commission does not review budget to actual statements on a regular basis to properly monitor county finances and actual disbursements exceeded budgeted disbursements for some funds. Also, budgets for some new funds were not prepared until after monies were disbursed from these funds. For example, the 2010 budget was amended in November 2010 to add the Community Facilities (CF) Vehicle Grant Fund with budgeted disbursements of $72,150; however, this money was received in May 2010, and disbursed in June and July 2010, several months before the budget for this fund was prepared.

In addition, we found no documentation of a public hearing or approval by the County Commission for budget amendments approved in October and November 2009 and February 2010.

Budget documents are an essential tool for the efficient management of county finances. Adequate budget monitoring allows the county to properly react and plan for increased disbursements and deceased revenues.

Similar conditions were noted in our prior audit report.

Recommendation

The County Commission monitor budgets to ensure budgeted disbursements are not exceeded and budgets are properly approved for all new funds prior to the disbursements of monies.

Auditee's Response

The County Commission provided the following response:

We will monitor our budgets more closely and ensure budget amendments are completed timely. In addition, budget amendment procedures, which include a public hearing, are now properly documented in County Commission meeting minutes.

6. Sheriff Compensatory Leave

Compensatory leave earned by Sheriff's department employees is not in compliance with the county personnel policies and procedures manual. Because the County Clerk does not maintain centralized records of vacation and sick leave and compensatory time for Sheriff's department employees, the County Commission is unaware of the noncompliance with the county compensatory leave policies.

Sheriff's department employees accrue compensatory leave for any time worked over 40 hours in one week; however, the county personnel policies and procedures manual states the work period for certain Sheriff's department employees is based on 171 hours worked during a 28 consecutive day period. Allowing compensatory leave for law enforcement based on a 40 hours week results in higher Sheriff's department payroll costs.

While records of vacation and sick leave and compensatory time earned, taken, or accumulated are prepared and maintained by the Sheriff's department, they are not submitted to the County Clerk's office monthly. Without centralized leave records, the County Commission cannot ensure employee compensatory time is properly computed and leave time is properly tracked in compliance with the county policy.

To limit the county's liability for compensatory time to law enforcement officers, the county should complete a thorough review of compensatory time calculations and ensure compliance with the county's established policy. Additionally, to ensure county policy is properly followed, centralized and complete leave records of all county employee vacation and sick leave and compensatory time should be maintained by the County Clerk. Centralized leave records also aid in determining final pay for employees leaving county employment or in the event disputes arise and demonstrate compliance with the Fair Labor Standards Act of 1938.

A similar condition was noted in our prior audit report.

Recommendation

The County Commission ensure compensatory leave is computed for law enforcement officers in compliance with county policy and work with the Sheriff and the County Clerk to maintain centralized leave records for all county employees.

Auditee's Response

The County Commission provided the following response:

We will require the Sheriff's Department forward all leave balances to the County Clerk at the end of this year so the County Clerk can track leave accrual and usage beginning January 1, 2012. We will also require the Sheriff's Department to comply with the adopted county personnel policy with regards to the calculation of compensatory leave.

The Sheriff provided the following response:

We will work with the County Clerk to implement this recommendation by January 1, 2012.

Ozark County
Organization and Statistical Information

Ozark County is a county-organized, third-class county. The county seat is Gainesville.

Ozark County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 51 full-time employees and 11 part-time employees on December 31, 2010.

In addition, county operations include a Health Center and Recycling Center.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2011	2010
David Morrison, Presiding Commissioner	$	27,080
T.J. Lewis, Associate Commissioner		25,080
Greg Donley, Associate Commissioner		25,080
Becki Strong, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Kellie Maddox, County Clerk (2)		32,750
Lisa Hawkins, County Clerk (2)		4,721
Thomas W. Cline, Prosecuting Attorney		45,000
Raymond Pace, Sheriff		42,000
David Ford, County Treasurer		38,000
Ron Mahan, County Coroner		11,000
Melinda Abraham, Public Administrator		26,250
Billy D. Hambelton, County Collector year ended February 28,	38,000	
Katherine Loftis, County Assessor , year ended August 31,		38,000
Tim Morgan, County Surveyor (3)		N/A

(1) Compensation is paid by the state.

(2) Lisa Hawkins was appointed as County Clerk in November 2010 to replace Kelly Maddox who resigned in November 2010. Ms. Hawkins was elected to this position in November 2010.

(3) Compensation on a fee basis.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

According to county personnel, the county was awarded the following American Recovery and Reinvestment Act of 2009 (ARRA) funding during the 2 years ended December 31, 2010:

A $127,850 Bureau of Justice Assistance Recovery Act: Assistance to Rural Law Enforcement to Combat Crime and Drugs Grant was awarded by the Department of Justice for personnel and fringe benefits, travel expenses, and a vehicle and vehicle equipment for a drug task force officer. As of June 2011, the county has received and expended $96,983. An additional $30,867 remains to be spent before October 2011. This grant resulted in the creation of one job; however, the Sheriff indicated that without additional grant funding this position may be eliminated.

Thomas A. Schweich

Missouri State Auditor

Transportation Development Districts

December 2011

Report No. 2011-116

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Transportation Development Districts as of December 31, 2009

Background	As of December 31, 2009, 166 Transportation Development Districts (TDDs) had been established, with a reported total estimated transportation project costs of over $1.6 billion and a reported total anticipated revenues of over $2 billion. The 2009 TDD audit report provides information regarding the 166 TDDs and presents audit results for 8 specific TDDs: Meadows, Stone Ridge, Cross Creek, CB 5421/5975, Platte Valley Plaza, Raytown Highway 350, The Market at McKnight I, and Euclid Buckingham.
Notification	The General Assembly should consider legislation requiring the State Auditor's office be notified when a TDD is established, since state law requires the State Auditor's office to audit each TDD periodically.
Department of Revenue Collections	Three TDDs (Poplar Bluff Conference Center, North Main/Malone and Southtown) still collected their own sales taxes during 2010 even though a new state law required vendors to submit sales tax directly to the Department of Revenue. The General Assembly should consider further legislation to establish a penalty for non-compliance.
Financial Statements	Sixteen TDDs failed to file the required financial statement/report for 2009 with the State Auditor's office, and one TDD filed late, creating an aggregate maximum fine of $810,500 as of August 31, 2010. The General Assembly should consider further legislation to authorize an agency to assess and collect such fines authorized by Section 105.145.8, RSMo. The following TDDs failed to file the required statement/report: North Kansas City Light Rail, 620 Market, First Capital Drive, I-44 and Highway 47, Indian Ridge Resort, Olive/Graeser, Poplar Bluff Conference Center, Spindler, Toad Cove Complex, Toad Cove Resort, Truman Road, Blue Ridge Town Centre, Country Club Plaza, Farris Family, Interstate Plaza/North Town Village, and Northwoods. North Main/Malone filed its financial statement late. In addition, the Stone Ridge TDD submitted inaccurate financial statements.
Competitive Bidding	Three of the eight selected TDDs need to improve their procurement practices and maintain documentation of competitive bidding processes. State law requires competitive bidding for certain TDD construction contracts, and competitive bidding helps ensure the district is getting the best value and gives all parties an equal chance to participate in district business.
Engineering Services	One of the eight selected TDDs failed to document the evaluation and selection of engineering services. It chose the engineering services provider because the same engineer was used for the private portion of the project.

Budgetary Matters	Five of the eight selected TDDs exhibited problems with their budgets. One TDD budgeted a deficit balance, and several failed to timely approve complete budgets.
Bank Reconciliations	One of the selected TDDs did not complete timely bank reconciliations, and another of the selected TDDs did not maintain a running balance for its checking account, so it did not know the applicable account balance to conduct a reconciliation.
Meetings	Three of the eight selected TDDs failed to hold annual board meetings.
Deposits	One of the selected TDDs did not timely deposit monies received, which increases the risk of loss, theft, or misuse of funds.
Financial Condition	One of the selected TDDs does not have sufficient receipts to pay its annual debt interest.
Prevailing Wages	Three of the eight selected TDDs failed to maintain evidence of compliance with prevailing wage laws.
Additional Comments	On a positive note, our audit of the Meadows TDD noted no matters which required reporting.

Because of the compound nature of this audit report, no overall rating is provided.

American Recovery and Reinvestment Act (Federal Stimulus)	The TDDs did not receive any federal stimulus monies during the audited time period.

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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly

We have audited certain operations of selected transportation development districts (TDDs) as required by Section 238.272, RSMo. The objectives of our audit were to:

1. Report selected information regarding the various TDDs.

2. Evaluate internal controls over significant management and financial functions of selected TDDs.

3. Evaluate compliance with certain legal provisions of selected TDDs.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The audit reports (1) selected information regarding TDDs and recommendations for improvements to selected TDDs regarding (2) deficiencies in internal controls and (3) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the TDDs.

The accompanying information in the appendixes is presented for informational purposes. This information was obtained from TDD representatives and was not subjected to the procedures applied in our audit of the TDDs.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Todd M. Schuler, CPA
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Audit Staff:	Karla Swift, MBA

Transportation Development Districts
Introduction

Background

The Transportation Development Districts Act, Sections 238.200 to 238.280, RSMo, allows for the formation of transportation development districts (TDDs). These entities are separate political subdivisions established and organized for the construction of roads, bridges, interchanges, or other transportation-related projects. The projects are generally financed through the issuance of revenue notes, revenue bonds, or other debt securities for a period not to exceed 40 years. TDDs are governed by a board of directors of not less than 5 nor more than 15 members. The board has the authority (after qualified voter approval[1]) to impose sales taxes or tolls, levy property taxes, and levy special assessments within the boundaries of the TDD to pay the expenditures of the entity, including the liquidation of debt incurred to fund the transportation-related projects. The revenues of a TDD, the majority of which are sales taxes, can only be used for transportation-related projects.

The process of establishing a TDD is initiated by the filing of a petition in the circuit court governing the boundaries of which the proposed district is located. Such a petition can be filed by: (1) not less than 50 registered voters within the proposed TDD, (2) all the owners of real property located within its proposed boundaries, if there are no eligible registered voters residing within the proposed district, (3) a local transportation authority (LTA), or (4) two or more LTAs. A county, city, special road district, or any other local public authority having jurisdiction over transportation projects and services can serve as a LTA.

Missouri state law requires a copy of the petition filed to establish a TDD be provided to the Missouri Highways and Transportation Commission (MoDOT) and each affected LTA. Those entities are then allowed to file an answer stating agreement with or opposition to the creation of the district. In addition, any resident, taxpayer, or any other entity within the proposed district may join in or file a petition supporting or answer opposing the creation of the district. The circuit court subsequently hears the case, if necessary, and makes a decision whether to authorize the establishment of the district.

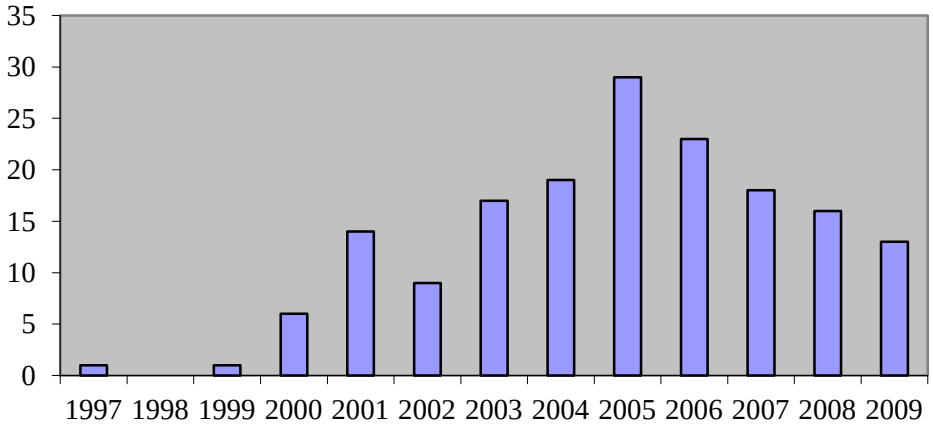
Although there is no statutory annual audit requirement, many districts are required to obtain annual audits by revenue bond covenants. In addition, Section 238.272, RSMo, provides the State Auditor's office (SAO) shall audit each TDD once every 3 years, and may audit more frequently if deemed appropriate.

[1] Section 238.202, RSMo, currently defines qualified voters as any persons residing within the proposed or established district who have registered to vote pursuant to Chapter 115, RSMo, and the owners of real property, who shall receive one vote per acre, provided that any registered voter who also owns property must elect whether to vote as an owner or a registered voter.

Section 238.275, RSMo, provides for the abolishment of a TDD once its projects are completed, ownership of the projects has been transferred to MoDOT or the LTA, and the district has no outstanding liabilities. In addition, a TDD can be abolished if the board of directors determines the projects cannot be completed due to lack of funding or for any other reason. Prior to a TDD submitting the question to abolish the district to the applicable voters, the SAO must audit the TDD to determine its financial status, and whether it can be abolished. See Appendix C for information regarding abolished TDDs.

The Transportation Development Districts Act was enacted in 1990, and the first TDD was established in 1997. As of December 31, 2009, 166 TDDs were in existence in the state of Missouri (including 13 TDDs which were established in 2009). Almost 70 percent of the districts have been established in the state's two largest metropolitan area (with 80 and 37 of the TDDs located in St. Louis and Kansas City metropolitan areas[2], respectively). Additionally, 64 (approximately 39 percent) TDDs were located either completely or partially in a tax increment financing redevelopment (TIF) area. See Appendix A for information regarding whether a particular TDD is located within a TIF area.

Number of TDDs Established by Year



Officials/representatives of the TDDs reported total estimated transportation project costs of over $1.6 billion. In addition, officials/representatives reported total estimated revenues of over $2 billion would be collected over the lives of the respective TDDs (estimated project costs and anticipated

[2] The St. Louis metropolitan area is defined here as the geographic area that includes the city of St. Louis, St. Louis County, St. Charles County, Jefferson County, and Franklin County. The Kansas City metropolitan area is defined here as the geographic area that includes Jackson County, Platte County, Clay County, and Cass County.

revenue information were not reported for some of the TDDs because information had not been determined or could not be located).

The table below shows the total estimated project costs and anticipated revenues of the 166 TDDs by various dollar ranges.

	Number of TDDs	
Dollar Range	Estimated Transportation Project Costs	Expected Revenue
$0 to $1 million	19	13
$1 million to $5 million	68	48
$5 million to $10 million	25	34
$10 million to $15 million	18	13
$15 million to $35 million	22	27
More than $35million	9	13
Not reported	5	18

Scope and Methodology

The scope of the audit included, but was not necessarily limited to, the 3 years ended December 31, 2009.

Our methodology included gathering information regarding the TDDs established in 2009, through discussions with various MoDOT officials and from a TDD database and files maintained by that agency. Information obtained included TDD name, location, applicable county/municipality, date established, identity of the individual(s)/entity who filed the petition, the type of funding (i.e., sales taxes, property taxes, etc.), and the funding rate (e.g., 1 percent). Some of this information is presented in Appendix A.

To determine and report estimated project costs and estimated revenues of the TDDs newly established in 2009, survey questionnaires were sent requesting information including, but not limited to, the geographic location of the TDD, estimated total project costs, how project costs were financed and the amount of that financing, estimated total revenues to be collected and over what period of time, when the collection of revenue and initial expenses began, the party responsible for collection of the revenues and administering the funds, whether financial audits have been conducted by an independent auditor, the name of the development and type of businesses in the district, and whether or not the TDD is located in a TIF area. Some of the survey information received from the TDDs is presented in Appendix A.

Relative to our audit responsibilities pursuant to Section 238.272, RSMo, we selected and conducted audit work related to various TDDs (the selected districts). To evaluate internal controls at the selected districts, we reviewed written policies and procedures, financial records, and other pertinent documents; and interviewed various personnel of the district, as well as

certain external parties. To evaluate compliance with certain legal provisions at selected districts, we obtained an understanding of legal requirements related to TDDs, and reviewed meeting minutes, budgets, and financial statements.

Some data presented in Appendixes A and B was compiled from survey information submitted by officials/representatives of the various TDDs and the annual financial or audit reports submitted by those districts. This information was not verified for accuracy by us. If any information presented in Appendix A of the prior report was found to have changed since the previous audit, that information was updated on the current appendixes to the extent those changes were noted by us or brought to our attention. The financial data presented in Appendix B is presented as classified by the districts or the districts' independent auditors, if applicable; therefore, some disbursements may be classified in an inconsistent manner.

The following table includes the 37 TDDs considered for audit during our current audit, including the 8 TDDs selected for review. Some of the TDDs had financial statement audits performed by independent auditors.

TDD Name	Date Established	Fiscal Year End	Financial Statement Audits: Selected for Review by SAO	Financial Statement Audits: Not Selected for Review by SAO	Unaudited: Selected for Review by SAO	Unaudited: Not Selected for Review by SAO
Brentwood/Strassner Road	02/24/04	12/31		X		
Hutchings Farm Plaza	03/04/04	12/31				X
Mexico Road	04/08/04	12/31				X
Southtown	04/12/04	12/31				X
Francis Place	04/13/04	12/31				X
Poplar Bluff Conference Center	05/04/04	12/31				X
Eureka Commercial Park	05/10/04	12/31				X
Hanley Road and North of Folk Avenue	05/19/04	12/31		X		
Megan Shoppes	06/07/04	12/31		X		
Folk Avenue South	07/14/04	06/30		X		
St. Joseph Gateway	07/20/04	12/31				X
Park Hills	07/28/04	12/31				X
Hawk Ridge	09/02/04	06/30		X		
Olive Boulevard	09/09/04	06/30		X		
Shoppes at Stadium	09/27/04	12/31		X		
Stadium Corridor	10/04/04	12/31				X
Chesterfield Commons	10/12/04	12/31				X
Eureka Old Town	10/12/04	06/30				X
North Main/Malone	11/19/04	12/31				X
Meadows	01/04/07	12/31	X			
Stone Ridge	01/24/07	12/31			X	
Shoppes at Hilltop	02/06/07	12/31		X		
Spindler	02/07/07	Unknown				X
St. Cyr Road TDD	02/20/07	12/31		X		
Cross Creek	02/26/07	12/31			X	
Highway 367 & Parker Road	03/02/07	12/31				X
CB 5421/5975	03/05/07	12/31			X	
Platte Valley Plaza	03/09/07	12/31			X	
Adler Lofts	03/12/07	12/31				X
South Manchester	03/30/07	12/31				X
Independence Avenue & Colbern Road	05/02/07	12/31				X
Raytown Highway 350	05/07/07	10/31			X	
The Market at McKnight I	05/11/07	12/31			X	
Bottle District	05/17/07	12/31				X
Euclid Buckingham	06/14/07	12/31			X	
Harrisonville Market Place A	08/27/07	12/31				X
Harrisonville Market Place B	08/27/07	12/31				X

The audited district was selected because of the significance of its financial activity, with expenditures in excess of $5 million during fiscal years 2007 through 2009. The seven unaudited districts were selected because their

transportation projects were substantially completed and/or significant financial activity was incurred by the TDD or developer during 2007 through 2009, and/or other considerations. The reported disbursements of the 20 unaudited districts which were not selected totaled less than $2.8 million during fiscal years 2007 through 2009.

A Schedule of Receipts, Disbursements, and Cash Balances for the eight selected districts is presented in Appendix B. The financial information of the selected districts is presented on a cash basis, and reflects the financial activity and balances of the selected TDDs during the applicable years; however, it does not reflect any project-related costs incurred by the developers that were not yet reimbursed by the applicable districts. In some cases, those unreimbursed developer-incurred costs are substantial.

Overall Audit Findings

1. Notification

There is no statutory provision which requires the State Audtior's office (SAO) to be notified when a transportation development district (TDD) is established. Section 238.272, RSMo, requires the SAO to audit each TDD at least every 3 years, and more frequently if deemed necessary, and Section 238.275.3, RSMo, requires the SAO to audit a TDD prior to a vote regarding its abolishment. Also, Section 105.145, RSMo, requires all political subdivisions in the state to file an annual financial report with the SAO.

Although the SAO is contacted by some TDD representatives when a district is established, the SAO has generally had to consult with MoDOT officials to identify newly established TDDs. While these communications with MoDOT have allowed us to identify and track most of the TDDs, there have been instances where we later became aware of the existence of a TDD.

Recommendation

The General Assembly consider further legislation to require TDD officials to notify the SAO when a TDD is established.

2. Department of Revenue Collections

During 2010, the Poplar Bluff Conference Center TDD, North Main/Malone TDD, and Southtown TDD collected their own sales taxes. Effective January 1, 2010, Section 238.235, RSMo, requires TDD sales taxes be remitted to the DOR, who then remits the collections to the TDD. Previously, businesses located within a TDD collected the applicable sales tax and remitted it to the TDD directly.

Although state law requires the DOR to collect district sales taxes, the statutes do not provide penalties for non-compliance.

Recommendation

The General Assembly establish a penalty for non-compliance with collection procedures provided by state law.

3. Financial Reporting

Of the 166 districts in existence at December 31, 2009, 17 (10.24 percent) districts filed financial statement/audit reports late or did not file a financial statement with the SAO, as required by law, creating a fine of up to $810,500 as of August 31, 2010. North Main/Malone TDD filed its financial statement late, while the remaining 16 districts had not filed a financial statement as of August 31, 2010.

TDD Name	Fiscal Year End	Maximum fine to be assessed as of August 31, 2010
North Kansas City Light Rail TDD	09/30/09	$101,500
620 Market TDD	12/31/09	56,500
First Capital Drive TDD	12/31/09	56,500
I-44 and Highway 47 TDD	12/31/09	56,500
Indian Ridge Resort TDD	12/31/09	56,500
Olive/Graeser TDD	12/31/09	56,500
Poplar Bluff Conference Center TDD	12/31/09	56,500
Spindler TDD	12/31/09	56,500
Toad Cove Complex TDD	12/31/09	56,500
Toad Cove Resort TDD	12/31/09	56,500
Truman Road TDD	12/31/09	56,500
Blue Ridge Town Centre TDD	12/31/09	26,000
Country Club Plaza TDD	12/31/09	26,000
Farris Family TDD	12/31/09	26,000
Interstate Plaza/North Town Village TDD	12/31/09	26,000
Northwoods TDD	12/31/09	26,000
North Main/Malone TDD	12/31/09	14,000

Section 105.145, RSMo, requires transportation development districts (TDDs) to file annual financial statements with the SAO. Section 105.145.8, RSMo, states that any district that fails to timely submit a copy of the annual financial statement to the SAO shall be subject to a fine not to exceed $500 per day. 15 CSR 40-3.030 provides if a political subdivision is audited by an independent auditor, a copy of the audit report can be filed in lieu of a separate financial report. The annual financial report is to be filed within 4 months of the entity's fiscal year end, while an audit report can be filed within 6 months of the entity's fiscal year end.

While a fine for late filing of the financial statement/audit report was authorized, the law does not establish the agency responsible for assessment and collection authority of the fines.

Recommendation

The General Assembly establish legislation authorizing an agency of the state with assessment and collection authority for the fines for late filing of financial statements/audit reports.

Audits of Selected Districts

The following section reports information related to the eight TDDs selected for review. The selected districts are presented in the order of date established.

1. Meadows TDD

The Meadows TDD was organized in January 2007 by a petition filed by the property owner/developer and the City of Lake St. Louis. The district is

located in Lake St. Louis. The Board of Directors and officers include three representatives from the City of Lake St. Louis and two representatives of the property owner/developer. The qualified voter of the district is the property owner/developer. The district has a fiscal year end of December 31 and did have independent audits performed during the 3 years ended December 31, 2009. The City of Lake St. Louis and St. Charles County were the LTAs.

During our audit work related to this TDD, we noted no matters which needed to be reported.

2. Stone Ridge TDD

The Stone Ridge TDD was organized in January 2007 by a petition filed by the property owner/developer and is located in Jefferson City. The Board of Directors and officers are representatives of the developer. The qualified voter of the district is the property owner/developer. The district has a fiscal year end of December 31 and did not have independent audits performed during the 3 years ended December 31, 2009. The City of Jefferson City was the LTA.

During our audit work related to this TDD, we noted the following:

2.1 Financial statements

Financial statements submitted to the SAO were not accurate. The December 31, 2007, cash balance on the financial statement originally submitted to the SAO did not agree with the January 1, 2008, cash balance listed on the financial statement. In April 2010, the district submitted an amended financial statement to correct the December 31, 2007, cash balance. However, the December 31, 2007, cash balance reported on the amended financial statement did not agree to either the accounting records or bank documentation. After bringing this to the district's attention, the district submitted another amended financial statement which agreed to accounting records and bank documentation.

The December 31, 2008, financial statement indicated advances from the bank of $1,297,430. Actual advances from the bank were $1,001,104 and $296,326 was advanced from the developer. Complete and accurate financial statements are necessary to keep citizens informed of the financial activity and condition of the district.

2.2 Bank reconciliations

Monthly bank reconciliations are not adequate. The district does not maintain a running balance for the operating fund, so the district does not know the applicable balance to reconcile to when preparing the reconciliation. While the district stated bank reconciliations were performed, the district did not retain documentation of the bank reconciliations.

Preparation of monthly bank reconciliations and maintenance of records of cash balances is necessary to ensure the bank account is in agreement with accounting records and to detect and correct errors. Additionally, complete documentation of reconciliations should be maintained to support conclusions and corrections and to facilitate independent reviews.

2.3 Budgets

Budgets are not in compliance with state law. The annual budgets for 2007, 2008, and 2009 did not contain a general budget summary or actual receipts and disbursements for the 2 preceding years, and the 2008 budget reflected a deficit budgeted balance. In addition, actual disbursements exceeded budgeted disbursements in 2008 and 2009, by approximately $1.1 million and $3.1 million, respectively.

Sections 67.010 to 67.040, RSMo, include provisions regarding annual budgets.

Recommendations

The Board of Directors:

2.1 Prepare accurate financial statements which provide citizens an accounting of all financial activity of the district.

2.2 Ensure complete bank reconciliations are retained and a running book balance is maintained.

2.3 Prepare annual budgets in accordance with state law and ensure actual disbursements do not exceed budgeted amounts.

Stone Ridge TDD Response

The Stone Ridge TDD Board of Directors provided the following written response:

The District hereby acknowledges recommendations 2.1, 2.2, and 2.3 in your report, and particular attention will be paid moving forward to ensure that the District's financial records, annual reports, and ongoing budget items are in full compliance with all requirements of the State Auditor's Office and Missouri state law. The District's accountant has reviewed the other financial information provided in your report and has indicated that it is accurate.

3. Cross Creek TDD

The Cross Creek TDD was organized in February 2007 by a petition filed by the property owner/developer and is located in Columbia. The Board of Directors and officers are representatives of the developer. The qualified voter of the district is the property owner/developer. The district has a fiscal year end of December 31 and did not have independent audits performed during the 3 years ended December 31, 2009. MoDOT had jurisdiction over the project, and the City of Columbia and Boone County were the LTAs.

During our audit work related to this TDD, we noted the following:

3.1 Competitive bidding

The district did not ensure contractors were selected through a competitive bid process. Documentation to support the procurement of the contractor was not maintained.

Section 238.252, RSMo, requires all construction contracts in excess of $5,000 between a TDD and a private contractor be competitively bid and awarded to the lowest and best bidder. In addition, the cooperative agreement with MoDOT requires the district or its contractor to solicit competitive bids.

3.2 Prevailing wages

The district was unable to provide evidence of compliance with prevailing wage provisions related to district projects.

The MoDOT and Cross Creek TDD Cooperative Agreement requires the district and its subcontractor to pay the prevailing hourly rate of wages for each craft or type of worker required to complete the roadway project as determined by the Missouri Department of Labor and Industrial Relations. In addition, Sections 290.210 to 290.340, RSMo, include provisions regarding prevailing wages.

3.3 Meetings

The Board failed to hold meetings as required. The property owners held the initial meeting on March 21, 2007, followed by a Board of Directors meeting. The Board of Directors met again in August and September 2007. The property owners and Board of Directors did not meet in 2008 or 2009.

Article IV, Section 4 of the district by-laws require a property owners meeting at least every 13 months, with a board meeting to immediately follow the property owners meeting. Holding meetings at least annually would meet the requirements of the by-laws and allow the district to conduct necessary business.

Recommendations

The Board of Directors:

3.1 Ensure bids are solicited for all applicable purchases in accordance with state law and sufficient documentation is maintained.

3.2 Ensure adequate documentation is submitted to substantiate prevailing wages are paid on construction projects, as required by state law.

3.3 Conduct a meeting at least once every 13 months, as required by district by-laws.

Cross Creek TDD Response

The Cross Creek TDD Board of Directors did not provide a response.

4. CB 5421/5975 TDD

The CB 5421/5975 TDD was organized in March 2007 by a petition filed by the property owners/developer and is located in St. Louis. The Board of Directors and officers are representatives of the developer. The qualified voters of the district are the property owners. The district has a fiscal year end of December 31 and did not have independent audits performed during the 3 years ended December 31, 2009. The City of St. Louis was the LTA.

During our audit work related to this TDD, we noted the following:

4.1 Budgets

Budgets are not prepared timely. The district did not prepare the 2009 and 2008 budgets until June 2010, when the 2010 budget was prepared. One cause of the failure to adopt budgets was the lack of formal board meetings in 2008 and 2009. (See section 4.5).

Sections 67.010 to 67.040, RSMo, include provisions regarding annual budgets.

4.2 Deposits

Monies received were not deposited timely. District records indicate monies were received and posted as early as November 1, 2008, but were not deposited until February 1, 2009.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, all monies received should be recorded and deposited timely.

4.3 Bank reconciliations

Bank reconciliations are not completed timely. The district records indicate the December 31, 2008, bank reconciliation was completed on June 14, 2009.

Timely preparation of monthly bank reconciliations is necessary to ensure the bank account is in agreement with accounting records and to detect and correct errors in a timely manner.

4.4 Financial condition

District receipts are not sufficient to pay the annual interest on the debt incurred for the district project. The district has incurred approximately $330,280 in interest costs since the bonds were issued; however, the district has only paid $116,314. The district indicated that beginning in approximately 12 years, the district will no longer be required to make TIF payments, increasing revenue for debt repayments.

4.5 Meetings

The Board failed to hold annual meetings. The Board met in August 2008, and the next meeting was in June 2010.

Article V, Section 2 of the district by-laws require the district to hold an annual meeting to appoint officers of the district. Holding meetings at least annually would meet the requirements of the by-laws and allow the district to conduct necessary business, such as adopting annual budgets.

Recommendations

The Board of Directors:

4.1 Prepare annual budgets which contain all information required by state law.

4.2 Deposit receipts timely.

4.3 Ensure bank reconciliations are performed timely.

4.4 Monitor the financial condition of the district to provide sufficient cash to make annual interest payments.

4.5 Conduct a meeting at least once per year.

CB 5421/5975 TDD Response

The CB 5421/5975 TDD Board of Directors provided the following written response:

The District does not intend to comment on the report.

5. Platte Valley Plaza TDD

The Platte Valley Plaza TDD was organized in March 2007 by a petition filed by the property owner/developer and is located in Platte City. The original Board of Directors and officers included three representatives of the developer and two representatives of the city. The current Board of Directors and officers include two members of the city council, two local business owners (not related to the developer), and one member as a representative of the developer. The boundaries of the district were amended in May 2008 to include additional property within the district. The qualified voters of the district are the property owners within the district. The district has a fiscal year end of December 31 and did not have independent audits performed during the 3 years ended December 31, 2009. MoDOT had jurisdiction over this project, and the City of Platte City was the LTA.

During our audit work related to this TDD, we noted the following:

5.1 Budgets

Budgets were not approved timely and did not always comply with state law. The 2008 budget was approved in April 2008, and amended in May 2009. The 2009 budget was approved in May 2009. Budgets did not always list the detailed receipts or disbursements, and the 2 previous years actual receipts and disbursements were not included.

Sections 67.010 to 67.040, RSMo, include provisions regarding annual budgets.

Recommendations

The Board of Directors:

5.1 Prepare annual budgets which contain all information required by state law.

Platte Valley TDD Response

The Platte Valley TDD Board of Directors provided the following written response:

5.1 The District will, with respect to all future budgets, timely approve its annual budget and include in each annual budget, all information required by Missouri law.

6. Raytown Highway 350 TDD

The Raytown Highway 350 TDD was organized in May 2007 by a petition filed by the property owners and is located in Raytown. The original Board of Directors and officers included three representatives from the City of Raytown, and two members of the Raytown Consolidated School District No. 2, or the original property owners within the district. The Raytown Consolidated School District sold their property within the district and are no longer authorized to appoint members to the district board. The current Board of Directors and officers are employees of the City of Raytown. The qualified voters of the district are the property owners within the district. The district has a fiscal year end of October 31 and did not have independent audits performed during the 3 years ended October 31, 2009. MoDOT had jurisdiction over this project, and the City of Raytown was the LTA.

During our audit work related to this TDD, we noted the following:

6.1 Prevailing wages

The district did not adequately monitor the provisions of the contract with the City of Raytown regarding contractor compliance with prevailing wage laws as required by its contract with MoDOT. At our request, the district requested the City of Raytown provide an affidavit from the contractor indicating it had complied with prevailing wages.

The district entered into a Cooperative Agreement with the City of Raytown that outlines the district serves only as a funding source for repayment of the TDD portion of the TIF bonds and relied on the City of Raytown to monitor payment of prevailing wages; however, the district entered into a cooperative agreement with MoDOT which requires the district and its sub-contractors to pay or provide for the payment of the prevailing hourly rate of wages for each craft or type of worker required to complete the district projects.

The district should maintain documentation to provide evidence of compliance of prevailing wages paid to workers on district projects to meet the requirements of the agreement with MoDOT. In addition, Sections 290.210 to 290.340, RSMo, include provisions regarding prevailing wages.

6.2 Budgets

The 2010 budget was not approved timely. The district began collecting sales taxes in December 2009; however, the 2010 budget was not approved until May 2010, 7 months into the operating year.

Sections 67.010 to 67.040, RSMo, include provisions regarding annual budgets.

6.3 Competitive bidding

The district did not ensure the contractors selected by the City of Raytown for the district project were selected through a competitive bid process as required by its contract with MoDOT. The district indicated it entered into a cooperative agreement with the City of Raytown and it was the city's responsibility to ensure compliance with all applicable laws, including competitive bidding. After our inquiry regarding competitive bidding, the district provided an affidavit from the developer which listed the names of six companies which provided bids for the construction of district projects. Although the city performed the contracting, TDD monies are to repay a portion of the TIF bonds and the district has a statutory obligation to ensure procurement of the contractor or subcontractor has been a competitive process.

Section 238.252, RSMo, requires all construction contracts in excess of $5,000 involving a TDD and a private contractor be competitively bid and awarded to the lowest and best bidder. In addition, the cooperative agreement with MoDOT requires the district or its contractor to solicit competitive bids.

6.4 Meetings

The district failed to hold annual meetings. The Board met in May 2007, and the next meeting was in April 2010. The developer was to appoint three members to the board; however, the developer did not appoint board members, and therefore, city employees were appointed to the original board. The city appointed board members resigned from the board and the developer did not submit the names of potential board members for appointment, therefore, the board did not meet.

Article V, Section 2 of the district by-laws requires the district hold an annual meeting to appoint officers of the district. Holding meetings at least annually would meet the requirements of the by-laws and allow the district to conduct necessary business, such as adopting annual budgets.

Recommendations

The Board of Directors:

6.1 Ensure adequate supporting documentation is submitted to substantiate prevailing wages are paid on construction projects as required by law.

6.2 Prepare annual budgets which contain all information required by state law.

6.3 Ensure bids are solicited for all applicable purchases in accordance with state law and sufficient documentation is maintained.

6.4 Conduct a meeting at least once per year.

Raytown Highway 350 TDD Response

The Raytown Highway 350 TDD Board of Directors provided the following written response:

6.1 The District and the Missouri Highway and Transportation Commission (the "MHTC") entered into a Cooperative Agreement (the "MHTC Agreement") on July 24, 2007. Section 4.1 of the MHTC Agreement provides that the District may cause to be executed with the City of Raytown ("the City") a construction contract with a contractor to construct the improvements that are funded, in part, with District revenues. The District did not enter into a contract directly with the contractor that constructed the District projects and did not pay wages directly, but instead entered into a Cooperative Agreement with the City (May 23, 2007) ("the City Agreement"). Section 4.1 of the City Agreement provides that the District's sole role is to fund and assist in the funding of the District projects, and all construction shall occur by or at the direction of the City or MHTC. MHTC, with respect to improvements in state right-of-way, and the City, with respect to all other improvements, had the obligation to monitor the contractor to ensure compliance with prevailing wage laws.

6.2 The District was formed and held its first meeting in 2007. The District was formed on the initiative of the City several years before construction of the retail project within the District area to facilitate bond financing by the City. After the first District meeting occurred in 2007, the District did not begin generating sales tax revenue until the fourth quarter of 2009. During the time from 2007 through the fourth quarter of 2009, three of the five members of the District Board of Directors (the "District Board") moved out of the area and were no longer associated with this project, and the terms of the other two members expired. The District did not receive the names of eligible candidates, and was not able to hold an election

of the property owner to repopulate the District Board, until May 2010. Immediately after the May 2010 election, the new members of the District Board held a meeting to take all necessary annual actions, including approval of the annual budget.

6.3 Section 3.3(D) of the MHTC Agreement provides that the District may cause certain actions, including competitive bidding for the District projects, to be taken by other parties. Section 4.1 of the City Agreement provides that MHTC, with respect to improvements in state rights-of-way, or the City, with respect to all other improvements, had the obligation to ensure that competitive bidding occurred for the District projects. The affidavit of the contractor, as supplied to the District by the City, identifies six companies that bid for the construction of the District projects.

6.4 During fiscal years 2008 and 2009, the District did not conduct any business and it did not collect any revenue. The District Board did not meet during fiscal years 2008 or 2009 because there was no business to discuss, no actions to consider, no revenue to expend, and no items that could have been placed on an agenda.

Auditor's Comment

6.4 During the 2 year period the TDD Board did not meet, the project the TDD was formed to construct was in progress. Whether revenues were collected or not, the Board should have met, not only to meet the requirements of the by-laws, but also to monitor construction activity, such as meeting state law requirements for bidding of the project and prevailing wage laws.

7. The Market at McKnight I TDD

The Market at McKnight I TDD was organized in May 2007 by a petition filed by the property owners/developer and is located in Rock Hill. The Board of Directors and officers includes four representatives of the developer and two representatives of the City of Rock Hill. The qualified voters of the district are the property owners. The district has a fiscal year end of December 31 and did not have independent audits performed during the 3 years ended December 31, 2009. MoDOT had jurisdiction over this project, and the City of Rock Hill was the LTA.

During our audit work related to this TDD, we noted the following:

7.1 Prevailing wages

We requested the district to provide documentation to support compliance with prevailing wages, however the district did not respond to our request. Certified contractor payrolls reviewed by the district, or, at a minimum, an affidavit of compliance with prevailing wage laws from the contractor were not provided. We requested documentation of the prevailing wages; however, the district did not produce the documentation.

The District entered into a cooperative agreement with the MoDOT which requires the district and its sub-contractors to pay or provide for the payment of prevailing hourly rate of wages for each craft or type of worker required to complete district projects. The district should maintain documentation to provide evidence of compliance of prevailing wages paid to workers of district projects. Sections 290.210 to 290.340, RSMo, include provision regarding prevailing wages.

7.2 Competitive bidding

The district did not ensure contractors were selected through a competitive bid process. We requested documentation of the competitive bids for the procurement of the contractor; however, the district did not produce the documentation.

Section 238.252, RSMo, requires all construction contracts in excess of $5,000 involving a TDD and a private contractor be competitively bid and awarded to the lowest and best bidder. In addition, the cooperative agreement with MoDOT requires the district or its contractor to solicit competitive bids.

7.3 Engineer selection

The district did not document its selection of engineering services for the related transportation projects. The provider of engineering services was chosen based on the fact that the same engineer was used for the private portion of the project.

Sections 8.285 to 8.291, RSMo, provide guidance on the selection of engineering, architectural, and surveying services.

Recommendations

The Board of Directors:

7.1 Ensure adequate supporting documentation is submitted to substantiate prevailing wages are paid on construction projects, as required by state law.

7.2 Ensure bids are solicited for all applicable purchases in accordance with state law and sufficient documentation is maintained.

7.3 Comply with state law when procuring engineering services and document the evaluation and selection process.

The Market at McKnight I TDD Response

The Market at McKnight TDD's Board of Directors did not provide a response.

8. Euclid Buckingham TDD

The Euclid Buckingham TDD was organized in June 2007 by a petition filed by the property owner/developer and is located in St. Louis. The Board of Directors and officers include three members from the City of St. Louis,

one member of the contractor, and one outside director. The qualified voters of the district currently are the property owners/residents. The fiscal year end is December 31, and the district did not have independent audits performed during the 3 years ended December 31, 2009. The City of St. Louis was the LTA.

During our audit work related to this TDD, we noted the following:

8.1 Budgets

The district did not adopt a budget for fiscal year 2010, although the district sales tax was effective July 2010.

Sections 67.010 to 67.040, RSMo, include provisions regarding annual budgets.

Recommendation

The Board of Directors:

8.1 Prepare annual budgets which contain all information required by state law.

Euclid Buckingham TDD Response

The Euclid Buckingham TDD's Board of Directors did not provide a response.

APPENDIX A

Transportation Development Districts

Information Regarding Establishment, Estimated Project Costs, and Anticipated Revenues of Transportation Development Districts

District Name	Date Established	Fiscal Year End	County	Municipality	Petition To Establish Was Filed By:		Number of Property Owners	Estimated Project Costs	TDD's Estimated Life	Total Anticipated Revenues	Sales Tax Rate (A)	TDD Within a TIF district?
Benton County												
US Highway 65 and Truman Dam Access	03/12/03	12/31	Benton	Warsaw	Property Owners		1	$ 2,000,000	25 Years	$ 4,250,000	0.500%	No
Boone County												
CenterState	08/05/02	12/31	Boone	Columbia	Property Owners		1	7,542,000	21 Years	8,000,000	0.500%	No
Lake of the Woods	03/24/03	12/31	Boone	Columbia	Property Owners		2	2,700,000	30 Years	Unknown	0.500%	No
Shoppes at Stadium	09/27/04	12/31	Boone	Columbia	Property Owners		1	2,500,000	15 Years	4,000,000	0.500%	No
Stadium Corridor	10/04/04	12/31	Boone	Columbia	Property Owners		4	13,819,603	25 Years	16,120,457	0.500%	No
Grindstone Plaza	01/31/05	12/31	Boone	Columbia	Property Owners		3	9,400,000	30 Years	24,000,000	0.500%	No
Broadway-Fairview	05/10/05	12/31	Boone	Columbia	Property Owners		1	5,000,000	40 Years	17,000,000	0.500%	No
Northwoods	07/22/05	12/31	Boone	Columbia	Property Owners		1	1,120,000	30 Years	6,000,000	0.500%	No
Conley Road	12/09/05	12/31	Boone	Columbia	Property Owners		3	20,000,000	35 Years	57,000,000	0.500%	No
Blue Ridge Town Centre	02/04/06	12/31	Boone	Columbia	Property Owners		1	Unknown	Unknown	Unknown	1.000%	No
Columbia Mall	08/04/06	12/31	Boone	Columbia	Property Owners		4	22,000,000	22 Years	10,500,000	0.500%	No
Gans Road and U.S. 63	12/12/06	12/31	Boone	Columbia	Property Owners		2	29,000,000	Unknown	30,000,000	0.500%	No
Cross Creek	02/26/07	12/31	Boone	Columbia	Property Owners		1	10,200,000	25 Years	5,084,948	0.500%	No
Rock Bridge Center	04/29/08	12/31	Boone	Columbia	Property Owners		1	Unknown	Unknown	Unknown	0.500%	No
Buchanan County												
St. Joseph Gateway	07/20/04	12/31	Buchanan	St. Joseph	Property Owners		1	4,000,000	23 Years	1,821,212	1.000%	Yes
Tuscany Village	12/21/05	12/31	Buchanan	St. Joseph	Property Owners		1	13,000,000	23 Years	7,200,000	0.250%	Yes
Butler County												
Poplar Bluff Conference Center	05/04/04	12/31	Butler	Poplar Bluff	Property Owners		1	2,400,000	40 Years	2,000,000	1.000%	No
Cripple Creek	11/28/05	12/31	Butler	Poplar Bluff	Property Owners		1	2,087,628	Unknown	Unknown	1.000%	No
Callaway												
Fulton South Business 54	06/12/06	12/31	Callaway	Fulton	Property Owners & City of Fulton		4	1,400,000	30 Years	2,700,000	0.500%	Yes
Camden County												
Osage Station	07/19/05	12/31	Camden	Osage Beach	Property Owners		1	1,700,000	23 Years	1,700,000	0.750%	No
Toad Cove Complex	05/02/08	12/31	Camden	Lake Ozark	Property Owners		2	2,000,000	Unknown	Unknown	1.000%	No
Toad Cove Resort	05/02/08	12/31	Camden	Lake Ozark	Property Owners		2	3,000,000	40 Years	Unknown	1.000%	No
Horseshoe Bend Pedestrian Corridor	06/10/08	12/31	Camden	N/A	Property Owners		1	3,000,000	35 Years	5,940,146	1.000%	No
Cass County												
Belton Town Centre	11/17/03	12/31	Cass	Belton	Property Owners		10	19,000,000	23 Years	5,480,360	1.000%	Yes
Harrisonville Towne Center	12/12/05	12/31	Cass	Harrisonville	Property Owners		1	1,124,000	23 Years	Unknown	1.000%	Yes
Cornerstone Pointe	10/10/06	12/31	Cass	Belton	Property Owners		1	2,000,000	25 Years	5,910,656	1.000%	No
Belton/Raymore Interchange	10/30/06	10/31	Cass	Belton/Raymore	Property Owners & City of Belton		3	13,000,000	20 Years	Unknown	0.500%	No
Harrisonville Market Place A	08/27/07	12/31	Cass	Harrisonville	Property Owners	(C)	1	Unknown	Unknown	Unknown	Unknown	Unknown
Harrisonville Market Place B	08/27/07	12/31	Cass	Harrisonville	Property Owners	(C)	2	Unknown	Unknown	Unknown	Unknown	Unknown
Hubach Hill Road & North Cass Parkway	08/25/08	10/31	Cass	Raymore	Property Owners		1	6,831,443	32 Years	6,761,930	0.250%	No
Hwy 71/291 Partners in Progress	01/12/09	12/31	Cass	Harrisonville	City of Harrisonville		50	29,500,000	20 years	20,000,000	1.000%	No
Chrisitian County												
Town and Country Village	10/02/09	12/31	Chrisitian	City of Ozark	Property Owners		1	8,930,000	40 years	11,000,000	1.000%	No
Ozark Centre	04/25/03	12/31	Christian	Ozark	Property Owners		1	3,408,293	20 Years	6,000,000	0.375%	No

APPENDIX A

Transportation Development Districts

Information Regarding Establishment, Estimated Project Costs, and Anticipated Revenues of Transportation Development Districts

District Name	Date Established	Fiscal Year End	County	Municipality	Petition To Establish Was Filed By:	Number of Property Owners	Estimated Project Costs	TDD's Estimated Life	Total Anticipated Revenues	Sales Tax Rate (A)	TDD Within a TIF district?
Clay County											
Tower	02/15/06	12/31	Clay	Gladstone	Property Owners	2	1,000,000	30 Years	1,700,000	1.000%	No
Briarcliff Parkway and Highway 9	05/17/06	12/31	Clay	Kansas City	Property Owners	1	7,036,020	20 Years	3,450,988	0.500%	Yes
North Kansas City, Missouri Light Rail	11/04/08	9/30	Clay	North Kansas City	City of North Kansas City & NKC Special Road Dist	(B)	56,000,000	25 Years	56,000,000	0.500%	No
210 Highway	09/23/97	3/31	Clay	Kansas City	Property Owners	1	8,587,389	11 Years	5,972,759	1.000%	No
Cole County											
Commons of Hazel Hills	08/11/05	12/31	Cole	Jefferson City	Property Owners	1	12,000,000	15 Years	23,000,000	1.000%	No
U.S. Highway 50/63 and City View	09/25/06	12/31	Cole	Jefferson City	Property Owners	2	14,700,000	20 Years	8,000,000	1.000%	No
Stone Ridge	01/24/07	12/31	Cole	Jefferson City	Property Owners	1	3,106,782	20 Years	2,350,000	1.000%	No
Cooper County											
Boonville Riverfront	02/09/01	12/31	Cooper	Boonville	Property Owners & City of Boonville	1	3,908,420	40 Years	4,000,000	1.000%	No
Franklin County											
I-44 & HWY 47	04/21/09	12/31	Franklin	St. Clair	City of St. Clair	20	2,688,640	30 years	2,520,000	1.000%	Yes
Greene County											
Heer's Tower	03/16/06	6/30	Greene	Springfield	Property Owners & City of Springfield	3	8,826,627	25 Years	187,500	1.000%	No
College Station	03/16/06	6/30	Greene	Springfield	Property Owners & City of Springfield	2	8,600,000	25 Years	4,400,000	1.000%	No
Jackson County											
Strother Interchange	01/21/00	12/31	Jackson	Lee's Summit	Property Owners	1	25,846,800	35 Years	4,231,781	0.500%	Yes
Douglas Square	09/21/00	12/31	Jackson	Lee's Summit	Property Owners	4	450,000	20 Years	4,320,746	1.000%	No
I-470 and I-350	03/17/01	12/31	Jackson	Lee's Summit	Property Owners	1	17,080,627	40 Years	134,326,373	1.000%	Yes
Truman Road	06/25/01	12/31	Jackson	Independence	Property Owners	1	232,700	21 Years	483,363	1.000%	Yes
Country Club Plaza of Kansas City, Missouri	07/12/01	12/31	Jackson	Kansas City	Property Owners & TIF Commission of KC	3	11,149,363	20 Years	30,163,825	0.500%	Yes
Thirty-Ninth Street	04/25/02	6/30	Jackson	Independence	City of Independence	(B)	15,075,640	23 Years	23,614,406	0.125%	Yes
Douglas Station	06/27/02	12/31	Jackson	Lee's Summit	Property Owners	1	1,742,852	20 Years	3,461,671	1.000%	No
Raintree North	08/19/02	12/31	Jackson	Lee's Summit	Property Owners	1	1,700,000	14 Years	1,700,000	0.500%	No
I-70 and Adams Dairy Parkway	03/25/03	12/31	Jackson	Blue Springs	Property Owners	1	1,950,000	10 Years	1,883,723	1.000%	No
M 150 and 135th Street	05/15/03	12/31	Jackson	Kansas City	Property Owners	1	12,000,000	20 Years	18,817,000	1.000%	No
Lee's Summit Missouri New Longview	07/31/03	12/31	Jackson	Lee's Summit	Property Owners	1	5,900,000	20 Years	10,500,000	1.000%	Yes
71 Highway & 150 Highway	11/20/03	12/31	Jackson	Grandview	Property Owners	2	450,000	23 Years	763,850	1.000%	Yes
Raintree Lake Village	10/19/05	12/31	Jackson	Lee's Summit	Property Owners	1	1,530,000	24 Years	4,767,995	1.000%	No
Crackerneck Creek	07/26/06	6/30	Jackson	Independence	Property Owners & City of Independence	3	15,231,975	24 Years	21,980,746	1.000%	Yes
1200 Main/South Loop	12/11/06	12/31	Jackson	Kansas City	Property Owners & City of Kansas City	10	40,583,010	25 Years	64,637,467	1.000%	Yes
Independence Avenue & Colbern Road	05/02/07	12/31	Jackson	Lee's Summit	Property Owners	4	900,000	30 Years	3,042,600	1.000%	No
Raytown Highway 350	05/07/07	10/31	Jackson	Raytown	Property Owners & Raytown Consolidated School District #2	2	6,141,276	30 Years	3,871,350	0.125%	Yes
Adams Farm	08/25/08	9/30	Jackson	Blue Springs	Property Owners	10	36,713,147	30 Years	65,548,559	1.000%	Yes
Coronado Drive	07/23/09	9/30	Jackson	Blue Springs	Property Owners	1	9,924,000	10 years	6,086,950	0.500%	No
Jasper County											
1717 Market Place	11/25/05	12/31	Jasper	Joplin	Property Owners	2	1,428,680	23 Years	2,070,000	0.125%	Yes
Jefferson County											
Arnold Triangle	08/13/06	8/31	Jefferson	Arnold	Property Owners & City of Arnold	5	9,000,000	29 Years	14,000,000	1.000%	Yes
Arnold Retail Coridor	03/11/08	8/31	Jefferson	Arnold	City of Arnold & Arnold Triangle TDD	(B)	26,950,000	Unknown	56,000,000	1.000%	Yes

APPENDIX A

Transportation Development Districts

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District Name	Date Established	Fiscal Year End	County	Municipality	Petition To Establish Was Filed By:		Number of Property Owners	Estimated Project Costs	TDD's Estimated Life	Total Anticipated Revenues	Sales Tax Rate (A)	TDD Within a TIF district?
Johnson County												
Hawthorne Development	11/30/05	12/31	Johnson	Warrensburg	Property Owners		7	17,524,000	20 Years	8,807,602	0.500%	No
Lincoln County												
Highway 61, Route U	02/04/08	12/31	Lincoln	Moscow Mills	Property Owners		1	14,100,000	Unknown	9,700,000	0.375%	Yes
Marion County												
Stardust-Munger-Diamond	10/16/01	12/31	Marion	Hannibal	Property Owners & City of Hannibal		1	4,704,000	19 Years	11,678,000	0.625%	Yes
US 36/I-72	06/03/05	6/30	Marion	various	(D) Transportation Corporation, 5 Counties & 6 Cities		(B)	136,000,000	15 Years	43,000,000	0.500%	Yes
Miller County												
Prewitt Point	08/22/03	12/31	Miller	Osage Beach	Property Owners		2	4,750,000	25 Years	16,152,000	1.000%	Yes
Osage National	06/12/08	6/30	Miller	Lake Ozark	Property Owners		1	15,000,000	20 Years	7,341,000	1.000%	Yes
Horseshoe Bend	04/13/06	12/31	Miller	Lake Ozark	Property Owners		1	23,500,000	25 Years	113,079,775	1.000%	Yes
St. Louis Municipality												
Merchant's Laclede	10/08/03	12/31	N/A	St. Louis	Property Owners		2	6,510,000	30 Years	10,080,000	1.000%	No
Southtown	04/12/04	12/31	N/A	St. Louis	Property Owners		1	1,231,292	23 Years	4,204,762	1.000%	Yes
Residence Inn Downtown St. Louis	02/14/05	6/30	N/A	St. Louis	Property Owners		1	500,000	20 Years	1,500,000	1.000%	No
Highlands	04/20/05	12/31	N/A	St. Louis	Property Owners		2	700,000	23 Years	733,119	1.000%	Yes
Broadway Hotel	09/06/06	12/31	N/A	St. Louis	Property Owners		1	6,500,000	25 Years	11,500,000	1.000%	No
620 Market	09/06/06	12/31	N/A	St. Louis	Property Owners		1	991,600	30 Years	2,670,000	1.000%	No
CB 5421/5975	03/05/07	12/31	N/A	St. Louis	Property Owners		6	2,900,000	40 Years	4,000,000	1.000%	Yes
Adler Lofts	03/12/07	12/31	N/A	St. Louis	Property Owners		1	1,000,000	19 Years	1,448,400	1.000%	Yes
Bottle District	05/17/07	12/31	N/A	St. Louis	Property Owners		1	6,000,000	40 Years	6,000,000	1.000%	Yes
Euclid Buckingham	06/14/07	12/31	N/A	St. Louis	City of St. Louis		1	4,500,000	Unknown	1,200,000	1.000%	Yes
Platte County												
Platte County Missouri South I	06/19/01	12/31	Platte	Kansas City	Property Owners	(E)	3	24,000,000	30 Years	52,000,000	1.000%	No
Platte County Missouri South II	04/12/02	12/31	Platte	Kansas City	Property Owners	(E)	1	-	-	-	1.000%	No
Parkville Commons	06/09/03	12/31	Platte	Parkville	Property Owners		1	8,000,000	22 Years	12,000,000	1.000%	Yes
Tuileries Plaza	12/09/05	12/31	Platte	Kansas City	Property Owners		1	3,600,000	35 Years	8,700,000	1.000%	No
Platte Valley Plaza	03/09/07	12/31	Platte	Platte City	Property Owners		1	1,400,000	40 Years	1,400,000	8.750%	No
Park Plaza	07/17/09	12/31	Platte	Kansas City	Property Owners		1	2,041,738	26 years	5,376,233	0.500%	No
Pulaski County												
Interstate Plaza/North Town Village	11/06/01	12/31	Pulaski	St. Robert	Property Owners & City of St. Robert		27	3,980,000	20 Years	6,500,000	0.500%	Yes
Bowman	02/17/05	12/31	Pulaski	Waynesville	Property Owners		1	125,000	20 Years	500,000	0.500%	No
Farris Family	02/17/05	12/31	Pulaski	St. Robert	Property Owners		4	250,000	10 Years	250,000	0.500%	No
Scott County												
North Main/Malone	11/19/04	12/31	Scott	Sikeston	Property Owners		1	8,600,000	23 Years	1,398,084	1.000%	Yes

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District Name	Date Established	Fiscal Year End	County	Municipality	Petition To Establish Was Filed By:	Number of Property Owners	Estimated Project Costs	TDD's Estimated Life	Total Anticipated Revenues	Sales Tax Rate (A)	TDD Within a TIF district?
St. Charles County											
Mark Twain Mall	02/20/01	12/31	St. Charles	St. Charles	Property Owners	1	1,500,000	30 Years	5,000,000	1.000%	Yes
Wentzville	11/16/01	12/31	St. Charles	Wentzville	Property Owners	5	3,150,000	15 Years	5,921,700	0.250%	No
Boscherts Landing	05/16/03	12/31	St. Charles	St. Peters	Property Owners	2	553,342	40 Years	Unknown	1.000%	No
Salt Lick Road	05/16/03	12/31	St. Charles	St. Peters	Property Owners	1	1,406,281	30 Years	Unknown	1.000%	No
WingHaven	09/11/03	12/31	St. Charles	O'Fallon	Property Owners	12	3,048,098	20 Years	8,178,263	0.625%	No
Hutchings Farm Plaza	03/04/04	12/31	St. Charles	O'Fallon	Property Owners	1	600,000	8 Years	816,000	1.000%	No
Mexico Road	04/08/04	12/31	St. Charles	O'Fallon	Property Owners	1	2,600,000	40 Years	3,000,000	1.000%	No
Megan Shoppes	06/07/04	12/31	St. Charles	O'Fallon	Property Owners	2	1,145,834	40 Years	5,520,000	1.000%	No
Hawk Ridge	09/02/04	6/30	St. Charles	Lake St. Louis	Property Owners & City of Lake St. Louis	3	19,400,000	25 Years	38,700,000	0.750%	No
Mid Rivers/N	02/17/05	12/31	St. Charles	St. Peters	Property Owners	1	2,206,225	20 Years	8,400,000	0.500%	No
Wentzville Parkway I	03/03/05	12/31	St. Charles	Wentzville	Property Owners	1	3,830,625	30 Years	Unknown	0.500%	No
St. Charles Riverfront	03/04/05	12/31	St. Charles	St. Charles	Property Owners	1	10,000,000	20 Years	8,500,000	1.000%	No
Wentzville II	03/07/05	12/31	St. Charles	Wentzville	Property Owners	1	2,800,000	25 Years	7,500,000	0.500%	No
Kingsmill	05/05/05	12/31	St. Charles	O'Fallon	Property Owners	2	1,525,000	40 Years	1,525,000	1.000%	No
Dardenne Town Square	08/18/05	12/31	St. Charles	Dardenne Prairie/ Lake Saint Louis	Property Owners	10	15,000,000	40 Years	10,750,000	0.500%	No
Barathaven	01/26/06	12/31	St. Charles	Dardenne Prairie	Property Owners	3	4,215,000	20 Years	9,493,639	1.000%	No
Wentzville Three	12/04/06	12/31	St. Charles	Wentzville	Property Owners	1	2,750,000	40 Years	Unknown	0.250%	No
Meadows	01/04/07	12/31	St. Charles	Lake Saint Louis	Property Owners & City of Lake St. Louis	1	10,900,000	25 Years	27,883,277	0.750%	No
First Capitol Drive	07/22/09	12/31	St. Charles	St. Charles	Property Owners	1	45,000	Unknown	-	n/a	No
St, Francois County											
Park Hills	07/28/04	12/31	St. Francois	Park Hills	Property Owners	2	750,000	20 years	200,000	0.500%	Yes
St. Louis County											
Gravois Bluffs	12/07/99	12/31	St. Louis	Fenton	Property Owners & City of Fenton	2	25,300,000	24 Years	30,211,614	1.000%	Yes
Fenton Crossing	02/08/00	12/31	St. Louis	Fenton	Property Owners	1	4,574,762	20 Years	8,000,000	1.000%	Yes
Kenilworth	08/15/00	12/31	St. Louis	Brentwood	Property Owners	1	1,500,000	14.5 Years	3,859,150	0.250%	Yes
Meramec Station Road and Highway 141	09/07/00	12/31	St. Louis	N/A	Property Owners	2	6,720,000	40 Years	15,700,000	1.000%	Yes
370/Missouri Bottom Road/Taussig Road	11/01/00	12/31	St. Louis	Bridgeton/ Hazelwood	Property Owners	2	34,010,000	17 Years	54,596,724	1.000%	Yes
St. John's Church Road	04/17/01	12/31	St. Louis	N/A	Property Owners	9	12,000,000	40 Years	27,000,000	0.500%	No
Ballwin Town Center	04/26/01	12/31	St. Louis	Ballwin	Property Owners	1	1,300,000	21 Years	5,751,400	0.250%	Yes
Brentwood Pointe	05/16/01	12/31	St. Louis	Brentwood	Property Owners	2	5,101,697	20 Years	13,503,100	1.000%	Yes
Big Bend Crossing	06/25/01	12/31	St. Louis	Crestwood	Property Owners & City of Crestwood	1	1,487,415	20 Years	2,500,000	0.250%	No
Shoppes at Old Webster	11/29/01	12/31	St. Louis	Webster Groves	Property Owners	3	520,000	20 Years	865,000	0.625%	No
St. John Crossings	06/25/02	12/31	St. Louis	St. John	Property Owners & City of St. John	1	901,630	22 Years	2,354,600	0.250%	Yes
Shoppes at Cross Keys	09/18/02	12/31	St. Louis	Florissant	Property Owners	1	4,900,000	23 Years	12,000,000	1.000%	Yes
Station Plaza	12/04/02	12/31	St. Louis	Kirkwood	Property Owners & City of Kirkwood	1	1,550,000	25 Years	3,461,395	1.000%	No
Hanley/Eager Road	12/16/02	12/31	St. Louis	Brentwood	Property Owners	6	12,000,000	30 Years	22,924,051	1.000%	Yes
Crestwood Point	05/15/03	12/31	St. Louis	Crestwood	Property Owners & City of Crestwood	2	2,986,000	40 Years	4,827,000	1.000%	Yes
Pershall Road	07/30/03	12/31	St. Louis	Ferguson	Property Owners & City of Ferguson	1	620,000	25 Years	993,000	1.000%	No
Francis Place	04/13/04	12/31	St. Louis	Richmond Heights	Property Owners	1	4,400,000	23 Years	10,000,000	1.000%	Yes
Brentwood/Strassner Road	05/06/04	12/31	St. Louis	Brentwood	City of Brentwood & St. Louis County	(B)	8,365,000	11 Years	8,550,000	0.500%	Yes
Eureka Commercial Park	05/10/04	6/30	St. Louis	Eureka	Property Owners	4	1,430,000	40 Years	Unknown	0.875%	No
Hanley Road and North of Folk Avenue	05/19/04	12/31	St. Louis	Maplewood	Property Owners	1	16,300,000	25 Years	30,900,000	1.000%	No
Folk Avenue South	07/14/04	6/30	St. Louis	Maplewood	Property Owners	2	6,958,609	26 Years	19,500,000	1.000%	Yes
Olive Boulevard	09/09/04	6/30	St. Louis	Creve Coeur	Property Owners & City of Creve Coeur	2	6,590,000	20 Years	8,811,735	0.500%	Yes
Chesterfield Commons	10/12/04	12/31	St. Louis	Chesterfield	Property Owners	1	12,000,000	30 Years	Unknown	1.000%	Yes

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Eureka Old Town	10/12/04	6/30	St. Louis	Eureka	Property Owners & City of Eureka		4	1,367,500	30 Years	1,260,000	0.750%	No
Glenwood-Watson	07/26/05	12/31	St. Louis	Crestwood	Property Owners		2	2,350,000	23 Years	1,952,005	1.000%	Yes
Hanley Station	09/29/05	12/31	St. Louis	Brentwood	Property Owners		1	2,000,000	19 Years	6,670,000	1.000%	Yes
Chesterfield Valley	11/28/05	12/31	St. Louis	Chesterfield	City of Chesterfield		(B)	37,300,000	25 Years	25,175,000	0.375%	Yes
Elm Grove	12/20/05	12/31	St. Louis	Hazelwood	Property Owners		2	750,000	40 Years	2,000,000	1.000%	No
Koch Plaza	01/19/06	12/31	St. Louis	Florissant	Property Owners		1	650,000	Unknown	Unknown	0.500%	No
University Place	09/06/06	12/31	St. Louis	N/A	The Curators of the University of Missouri		1	15,415,000	25 Years	26,300,000	1.000%	No
Town and Country Crossing	10/20/06	12/31	St. Louis	Town and Country/ Ballwin	Property Owners		1	10,500,000	17 Years	13,000,000	0.500%	No
Shoppes at Hilltop	02/06/07	12/31	St. Louis	Eureka	Property Owners		1	2,500,000	20 Years	4,900,000	1.000%	No
St. Cyr Road	02/20/07	12/31	St. Louis	Moline Acres	Property Owners & City of Moline Acres		1	1,250,000	22 Years	1,452,155	0.625%	Yes
Highway 367 & Parker Road	03/02/07	12/31	St. Louis	N/A	Property Owners		1	1,000,000	21 Years	3,800,000	0.500%	Yes
South Manchester	03/30/07	12/31	St. Louis	Manchester	Property Owners		5	2,500,000	25 Years	4,902,571	0.750%	No
The Market at McKnight I	05/11/07	12/31	St. Louis	Rock Hill	Property Owners		4	2,200,000	20 Years	3,305,933	1.000%	Yes
Manchester Highlands	01/22/08	12/31	St. Louis	Manchester	Property Owners		1	12,800,000	40 Years	18,750,000	1.000%	Yes
Lucas & Hunt/Chandler	06/25/08	12/31	St. Louis	Country Club Hills	Property Owners		1	500,000	Unknown	800,000	1.000%	Yes
Loop Trolley	07/16/08	12/31	St. Louis	University City	Property Owners		93	32,000,000	40 Years	16,000,000	1.000%	Yes
Des Peres Corners	07/21/08	12/31	St. Louis	Des Peres	Property Owners		1	7,600,000	25 Years	22,029,257	1.000%	No
Centene Plaza	12/17/08	12/31	St. Louis	Clayton	Property Owners		2	22,000,000	40 Years	49,000,000	1.000%	No
Ballpark Village	02/19/09	6/30	St. Louis	St. Louis	Property Owners		1	40,000,000	40 years	19,950,000	1.000%	No
Hanley Road Corridor	03/24/09	12/31	St. Louis	Maplewood/ Brentwood	Brentwood Pointe TDD, and Folk Avenue South TDD		69	54,299,574	31 years	150,629,569	1.000%	Yes
Laurel	07/27/09	12/31	St. Louis	St. Louis	Property Owners		2	1,400,000	40 years	2,300,000	1.000%	Yes
Clarkson Kehrs Mill	08/11/09	12/31	St. Louis	Ballwin	Property Owners		2	2,000,000	40 years	6,534,460	1.000%	No
Washington Ave	08/31/09	12/31	St. Louis	St. Louis	Property Owners		3	1,640,973	20 years	2,084,955	1.000%	Yes
1225 Washington	10/27/09	12/31	St. Louis	St. Louis	Property Owners		5	1,900,000	40 years	3,460,000	1.000%	Yes
Olive/Graeser	12/08/09	12/31	St. Louis	Creve Coeur	Property Owners		10	1,300,126	40 years	3,400,000	1.000%	No
Stone County												
Indian Ridge Resort	12/07/06	12/31	Stone	Branson West/Indian Point	Property Owners		4	28,152,034	30 Years	34,797,760	1.000%	No
Taney County												
Branson Regional Airport	12/17/03	12/31	Taney	Branson	Property Owners		1	150,000,000	30 Years	Unknown	N/A	No
Branson Landing	03/17/05	9/30	Taney	Branson	City of Branson		1	53,759,228	23 Years	47,106,055	1.000%	Yes
Forsythe Road	06/05/08	9/30	Taney	Branson	Property Owners		1	5,250,000	25 Years	7,000,000	1.000%	No
Webster County												
Spindler	02/07/07	unknown	Webster	Seymour	Property Owners	(F)	1	Unknown	Unknown	Unknown	Unknown	Unknown
								$ 1,661,829,498		$ 2,093,798,704		

APPENDIX A

Transportation Development Districts

Information Regarding Establishment, Estimated Project Costs, and Anticipated Revenues of Transportation Development Districts

District Name	Date Established	Fiscal Year End	County	Municipality	Petition To Establish Was Filed By:	Number of Property Owners	Estimated Project Costs	TDD's Estimated Life	Total Anticipated Revenues	Sales Tax Rate (A)	TDD Within a TIF district?

Footnote legend

(A) In addition to sales tax, several districts authorized the following additional revenue sources: property taxes; special assessments; private hanger rental, fueling, airline agreement, rental car agreement, and other collateral service fees; and parking fees.

(B) The district has registered voters who approved establishment of the district.

(C) The TDD did not respond to our questionaire soliciting applicable information.

(D) Counties are Macon, Marion, Monroe, Ralls, and Shelby. Cities are the City of Clarence, City of Hannibal, City of Hunnewell, City of Macon, City of Monroe City, and City of Shelbina.

(E) Project costs/life of district/anticipated revenues included in information presented for Platte County Missouri South I.

(F) After this TDD was created, the developer found the proposed projects not to be feasible.

TIF - Tax Increment Financing - 50 percent of the sales tax collected is used for TIF projects unless an agreement specifies otherwise.

Source: Judgment and Order issued by the Circuit Courts, TDD survey questionnaires, and communication with district officials/representatives.

Appendix B

Transportation Development Districts
Schedule of Receipts, Disbursements, and Cash Balances - Selected Transportation Development Districts

	Meadows	Stone Ridge	Cross Creek	CB 5421/5975	Platte Valley Plaza
Beginning balance, Fiscal Year 2007	$ 0	0	0	0	0
Receipts:					
Sales taxes	0	32,981	0	0	0
Revenue bond/note proceeds	0	2,498,527	0	0	0
Total Receipts	0	2,531,508	0	0	0
Disbursements:					
Professional fees	0	29,707	0	0	0
Debt service	0	89,855	0	0	0
Accounting and auditing	0	330	0	0	0
Transportation project costs	0	2,395,956	0	0	0
Other	0	107	0	0	0
Total Disbursements	0	2,515,955	0	0	0
Ending Balance, Fiscal Year 2007	0	15,553	0	0	0
Receipts:					
Sales taxes	27,132	107,925	0	101,141	0
Revenue bond/note proceeds	0	1,272,798	0	0	1,288,000
Other	0	54	0	0	0
Total Receipts	27,132	1,380,777	0	101,141	1,288,000
Disbursements:					
Bond/loan issuance costs	0	0	0	0	89,563
Professional fees	0	9,648	0	0	2,500
Debt service	0	149,727	0	38,867	0
Insurance	0	6,692	0	0	0
Accounting and auditing	0	1,079	0	0	0
Administrative	203	0	0	725	0
Transportation project costs	0	1,207,520	0	0	83,927
Tax increment financing	0	0	0	35,640	0
Other	73	2,603	0	0	0
Total Disbursements	276	1,377,269	0	75,232	175,990
Ending Balance, Fiscal Year 2008	26,856	19,061	0	25,909	1,112,010
Receipts:					
Sales taxes	152,137	113,527	0	171,749	1,069
Interest	0	0	0	87	8
Revenue bond/note proceeds	0	3,489,436	0	0	0
Total Receipts	152,137	3,602,963	0	171,836	1,076
Disbursements:					
Professional fees	6,447	7,329	0	0	45,386
Debt service	124,858	3,574,996	0	77,447	35,422
Insurance	1,363	0	0	0	0
Accounting and auditing	5,900	3,180	0	0	0
Administrative	8,700	0	0	0	0
Transportation project costs	0	10,060	0	0	883,207
Collection fees	1,416	0	0	0	0
Tax increment financing	0	0	0	80,675	0
Other	257	563	0	2,354	411
Total Disbursements	148,941	3,596,128	0	160,476	964,426
Ending Balance, Fiscal Year 2009	$ 30,052	25,896	0	37,269	148,660

Appendix B

Transportation Development Districts
Schedule of Receipts, Disbursements, and Cash Balances - Selected Transportation Development Districts

TDD Name		Raytown Highway 350	The Market at McKnight I	Euclid Buckingham
Beginning balance, Fiscal Year 2007	$	0	0	0
Receipts:				
Sales taxes		0	5,412	0
Total Receipts		0	5,412	0
Disbursements:				
Total Disbursements		0	0	0
Ending Balance, Fiscal Year 2007		0	5,412	0
Receipts:				
Sales taxes		0	70,395	0
Total Receipts		0	70,395	0
Disbursements:				
Administrative		0	7,500	0
Collection fees		0	702	0
Other		0	191	0
Total Disbursements		0	8,393	0
Ending Balance, Fiscal Year 2008		0	67,414	0
Receipts:				
Sales taxes		0	80,804	0
Total Receipts		0	80,804	0
Disbursements:				
Administrative		0	7,250	0
Collection fees		0	799	0
Total Disbursements		0	8,049	0
Ending Balance, Fiscal Year 2009	$	0	140,169	0

Appendix C

Transportation Development Districts
Information on Abolished Transportation Development Districts

District Name	County	Municipality	Date Formed	Date Abolished
Jefferson County				
Hyannis Port Road	Jefferson	n/a	July 2004	December 2006
Lincoln County				
Troy/Lincoln County	Lincoln	Troy	October 2004	October 2008
St. Louis County				
Eureka South I-44	St. Louis	Eureka	October 2006	June 2008

Thomas A. Schweich

Missouri State Auditor

HEALTH AND SENIOR SERVICES

Monitoring of Long-Term Care Facilities and Handling of Complaint Investigations

December 2011

Report No. 2011-115

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of The Department of Health and Senior Services, Monitoring of Long-Term Care Facilities and Handling of Complaint Investigations

Background	The Department of Health and Senior Services (DHSS) licenses and inspects long-term care facilities and investigates complaints affecting the elderly and disabled. The Section for Long-term Care Regulation (SLCR) surveys and inspects certain facilities and investigates related complaints. The Central Registry Unit maintains the Elder Abuse and Neglect Hotline and receives reports of alleged abuse, neglect, or financial exploitation of eligible persons. The Bureau of Home and Community Services (HCS) provides services to eligible persons, oversees in-home service providers and investigates abuse complaints.
Surveys and Inspections of Long-Term Care Facilities	Sections 198.022 and 198.526, RSMo require the SLCR to conduct at least two inspections each year of all licensed facilities. The SLCR staff did not conduct 471 of the 1,132 (42%) statutorily-required interim or "second" inspections. The SLCR surveyors and inspectors did not always perform survey and inspection tasks within required timeframes. Similar conditions were noted in prior reports.
Complaint Investigations of Long-Term Care Facilities	The SLCR staff did not always conduct on-site complaint investigations within the applicable timeframe, promptly notify the reporter and/or the facility of the results, or accurately and promptly enter the investigation dates into the automated system. In addition, Region 7, which encompasses the city of St. Louis and the counties of St. Charles, St. Louis and Jefferson, is responsible for 32 percent of facility complaints and has historically had difficulty hiring and retaining staff. Similar conditions were noted in prior reports. The SLCR recently reassigned 30 facilities from Region 7 to Region 5 to reduce the Region 7 workload.
Performance Reviews	When the SLCR surveyors and federal surveyors reviewed the same 56 facilities, federal surveyors noted 317 more deficiencies than the SLCR surveyors. More training may be needed to ensure the SLCR surveyors are properly identifying and citing deficiencies. We noted a similar condition in our three previous audit reports. The SLCR's complaint investigations need improvement, and the SLCR does not routinely conduct performance evaluations of its surveyors using the Missouri On-Site Survey Evaluation Process, as required by state law and noted in our prior audit report.
Staffing at Nursing Facilities	Section 198.079, RSMo, requires the SLCR to establish reasonable standards and regulations related to the number and qualifications of nursing facilities staff, but the current Code of State Regulations does not set any objective standard for minimum staffing requirements at nursing facilities.
Alzheimer's Special Care Units	As noted in our prior audit report, the SLCR does not adequately verify the information contained in disclosure forms related to licensed Alzheimer special care units/programs, as required by state law.

Employee Disqualifications	The DHSS does not timely process substantiated complaints of abuse, neglect or misappropriation of property through the DHSS Employee Disqualification Listing (EDL). During the audited period, from the day a complaint was received, it took the DHSS an average of 507 days for HCS cases and an average of 260 days for SLCR cases to make an EDL placement decision. Moreover, at least three complaint investigations were misfiled, including one which was misplaced for over 2 years. Such delays expose facility residents to contact with potentially inappropriate individuals.
Home-Based Elderly and Disabled Adults Complaints	HCS caseworkers did not always timely investigate complaints, obtain supervisory approval for unmet timeframes, or correctly enter data into the case files and the computerized case management system.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	Not applicable.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Department of Health and Senior Services, Monitoring of Long-Term Care Facilities and Handling of Complaint Investigations
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon
and
Margaret T. Donnelly, Director
Department of Health and Senior Services
Jefferson City, Missouri

We have audited certain operations of the Department of Health and Senior Services (DHSS) related to the monitoring of long-term care facilities and the handling of complaint investigations for the elderly and disabled adults in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2010 and 2009. The objectives of our audit were to:

1. Evaluate the department's compliance with certain statutory and federal requirements regarding inspections and surveys of long-term care facilities.

2. Evaluate the department's compliance with certain statutory requirements regarding the investigation and processing of complaints affecting the elderly or disabled in long-term care facilities or receiving home and community services.

3. Evaluate the economy and efficiency of certain management practices and operations related to the monitoring of long-term care facilities and handling of complaints affecting the elderly and disabled.

Our audit determined the DHSS has not complied with certain requirements for the frequency of inspections and the timeliness of certain inspection tasks and has not adequately complied with certain other mandates. We determined the DHSS has not always complied with certain requirements for the timeliness of complaint investigation tasks. Additionally, the DHSS has not always timely investigated and reviewed cases requiring referral to the employee disqualification list.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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Background

The Department of Health and Senior Services (DHSS) licenses and inspects long-term care facilities and investigates complaints affecting the elderly and disabled.

Organizational information

The DHSS serves as the central agency coordinating all programs relating to the lives of older Missourians. Its goals are to improve the quality of life, maintain personal dignity, and protect the basic rights of Missouri senior citizens. Its services include institutional programs, which safeguard residents in long-term care facilities; home and community care programs, which provide support for older persons who live in the community; and programs for immediate assistance to older persons and disabled individuals who encounter abuse, neglect, or exploitation. The DHSS promotes public awareness of the needs and abilities of elderly persons while maximizing independence for these older Missourians.

Section for Long-term Care Regulation

The Section for Long-term Care Regulation (SLCR), located organizationally under the DHSS Division of Regulation and Licensure, is responsible for conducting surveys of federally certified long-term care facilities; state inspections of other long-term care, residential care, and assisted living facilities; and investigating complaints regarding those facilities. The SLCR has seven regions across the state that are headquartered in Springfield, Poplar Bluff, Kansas City, Cameron, Macon, Jefferson City, and St. Louis. The SLCR works with the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) to determine Medicaid/Medicare certification of facilities. In addition, the section reviews and approves architectural plans for proposed long-term care facilities, provides data for certificate of need determinations, and develops and implements appropriate rules and regulations in accordance with the Omnibus Nursing Home Act.

Central Registry Unit

The Central Registry Unit (CRU), a unit within the DHSS Division of Senior and Disabilities Services (DSDS), maintains the Elder Abuse and Neglect Hotline and receives reports of alleged abuse, neglect, or financial exploitation of persons 60 years of age or older and other eligible adults between age 18 and 59 with substantial mental or physical impairment. The CRU was established pursuant to a state law which requires the department to maintain a central registry capable of receiving and maintaining reports received in a manner that facilitates rapid access and recall of the information reported, and of subsequent investigations and other relevant information.

Bureau of Home and Community Services

The Bureau of Home and Community Services (HCS), located within the DSDS, is responsible for services and programs directly administered by the DSDS involving eligible persons 60 years of age or older and adults with disabilities between the ages of 18 and 59. The HCS has five regions across the state that are headquartered in Springfield, Cape Girardeau, St. Louis,

Kansas City, and Columbia. Services such as personal care, homemaker, chore, nursing, respite, adult day health care, counseling, and consumer-directed services are made available to the elderly and persons with disabilities in their homes. When abuse complaints are reported, the HCS conducts investigations and provides necessary protective services. Generally, to be eligible for services, adults must meet specific guidelines pertaining to protective, economic, social, and care needs. Through a comprehensive investigative or assessment process, the HCS determines the intervention and/or services necessary to meet the needs of each eligible adult. The bureau is also charged with the oversight of in-home service providers, consumer-directed vendors, counseling providers, and residential care facility personal-care providers who deliver services to clients/consumers of the DSDS.

SLCR surveys, inspections, and complaint investigations

Under federal regulations and state statute, the SLCR is responsible for conducting federal surveys and state inspections on all licensed long-term care facilities in the state and investigating complaints related to those facilities for compliance with federal and state health and safety standards. Compliance with those standards is necessary for facilities to be certified to participate in Medicare and Medicaid programs and licensed to operate in the state. The facilities are licensed according to the level of care provided to residents. Nursing facilities provide long-term care for elderly persons requiring the most intensive care needs. The numbers of long-term care facilities by type at June 30, 2010, were as follows:

Type	Number
Skilled nursing	497
Intermediate care	32
Residential care	435
Assisted living	168
Total	1,132

All of these facilities are required by state law to be licensed by the SLCR to operate in the state and must comply with state regulations regarding resident care and safety. Additionally, about 500 of the nursing facilities and intermediate care facilities are certified by the CMS to participate in the Medicare and/or Medicaid programs and must comply with federal regulations related to resident care and safety.

Surveys and inspections

The SLCR is required by Section 198.022, RSMo, to conduct at least two inspections annually of all licensed facilities and by the Social Security Act to conduct a survey of all certified facilities at intervals of no longer than 15 months. One of these required inspections is designated the annual or "full" inspection, which determines whether the facility is in compliance with all state licensing and provision of care requirements. The "interim" inspection (also known as the second inspection) is an abbreviated inspection that

focuses on certain quality of care issues. Section 198.526, RSMo, allows the SLCR to perform only one inspection annually for those facilities found to be in substantial compliance with requirements based on previous inspections and complaint investigations. For certified facilities, the SLCR conducts the survey and state inspection simultaneously. The SLCR reported 999 surveys and full inspections were performed at certified facilities, 1,261 full inspections were conducted at facilities that are not certified, and 1,510 interim inspections were performed for all facility types during state fiscal years 2010 and 2009. The SLCR reported 279 interim inspections were not performed, as allowed by statute, during the 2 year period because the facility was determined to be in substantial compliance with licensing and operational requirements. The SLCR also reported interim inspections, although required, were not conducted at 471 facilities in fiscal year 2010.

Inspection and survey procedures are outlined in the SLCR Administrative Policy and Procedures manual and the State Operations Manual (SOM), developed by the CMS for use by the states in certifying facilities for participation in the Medicare and Medicaid programs. SLCR policies and the SOM require inspection and survey tasks be completed within designated timeframes as follows:

- Statement of deficiencies: SLCR surveyors/inspectors record noted facility non-compliance with state and/or federal resident care and safety requirements on a statement of deficiencies (SOD) and provide the SOD to the facility. Deficiencies are classified based on the scope and severity of the violation using federal and state classification systems. Except for the most serious violations, which require immediate notification and correction, the SLCR must provide the SOD to the facility within 10 working days of the exit conference at which problems noted during the survey or inspection are discussed. For survey revisits, the SOD must be completed within 70 days of the initial survey exit.

- Plan of corrections: Facilities are required to prepare a written plan of corrections (POC) to each cited deficiency on the SOD and provide the POC to the SLCR within 10 calendar days or 10 working days of delivery of the SOD for the survey or inspection, respectively. The SLCR must evaluate the POC and notify the facility whether the POC is acceptable or requires amendment within 10 calendar days or 10 working days of receipt of the POC for surveys or inspections, respectively.

- Revisit: After the POC is accepted, the SLCR determines whether a revisit is needed to ensure the facility has achieved compliance. The SLCR considers the nature and severity of the deficiencies in making

this determination. If a revisit is necessary, it must be conducted within 60 calendar days of the survey exit or, for inspections, within 90 calendar days of the inspection exit except for minor violations where 120 calendar days is allowed.

- Inspection documentation: In addition to the SOD and the POC, the surveys and inspections are documented on various forms, letters, and notes and this documentation constitutes the inspection packets. The documentation is completed and reviewed at the regional offices and required information is entered into the federal survey system. The packets are then provided to the central office for review, additional data entry into the federal system, scanning, and filing. For federal surveys, an initial survey packet is to be completed within 40 calendar days of the survey exit and the final packet completed within 30 days of the final survey action. For inspections, the inspection packet is to be completed within 30 days of final inspection action.

Complaint investigations

The SLCR investigates complaints about long-term care facilities. Complaints about long-term care facilities made to the Elder Abuse and Neglect Hotline are forwarded by the CRU to the section for investigation. In accordance with SLCR policy, all complaint investigations are to be initiated by contacting the reporter, if known, within 24 hours. After discussion with the reporter and review of all applicable information, the surveyor will prioritize the complaint into one of seven categories based on severity. The complaint descriptions for the three most serious complaint categories, as well as SLCR policy timeframes for conducting the initial on-site visits and exiting or finishing the on-site investigation, are as follows:

- Priority A: These complaints contain allegations of immediate jeopardy and SLCR policy requires the on-site visit be conducted within 24 hours and the investigation exited within 30 calendar days of complaint receipt.

- Priority B: These complaints contain allegations of actual harm that do not indicate ongoing immediate jeopardy and SLCR policy requires the on-site visit be conducted within 10 working days and the investigation exited within 45 calendar days of complaint receipt.

- Priority C: These complaints contain other allegations of resident harm that do not rise to the level of A or B and SLCR policy requires the on-site visit be conducted within 30 calendar days and the investigation exited within 90 calendar days of complaint receipt.

Complaint investigation procedures are outlined in SLCR policy and the SOM. During fiscal years 2010 and 2009, 13,595 complaints about facilities were received as summarized below.

	Year Ended June 30,	
Priority	2010	2009
A	378	501
B	2,882	3,181
C	2,318	2,519
Others	939	877
Total	6,517	7,078

External and internal oversight

The CMS and the SLCR Quality Assurance Unit (QAU) perform various oversight functions of surveys/inspections and complaint investigations.

The CMS establishes performance standards for determining the adequacy of the SLCR survey performance. The CMS gathers data to measure these standards by reviewing data related to the timing of surveys and complaint investigations and by testing complaints and surveys. Annually, the CMS tests 40 complaint investigations for propriety and 5 percent of surveys for federal validation. Federal validation of surveys is done through: (a) comparative surveys, in which a CMS team conducts an independent survey within 60 days of the state survey (to compare results), and (b) observational surveys, in which a CMS team accompanies the state team to observe the process of the state team. The SLCR is required to implement corrective measures for inadequate performance.

The QAU performed reviews of the propriety of complaint investigation and SODs. The QAU reviewed the documentation for 91 complaint investigations in 2009 and 121 complaint investigations in 2010 for proper investigative procedures and documentation. During the year ended June 30, 2010, the QAU reviewed 77 SODs arising from inspections and surveys for proper content, clarity, and accuracy.

HCS complaint investigations

The HCS is responsible for recording and investigating complaints regarding reported adults made to the Elder Abuse and Neglect Hotline maintained by the CRU. Reported adults are persons aged 60 or over and adults age 18 to 59 with disabilities. The HCS investigates to determine if protective services are needed for the reported adult. Upon receipt, the CRU classifies the reports into three classes based on the severity of the alleged risk to the reported adult and the classification dictates the required promptness of the investigation. Class I reports are allegations that, if true, present either an imminent danger to the health, safety or welfare of a reported adult or a substantial probability that death or serious physical harm will result. Class II reports contain allegations of some form of abuse, neglect or exploitation but do not allege or imply a substantial probability of immediate harm or danger. Class III reports are those for which HCS protective service involvement is not required or which contain vague information insufficient to make a determination of risk. After classification, the reports are sent to one of the HCS regions for investigation. The HCS

Protective Service manual requires the caseworker make an initial visit to the reported adult within 24 hours for class I reports. For class II reports, the caseworker must initiate the investigation within 48 hours by contacting the reporter and make an initial visit to the reported adult within 7 days. Class III reports require no investigation. The HCS manual requires the class I and II investigations be closed within 90 days and supervisor approval obtained when the policy timeframes cannot be accomplished. Reports received requiring investigation during the years ended June 30, 2010 and 2009, were as follows:

	Year ended June 30,	
Class	2010	2009
I	2,922	2,842
II	20,279	18,954
Total	23,201	21,796

Complaints referred for EDL determination

Various sections of state law require the department to maintain an Employee Disqualification List (EDL). The EDL includes the names of persons who have been finally determined by the DHSS, pursuant to Section 660.315, RSMo, to have recklessly, knowingly, or purposely abused or neglected, or to have misappropriated any property or funds, of a long-term care facility resident or in-home services client. Long-term care facilities and in-home services providers are prohibited from employing any person whose name appears on the EDL. In most instances, the EDL review process begins with a complaint made to the CRU hotline which is then investigated by SLCR or HCS regional staff depending on whether the complaint relates to a long-term care facility or in-home service provider, respectively. For substantiated cases of abuse, neglect, or misappropriation of property, the regional staff label the cases for EDL referral and send them to the central office (CO) staff of the SLCR and the HCS for review. If the CO staff determine a case should be considered further for EDL referral, it is forwarded for legal review to determine whether individuals should be placed on the EDL and for what length of time. If the person to be added to the EDL challenges the allegation, he/she may request a hearing with the department. In addition, persons placed on the EDL following the hearing shall have the right to seek judicial review as provided under Chapter 536, RSMo. SLCR policy requires regional staff submit the file to CO within 30 days of the last investigative action. HCS policy requires regional staff complete all complaint investigations within 90 days of complaint receipt.

During the 2 years ended June 30, 2010, 886 EDL cases were reviewed by CO staff of the HCS and the SLCR and 571 EDL cases were further reviewed by DHSS legal staff.

SLCR and HCS workload and staffing

Both SLCR and HCS officials cited the need for additional staffing to meet the statutory requirements for the frequency of inspections and the timeliness of complaint investigations. DHSS officials indicated staff reductions and difficulty in attracting and retaining staff impacted their ability to complete statutory mandates and policy goals including performance of interim inspections at SLCR licensed facilities, and completion of both SLCR and HCS complaint investigations within established timeframes. As a result, DHSS officials indicated it has been necessary to prioritize assignments and the timeliness and the ability to address lower priority work has suffered.

SLCR staffing and workload

SLCR officials indicated, following the significant increase in inspector and surveyor staff in state fiscal year 2008, the SLCR was able to meet the workload. However, officials indicated the SLCR experienced a significant increase in the number of complaints in 2009 while also experiencing problems with attracting and retaining qualified inspectors and surveyors. In early 2010, SLCR officials determined they would be unable to accomplish all required tasks. Licensed facilities, complaint investigations, and, actual and budgeted full time equivalent (FTE) surveyors/inspectors were as follows:

	Year Ended June 30,				
	2010	2009	2008	2007	2006
Licensed facilities	1,132	1,128	1,149	1,149	1,168
Complaints	6,516	7,078	6,531	6,479	5,868
FTE Actual	202	204	202	176	166
FTE Budgeted	225	229	233	249	196

The SLCR policy for prioritizing the scheduling assignments, when necessary, is as follows:

Priority	Assignment
1	Priority A complaint investigations
2	Priority B complaint investigations
3	Recertification surveys
4	Full inspections
5	Revisits and follow-up surveys
6	Priority C complaint investigations
7	Complaints about unlicensed facilities
8	New facility licensure inspections
9	Initial certification surveys
10	Other complaint investigations and second inspections

HCS staffing and workload

A HCS study, reported in the fiscal year 2010 departmental budget request of the DHSS, determined its staff workloads for fiscal year 2010 would exceed caseload standards and projected a staffing deficit of about 115 staff to accomplish its workload. HCS investigations were as follows:

	Year Ended June 30,				
	2010	2009	2008	2007	2006
Total investigations	23,201	21,796	19,442	17,879	16,045

The HCS requested additional staffing for the fiscal year ended June 30, 2010, that was not funded. However, beginning in fiscal year 2011, the General Assembly addressed the staffing deficit by authorizing the department to contract for assessment services which the DHSS estimated would reduce total staff workload by 33 percent.

Scope and Methodology

Our methodology included the following procedures:

- Reviewing written policies and procedures and relevant statutes and regulations.
- Interviewing various personnel of the SLCR, the CRU, and the HCS.
- Reviewing the survey and/or inspection files for a sample of 60 surveys and/or full inspections (27 federally certified facilities and 33 state licensed only facilities).
- Reviewing the complaint investigation files for a sample of 60 priority A, B, and C complaints investigated by the SLCR.
- Reviewing the complaint investigation files for a sample of 60 class I and II complaints investigated by the HCS.
- Reviewing the EDL-referral files for 11 complaints that were referred by the HCS and the SLCR for consideration for addition to the EDL.
- Reviewing databases provided by the SLCR of complaint investigations and surveys and inspections.
- Reviewing databases provided by the HCS of complaint investigations.
- Reviewing databases provided by the DHSS of complaints referred for EDL consideration by the HCS and SLCR regional offices.
- Reviewing databases provided by the SLCR of deficiencies cited during inspections and complaint investigations.

- Reviewing the results of monitoring, oversight, and testing of SLCR surveys and complaint investigations by the CMS.

- Reviewing the results of QAU reviews of the SLCR complaint investigations and SODs.

- Reviewing other pertinent documents as necessary.

The audit focused on current procedures, procedures during the years ended June 30, 2010 and 2009, and investigations of complaints and inspections and surveys of long-term care facilities during the years ended June 30, 2010 and 2009.

1. Surveys and Inspections of Long-term Care Facilities

The Section for Long-term Care Regulation (SLCR) did not inspect some long-term care facilities when required. Additionally, the SLCR surveyors and inspectors did not always perform survey and inspection tasks within the required timeframes.

1.1 Frequency of inspections

During the year ended June 30, 2010, the SLCR did not perform 471 of 1,132 (42 percent) second inspections of facilities as required by Section 198.526, RSMo. DHSS officials indicated the SLCR did not perform these second inspections due to staff vacancies; difficulties in attracting and retaining qualified candidates; and the significant training and oversight required for new employees before they are fully functional. The SLCR, based upon its established priorities, began performing second inspections only in conjunction with complaint investigations, and as result, 471 facilities did not receive a second inspection. Sixty-one facilities that did not receive a second inspection had a recent history of substantiated Class I violations and state and federal sanctions, such as denial of payment for new admissions and civil monetary penalties. The following table reports the number of facilities by type that did not receive a required second inspection in fiscal year 2010:

Facility Type	Number
Skilled nursing	151
Intermediate care	11
Residential care	221
Assisted living	88
Total	471

Frequent inspections of long-term care facilities are needed to ensure the facilities are in compliance with resident health and safety requirements. The Department of Health and Senior Services (DHSS) should analyze utilization of current staff resources and present options to the legislature regarding responsibilities currently required by state law.

1.2 Untimely survey and inspection tasks

The SLCR has not always completed survey and inspection tasks within the required policy timeframes.

Statements of deficiencies (SODs)

The survey/inspection team did not always prepare SODs within policy timeframes. SLCR policies require SODs be provided to the facility within 10 working days of the survey/inspection exit and for survey revisits within 70 calendar days of the survey exit. Of the 60 surveys and inspections we tested, 48 surveys and inspections resulted in the preparation of an SOD. Of those SODs, 4 SODs (or 8 percent) were sent to the facility from 1 to 6 working days after the expiration of the policy timeframe.

Plans of correction (POC)

Facility POCs were not always timely accepted or rejected by the SLCR. SLCR policies require the surveyors/inspectors notify the facility within 10 calendar days (for surveys) and 10 working days (for inspections) whether the POC has been accepted or rejected. Of 48 surveys and inspections that resulted in SODs, SLCR surveyors/inspectors exceeded the policy timeframes for accepting or rejecting the POC for 8 (17 percent). In these cases, the surveyors/inspectors exceeded the policy timeframes from 1 to 5 calendar days. In one of these cases, the surveyor/inspector rejected the POC and required the facility develop an amended plan.

Revisits

SLCR surveyors/inspectors did not always conduct timely revisits of facilities to ensure corrective measures were taken in response to a SOD or did not always make timely decisions about the need for a revisit. SLCR policies require revisits be performed within 60 days of survey exits and 90 days of inspection exits (or 120 days for minor violations). We tested 44 cases where SLCR policy would require a revisit be considered. The surveyor/inspector exceeded the policy timeframe for conducting the revisit or determining a revisit was not needed by 2 to 10 calendar days in 5 of the 44 (11 percent) surveys or inspections tested. In one of these revisits, the surveyor/inspector found the facility was still not in compliance with requirements and a subsequent SOD and POC were required.

Survey/inspection packets

Staff in the regional offices did not always submit survey/inspection packets to the central office within the policy timeframes. SLCR policies require initial survey packets be completed within 40 days of the survey exit and the final survey packet be completed within 30 days of the final survey action. SLCR policies require inspection packets be completed within 30 days of the final inspection action. Of 60 survey/inspections tested, 19 packets (32 percent) were not submitted within policy timeframes. Exceptions ranged from 4 days to 142 days late.

Impact of untimely tasks

Monitoring activities of the regional offices and central office have not been sufficient to ensure compliance with established survey/inspection timeframes. A SLCR official indicated the regional offices and central office have monitoring systems to track the timely completion of tasks. For example, central office staff produce weekly reports of pending revisits for certified facilities and monthly reports of pending survey/inspection packets and notify the regional offices of revisits or packets due. However, audit results indicate additional efforts are needed to comply with policy timeframes. The SLCR attributes noncompliance to staffing and workload issues in the regions. The completion of the SODs, review of the POCs, and performance of the revisits have effects on the timing of the completion of corrective actions by the facilities, and the timeliness of these tasks is important to ensure proper resident care and safety.

Similar conditions previously reported

Similar conditions were noted in previous reports.

Recommendations

The Department of Health and Senior Services:

1.1 Conduct inspections as required by law. In addition, the DHSS should analyze utilization of current staff resources and present options to the legislature regarding responsibilities currently required by state law.

1.2 Complete survey and inspection tasks within the policy timeframes.

Auditee's Response

1.1 DHSS concurs with this recommendation. DHSS' Scheduling of Assignments policy (#101.00) is used to set work priorities. Priority is given to investigation of complaints involving allegations of immediate jeopardy or significant harm and annual or full inspections. Second inspections are a lower priority on the list of required assignments. It should be noted that every facility received a full inspection in both fiscal years 2009 and 2010. Beginning in Fiscal Year 2012, DHSS has given increased priority to conducting second inspections in those facilities with Class I or Uncorrected Class II deficiencies within the past two fiscal years. DHSS will continue to analyze utilization of staff resources.

1.2 DHSS concurs with this recommendation:

- *Statements of Deficiencies (SOD) - DHSS makes every attempt to prepare SODs within policy timeframes. In rare circumstances, DHSS exceeds the required timeframe in order to ensure the SOD is a comprehensive, complete, defendable document.*
- *Plans of Correction (POC) - DHSS strives to ensure all POCs are accepted within the required timeframes. DHSS will consider revising the POC policy to reflect ten working days to accept/reject the POC to be consistent across facility types.*
- *Revisits - It should be noted that the revisit that resulted in additional deficiencies was started within required timeframes, but due to complaints received after the start of the revisit, DHSS was unable to complete the revisit and investigate the complaints within required timeframes.*
- *Survey/Inspection Packets - DHSS revised the survey/inspection packet policy in June 2010. Rather than submitting the entire survey/inspection packets to the central office, the regional offices now submit a smaller set of forms. This change resulted in quicker processing times and reduced postage costs. The regional offices*

retain the full survey/inspection packets. DHSS will consider revising the survey/inspection packet policy to be consistent with CMS Performance Standard requirements that require information to be entered in the federal system within 70 calendar days of the exit conference.

2. Complaint Investigations of Long-term Care Facilities

SLCR staff did not always conduct on-site complaint investigations within policy timeframes, promptly notify the reporter and/or facility of the investigation results, or enter investigation dates accurately and promptly in the Automated Survey Processing Environment (ASPEN) Complaint Tracking System (ACTS). Additionally, the SLCR has not fully addressed staffing and workload disparities in its regions.

2.1 Untimely complaint investigation tasks

The SLCR has not always completed complaint investigation tasks within the required policy timeframes.

On-site investigations

The SLCR surveyor/inspector did not always begin the on-site investigation within policy timeframes. The policy requires onsite investigations to be started within 24 hours, 10 days, and 30 days for priority A, B, and C complaints, respectively.

Based on data on the ACTS, the computerized system used by the SLCR for recording complaint investigations, on-site investigations were not always initiated within policy timeframes for priority A, B, and C complaints received during the 2 years ended June 30, 2010, as follows:

Complaint priority	Total investigations	Untimely on-site investigations	Error rate
A	879	1	0.0%
B	6,063	475	7.8%
C	4,837	1,429	29.5%

Notifications of results

The SLCR surveyor/inspector did not always notify the reporter or facility of the complaint investigation results within policy timeframes. SLCR policy requires the reporter, if an address is known, and the facility, when no deficiencies are found, be notified of the complaint investigation results within 14 calendar days of the exit. The following was noted during our test of 60 complaints:

- The letter to the reporter was untimely in 9 of 29 (31 percent) complaints for which a letter to the reporter was required, with exceptions ranging from 1 to 58 days late.

- When no deficiencies were found, the letter to the facility was untimely for 16 of 49 (33 percent) complaints with exceptions ranging from 1 to 266 days late.

By not sending out the required notification timely, the reporter and facility remain unaware of the official outcome of the investigation. A SLCR official indicated these problems were due to workload issues.

The SLCR should strive to meet the investigative timeframes to ensure residents are safe from harm, deficiencies are promptly identified and corrected, and the reporter is promptly notified of the investigation results. Delayed initiation can make it more difficult to determine whether an incident or violation actually occurred. Also, any delay in the initiation of the on-site investigation would delay the communication of deficiencies to the facility and therefore delay needed corrective action by the facility.

2.2 Reports to monitor timeliness

The effectiveness of SLCR reports to monitor timeliness of tasks have been reduced due to incorrect dates and untimely entry of data. From the ACTS data, weekly reports of incomplete complaint investigations are produced for review by the regional supervisors and the SLCR Quality Assurance Unit (QAU) and year-end reports of the timeliness of on-site investigations are produced for review by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) and the QAU.

Incorrect entries

The date of commencement of the on-site complaint investigation was sometimes incorrectly recorded on the ACTS. For priority A, B, and C complaints received during the 2 years ended June 30, 2010, the ACTS data included about 1,400 records (12 percent of the population) for which the starting date of the complaint investigation was earlier than the date the complaint was received. A SLCR official indicated this occurs when a complaint is received that relates to an earlier complaint with an ongoing investigation. However, due to this practice, the SLCR is unable to determine whether complaint investigations were initiated within policy timeframes. Additionally, for 3 of 60 complaints tested, the on-site investigation date was incorrectly recorded on the ACTS due to data input errors, according to a SLCR official.

Staff in the regional offices enter the on-site date based on the investigation documentation prepared by the surveyor. A SLCR official indicated that ACTS data is periodically verified to the complaint investigation documentation by central office staff. Our review indicates these actions have not effectively eliminated the on-site date errors. Incorrect on-site dates make the ACTS data less useful as a tool for monitoring the timeliness of complaint investigations. The SLCR should review the ACTS for correct on-site dates and make appropriate corrections.

Untimely entries

Some information related to complaint investigations was not promptly entered into the ACTS. According to ACTS data as of June 30, 2010, 171 complaints had no recorded investigation start date despite the deadline for the initiation of the complaint investigation having passed. Of these, 165 complaints originated within Region 7.

We also noted 125 complaints where the time frame for the exit of the investigation had been exceeded; 118 of these complaints, or 94 percent, were for Region 7. A SLCR official told us an exit had already occurred for 8 of these complaints, ranging from about 1 month to about 6 months prior, but the investigation results and completion had not yet been entered into the ACTS. According to SLCR officials, the delays pertain to unsubstantiated complaints with no SODs and documenting the results of these investigations is given lower priority than investigating new complaints and reporting deficiencies resulting from complaint investigations. SLCR officials also indicated staff workload, especially in Region 7, has caused the untimely entries. Due to these staff workload issues, the QAU assisted Region 7 with data entry on complaint investigations for much of 2009. In addition, the section instituted new requirements for regional supervisory staff to review the ACTS data weekly for incomplete or missing information. It appears the new requirements have significantly reduced the amount of incomplete or missing information, except in Region 7.

For SLCR management and other supervisory officials to have up-to-date information to monitor the status of complaint investigations, all actions and supporting information related to investigations should be entered in the ACTS system on a timely basis.

2.3 Region 7 staffing and workload

According to a SLCR official, the section has historically had difficulty hiring and retaining staff for Region 7. Region 7 is responsible for the city of St. Louis and the counties of St. Charles, St. Louis, and Jefferson. This region was responsible for about 20 percent of total licensed facilities and about 19 percent of SLCR staff were assigned to the regional office. However, during the years ended June 30, 2010 and 2009, about 32 percent of facility complaints pertained to Region 7 facilities.

SLCR staff from other regions and central office have assisted Region 7 with its workload in recent years. To reduce the Region 7 workload, effective July 1, 2011, the SLCR reassigned 30 facilities in St. Charles County to Region 5. The SLCR official indicated further regional changes may also be made. The SLCR should review the staffing and workload of the regional offices and consider further realignments to enhance the efficiency and effectiveness of regional staff and ensure uniformity in workload and timely completion of complaint investigation tasks.

Similar conditions previously reported

Similar conditions were noted in previous reports.

Recommendations

The Department of Health and Senior Services:

2.1 Conduct complaint investigation tasks within policy timeframes.

2.2 Ensure the ACTS contains accurate on-site dates and timely data on investigation results.

2.3 Review regional workloads and staffing and make changes to enhance efficiency and effectiveness and more uniformly distribute workload.

Auditee's Response

2.1 DHSS concurs with this recommendation. It should be noted that the vast majority of time frames not met involved priority C complaints, which do not involve allegations of immediate jeopardy or significant harm. DHSS gives priority to complaints alleging immediate jeopardy or significant harm.

2.2 DHSS concurs with this recommendation. A variety of reports are utilized to identify inaccurate data entry and correct errors. DHSS conducts annual statewide regional complaint training for staff. The training conducted during the summer of 2011 addressed timely and accurate data entry. DHSS will continue working with staff to enter required data in the ACTs database promptly and accurately.

2.3 DHSS concurs with this recommendation. Effective July 1, 2011, St. Charles County was transferred from the St. Louis region to the Macon region to reduce workload disparities in the St. Louis region. DHSS will continue to evaluate workload levels of each region and make workload and/or staffing adjustments as appropriate.

3. Performance Reviews

SLCR surveyors cited fewer deficiencies than federal surveyors during comparative surveys and concerns were noted by the CMS and QAU during reviews of SLCR complaint investigations. The SLCR does not routinely prepare performance evaluations of its survey employees pursuant to the Missouri On-site Survey Evaluation Process (MOSEP), as required by state law.

Federal comparative surveys

The CMS conducted 48 comparative surveys for life safety regulation compliance and 8 comparative surveys for health care regulation compliance during the 2 years ended June 30, 2010. Federal surveyors cited more deficiencies in their survey of the 56 facilities than the SLCR staff cited in surveys of the same facilities. The federal surveyors noted 317

deficiencies (292 during life safety code comparative surveys and 25 during health care comparative surveys) that were not cited by the SLCR surveyors. According to the CMS surveyors, most of the 317 deficiencies should have been cited by the SLCR surveyors based on the evidence that was or should have been available at the time of the SLCR survey. The different results in the surveys conducted by the federal surveyors and SLCR surveyors could be partially due to changed conditions between the two survey dates and different resident samples chosen during the two surveys. The SLCR provided individual and group training sessions to surveyors related to the comparative survey results. However, the results suggest more training may be needed for SLCR staff to ensure SLCR surveyors are properly identifying and citing deficiencies.

A similar condition was noted in our three previous audit reports.

Complaint investigations

The QAU and the CMS have noted concerns with the quality of the SLCR complaint investigations. Reviews of complaint investigations performed separately by the QAU and the CMS both indicated that, based on the investigation documentation, resident samples were sometimes too small and observations, record reviews, and interviews related to resident samples were sometimes not relevant to adequately determine the facility's compliance with requirements pertaining to the complaint allegations. The SLCR responded to the review results with individual and group training and subsequent review results seem to have improved for the reviews conducted during the 2 years ended June 30, 2010. However, the recent results suggest that further training is needed to ensure complaint investigations are conducted and documented properly.

Missouri On-site Survey Evaluation Process

The SLCR does not routinely prepare performance evaluations of its survey employees pursuant to the Missouri On-site Survey Evaluation Process (MOSEP), as required by state law.

Legislation passed in 1999 established the MOSEP to identify education and training needs for state surveyors and to ensure the uniform application of regulation standards in long-term care facilities throughout the state. Section 198.527, RSMo, requires the department to periodically evaluate its surveyors regionally and statewide to identify any deviations or inconsistencies in regulation application, and based on this evaluation, develop and implement additional training and knowledge standards. MOSEP evaluations are to include an on-site observation of employees performing survey tasks and consider overturned informal disputes. A SLCR official indicated that all surveyors are evaluated annually and on-site evaluations are sometimes performed and used in the annual evaluations. In addition, the SLCR indicated, that due to staffing limitations, it has not been able to conduct regional and statewide analysis of surveyor evaluation

results to identify education and training needs that could result in more uniform application of state regulation standards.

This condition was also noted in our prior audit report.

Recommendation

The Department of Health and Senior Services continue to evaluate the results of comparative surveys and reviews of complaint investigations in designing future staff training. In addition, the DHSS should complete the staff performance evaluations pursuant to the MOSEP program as required by state law.

Auditee's Response

DHSS partially concurs with this recommendation. As outlined in the audit report, DHSS has conducted individual and group training sessions related to the comparative survey results and complaint investigations. DHSS agrees the Missouri On-site Survey Evaluation Process (MOSEP) could be a useful education/training tool for its surveyors. However, DHSS utilizes other methods to evaluate staff that can be accomplished with existing resources. DHSS supervisors in each region monitor staff continually and conduct regular onsite reviews of each surveyor's performance. Annual employee performance appraisals are completed based on the monitoring of staff performance throughout the year.

It should be noted that the mandate associated with MOSEP was not funded when the requirement was enacted in 1999. Implementing MOSEP without additional state funding would require reassignment of staff from critical licensure, survey and complaint duties.

4. Staffing at Nursing Facilities

The SLCR has no minimum direct care or nursing staffing standard in place for nursing facilities. Section 198.079, RSMo, requires the SLCR to promulgate reasonable standards and regulations related to the number and qualifications of employees and contract personnel having responsibility for any service provided for residents in intermediate care and skilled nursing facilities. However, the current Code of State Regulations (CSR), 19 CSR 30-85.042 (37), only requires nursing facilities to employ nursing staff "in sufficient numbers and with sufficient qualifications" to meet resident needs. This is subjective and open to interpretation of the state surveyor staff. Prior to September 30, 1998, Missouri had minimum nursing staff requirements in place for a number of years. However, on that date, the minimum standards were rescinded from state regulations. According to a report issued in 2008[1], 42 states have some form of minimum direct care or nursing staff requirements exceeding the requirements in Missouri. The SLCR cited 17 nursing homes for inadequate staffing (deficiency tag number F-353) in fiscal year 2010. Three homes were cited twice during

[1] Harrington,C. *Nursing Home Staffing Standards in State Statutes and Regulations,* University of California, San Francisco, CA., January 2008

that period. Eighteen deficiencies were cited on the deficiencies matrix at levels D, E, or F (no actual harm), 1 was cited at level H (a pattern of actual harm), and 1 was cited at the most serious level, level L (a widespread pattern of actual harm). According to SLCR personnel, some facilities continue to bring in additional staff during inspections. This practice could temporarily hide or mask an understaffing problem, and may result in no staffing deficiency being cited and potential future negative resident outcomes.

We obtained staffing time information self-reported by nursing homes for the month of April 2011 from the CMS website[2]. That information included the number of nursing hours per resident day for the 2 weeks prior to the most recent survey for about 500 Missouri nursing homes. The CMS also reported an estimated level of expected nursing hours per resident day necessary to provide adequate resident care, based upon the RUG-53 (Resource Utilization Group) staff time values for residents in the nursing home at the time of the survey. The expected hours reported were for the quarter that included the survey period and would not necessarily reflect staffing needs at the time of the survey. The CMS also calculated an adjusted hours per resident day figure which was based upon the ratio of actual to expected hours per day times the national average hours per day for each category. This calculation benefitted homes that staffed at higher levels for some categories and reduced the adjusted hours for homes that were staffing significantly under the expected staffing levels in other categories.

Our analysis of Missouri data noted 158 nursing homes provided at least 30 minutes per resident day less than the expected nursing hours staffing level and 35 homes provided at least 30 minutes less than the adjusted nursing hours staffing level. We also noted 116 homes provided fewer hours than both the expected and adjusted nursing hours and 3 of the 116 homes provided at least 30 minutes less than both measures. It appears that facility staffing may not be adequate for a significant number of Missouri nursing homes. Adequate facility staffing is important for quality resident care and minimum nursing staff requirements may be helpful in reducing the number of homes with less than expected or adjusted nursing hours.

A similar condition was noted in previous audit reports.

Recommendation

The Department of Health and Senior Services re-establish minimum staffing standards for nursing facilities.

[2] http://www.cms.gov/CertificationandComplianc/Downloads/staffingdatafile.zip. Accessed May 3, 2011

Auditee's Response

DHSS does not concur with this recommendation. DHSS believes establishing minimum staffing standards may actually make citations for quality of care more difficult when facilities meet the minimum staffing standards but are providing poor quality of care. DHSS believes that in order to be effective, minimum staffing ratios must consider factors such as acuity level of the residents and the training and competency of staff. As the acuity level of residents changes and/or staff turnover occurs, the frequency and type of nursing services and other staffing required may also change. Currently, DHSS evaluates the adequacy of nursing staff based on the care needs of the residents and any negative outcomes based on the staffing in the facility. The audit report references data from CMS regarding expected and adjusted nursing hours. However, like DHSS, CMS has not mandated a minimum nursing staffing ratio.

5. Alzheimer's Special Care Units

The SLCR does not adequately verify the accuracy of disclosure forms related to Alzheimer special care units/programs as required by law.

Some long-term care facilities have established special units or programs to care for individuals who have been diagnosed with Alzheimer's disease or a related disorder. As of June 2010, 217 of the 1,132 licensed facilities (19 percent) had an Alzheimer special care unit or program.

Section 198.510, RSMo, requires that any such facility disclose the form of care or treatment provided that distinguishes that unit or program as being especially applicable, or suitable, for persons with Alzheimer's disease or dementia. This disclosure is to be made to the department (the DHSS) which licenses the facility. According to that statute, this disclosure should be made on a form developed by the department and include an explanation as to how the care is different from the rest of the facility in various areas including, but not limited to, the unit/program's overall philosophy and mission, assessment and establishment of a patient care plan, staff training and continuing education practices, the costs of care and any additional fees, and safety and security measures. A copy of this disclosure form is to be given to the patient and the patient's family at the time of admission.

This statute also states that as part of the long-term care facility's regular license renewal procedure, the licensing department (the DHSS) shall examine the disclosure form and verify the accuracy of the information disclosed. Based on our discussions with SLCR officials, it is not apparent that adequate actions are taken by the department, either during the licensing process or the inspection process, to verify the information on the disclosure form is accurate or that the nursing facility has followed the practices outlined in the form.

We were told that during the license renewal process, the Licensure Unit receives these forms with the license renewal requests and turns the forms over to the Policy Unit for review. The Policy Unit reviews the forms for

missing information or obvious errors, but no other procedures are performed to verify the accuracy of the disclosure form as part of the licensing process.

Department policies also provide that the accuracy of the disclosure form is to be verified during the inspection process; however, if this is done it appears it is generally not documented. Section III, Policy No. 305.00 of the SLCR Administrative Policy and Procedure manual states that during an annual inspection, the surveyor is to utilize the Alzheimer's unit disclosure form by comparing inspection findings regarding the care provided to sampled Alzheimer patients against the information presented in the disclosure form. In addition, that policy states the surveyor will review the availability and distribution of the disclosure form.

While state surveyors may be verifying the accuracy of the information on the disclosure forms during the inspection process, it does not appear this is documented in the completed inspection documents or surveyor notes. A SLCR official indicated that surveyors are most concerned about overall patient care and as long as sampled patients are properly cared for, the surveyors are probably not concerned about verifying and documenting the accuracy of the disclosure form information.

As a result of this situation, there is not adequate assurance the Alzheimer Special Care disclosure forms submitted by the applicable facilities to the department and distributed to the applicable patients/families accurately reflect the special care and operating practices at those facilities. Consequently, patients/families may not have accurate and complete information upon which to make their placement decision.

This condition was also noted in our prior audit report.

Recommendation

The Department of Health and Senior Services review its current practices related to the verification and review of Alzheimer special care units/programs and the disclosure forms which are submitted by the applicable facilities. Steps should be taken to ensure the disclosure forms accurately reflect the care and practices at those facilities.

Auditee's Response

DHSS concurs with this recommendation, and will consider options that better provide for review and verification of the disclosure form. DHSS examines the form for content, but does not verify all information contained on the form. However, DHSS determines if residents of special care units are receiving the appropriate care in accordance with each resident's care plan during onsite inspections. DHSS staff will cite a facility for failure to provide the appropriate care.

6. Employee Disqualifications

The DHSS has not processed substantiated complaints of abuse, neglect, or misappropriation of property through the DHSS Employee Disqualification Listing (EDL) review process in a timely manner.

Case processing

The DHSS process for investigation and review of complaints requiring EDL consideration often resulted in an untimely EDL placement decision and DHSS processing timeframes and goals were often exceeded. During the 2 years ended June 30, 2010, the average number of days from complaint receipt to an EDL placement decision was 507 days for the 240 Bureau of Home and Community Services (HCS) cases, and 260 days for the 331 SLCR cases.

We reviewed the case files for 11 (2 HCS and 9 SLCR complaints) of the 571 cases and noted policy timeframes or processing timeliness goals were often not met during each phase of the process.

Item number	Region	Regional Investigation (days)	Central Office Review (days)	Legal Review (days)	EDL Placement Decision
1	HCS region 3	275	82	273	Not placed
2	HCS region 2	295	90	20	EDL - permanent
3	SLCR region 7	276	35	40	Not placed
4	SLCR region 7	276	35	40	EDL - 2 years
5	SLCR region 2	45	133	166	EDL - 5 years
6	SLCR region 4	135	25	132	Not placed
7	SLCR region 7	279	35	27	Not placed
8	SLCR region 6	64	20	364	EDL - 7 years
9	SLCR region 7	318	68	23	EDL - 3 years
10	SLCR region 7	846	77	24	EDL - 3 years
11	SLCR region 5	119	94	43	EDL - 2 years

Timeframes and processing goals for EDL complaint investigations were exceeded.

- The regional investigation process exceeded the HCS 90 day policy timeframe to complete the complaint investigation for both HCS complaints reviewed.
- The regional investigation process exceeded the SLCR policy timeframe to complete the investigation report for eight of the nine SLCR cases.
- In all cases, the central office processing goal of 14 days was exceeded.

- While the DHSS has no processing timeliness goals or policies for legal review, the days for legal review exceeded 130 days in four cases.

DHSS officials attributed delays to excessive workload of regional staff or central office staff, a filing error by SLCR staff, and delays while the regional or legal staff awaited the outcome of investigations by law enforcement or circuit court cases before proceeding with the EDL referral as the outcome of those outside actions would impact the EDL decision by the DHSS.

DHSS procedures to monitor the cases for timely processing have not prevented delays. Cases received by the central office are tracked and monthly reports of outstanding cases are produced. As of June 1, 2010, 37 (25 HCS and 12 SLCR) of the 100 outstanding cases had been received by the central office more than 1 month previously. The SLCR and the HCS have recently made, or are considering, changes that may help address the staffing and workload issues impacting regional office investigations of complaints for EDL referral. The SLCR and the HCS should consider additional staffing options to improve the timeliness of the reviews by central office.

Misfiled and untimely processed cases

The DHSS does not have adequate controls to ensure all EDL-referred cases are processed. Central office staff have no review procedures to ensure all complaints intended for referral to central office from the SLCR regional offices are received and input into the central office computer system. In 1 of 11 cases tested, the complaint investigation file was intended to be referred for EDL review but was misfiled by the regional office. As a result, the central office did not review the complaint file until nearly 2 years later. The complaint, received in June 2007, was investigated in September 2007, but the misfiling was not discovered until October 2009 when the SLCR regional office received another complaint regarding the same alleged perpetrator. At that time, the DHSS processed the original complaint and the perpetrator was placed on the EDL in April 2010. The perpetrator was employed by long-term care facilities until the April 2010 disqualification.

In September 2010, the QAU discovered two additional SLCR complaint files received between January 2009 and September 2010, that were intended for EDL referral but had been misfiled. The QAU intends to begin performing monthly reviews to ensure SLCR complaints intended for EDL referral have been received by the SLCR central office.

Resident protection

The purpose of the EDL procedure is to protect residents in long-term care facilities and individuals receiving in-home services from disqualified caregivers. An untimely EDL referral process allows potentially inappropriate individuals to continue to have patient contact. The importance of prompt processing of EDL cases is recognized by the SLCR

as its workload prioritization policy ranks investigating priority A complaints with allegations of abuse and neglect as the highest priority task. The DHSS should address the workload issues, process EDL cases in a more timely manner, and frequently review records of complaints to ensure potential EDL cases were processed properly.

Recommendation

The Department of Health and Senior Services process cases involving EDL referral in a more timely manner and in accordance with policy timeframes and established goals and establish controls to ensure cases referred to the central office are received and processed timely.

Auditee's Response

DHSS concurs with this recommendation. DHSS implemented additional controls in October 2010 to ensure that all EDL complaints are routed appropriately prior to being filed. A monthly report was added to track when complaints are mailed by the regional office to the central office. The report identifies complaints that have not been submitted to the central office in a timely manner. Any discrepancies in the report are reviewed and resolved.

Also, DHSS implemented a new computer system (Case Compass) in August of 2011 that will replace the CRANE system. The system sends reminders to supervisors to ensure that appropriate review and follow up occurs.

7. Home-Based Elderly and Disabled Adults Complaints

The HCS did not always investigate complaints within policy timeframes, obtain supervisory approval for unmet timeframes, or correctly record data in the case file and the computerized Central Registry for Abuse, Neglect and Exploitation (CRANE) case management system.

7.1 Untimely investigative tasks

HCS caseworkers did not always meet policy timeframes for the initiation of the investigations and initial visits to the reported adults and supervisory approval for these unmet timeframes was not always documented. Additionally, investigations were not always closed within policy timeframes.

Initiation of investigation

HCS caseworkers did not always meet policy timeframes for initiating the investigations and did not obtain documented supervisory approval for the unmet timeframe. For 1 of 60 complaints tested (2 percent) the investigation was initiated 3 days late. HCS officials indicated the delay was due to caseworker error. Additionally, in one complaint tested, HCS officials indicated the investigation was initiated by attempted contacts with the reporter; however, those contacts were not documented as required.

Contact with reported adult

HCS caseworkers did not always meet policy timeframes for conducting the initial visits with the reported adults and did not always obtain documented

supervisory approval when timeframes were not met. For 9 of 60 cases tested (15 percent) the reported adult was not seen timely and for 3 of these exceptions supervisory approval for the unmet timeframe was not documented in the case file as required. For the three cases, the visit to the reported adult was 1 day late, 3 days late, or waived because the reported adult could not be located. HCS policy requires the caseworker obtain documented supervisory approval when the policy timeframes for visiting the reported adult or initiating the investigation cannot be accomplished.

To ensure the safety of the reported adult and comply with policy, the caseworkers should initiate the investigations and visit the reported adults within the policy timeframes or obtain documented supervisory approval for the unmet timeframe.

Case closures

HCS caseworkers did not always close cases within the 90 day timeframe required by policy. Upon completion of an investigation, caseworkers are required to finish preparing the necessary forms to document the investigations and record the results on the CRANE. For 10 of 60 cases tested, or 17 percent, the case was not closed within the 90 day policy timeframe. These 10 items ranged from 1 day late to 123 days late. HCS policies require the caseworkers record all investigative case actions on a form in the case file. We reviewed these forms for the tested cases and noted for each of these cases extended periods of inactivity, either during the investigation or after the investigation and prior to case closure, contributed to the untimeliness of the case closure.

Monitoring efforts have been insufficient to prevent the delays. Monthly reports of open cases are produced and distributed to supervisors for review. We reviewed the November 2010 report which indicated about 23 percent of the open cases had complaint receipt dates 90 days or more prior to the report date. Bureau officials also indicated that supervisors discuss each pending hotline case with caseworkers on a monthly basis. The HCS attributes the delays to excessive worker caseload.

The HCS should complete investigations within 90 days to ensure further protective services are established promptly if needed and information is available on the system for consideration in any subsequent reports affecting the same reported adult, and to comply with policy.

Contracting for assessment services

DHSS officials indicated HCS staff will no longer perform assessment duties beginning in 2011. Section 208.895, RSMo, as revised by Senate Bill No. 1007, Second Regular Session, 95th General Assembly, authorizes the department to use a contracted vendor to perform those services. As a result, HCS officials believe staff should have adequate time to complete complaint investigations within the established timeframes, once the contract is executed.

7.2 Data errors

We noted instances where case data was not accurately recorded in the case file and CRANE.

Abuse Neglect and Exploitation scores

HCS caseworkers did not properly record the abuse, neglect, and exploitation (ANE) scores on the CRANE system and case file documentation for 13 of 60 items tested, (22 percent). HCS policy requires the caseworkers assign scores to represent the highest level of risk to the reported adults for abuse, neglect, and exploitation during the investigations. These scores are used in the evaluation of the need for further protective services for the reported adult. For the 13 items, the ANE score reported on the case file documentation differed from the score recorded on the CRANE. Incorrect ANE scores in the CRANE system reduce the ability of HCS management to monitor compliance with case handling policies and to ensure the appropriate level of HCS protective services are provided to the reported adult. HCS caseworkers should compare the ANE scores on the two sources to ensure accuracy.

Incorrect dates

HCS caseworkers did not always correctly record the dates of the initial visits to the reported adults. For 2 of the 60 items tested (3 percent) the date of initial visit to the reported adult as recorded on the CRANE differed from the corresponding date recorded on the case file documentation. Additionally, we inquired about 33 other cases where the CRANE data indicated the reported adult was not visited or was not visited timely and HCS officials indicated the date visited was incorrectly recorded on 5 of these items and the reported adult was actually visited timely. To allow for proper monitoring of the timely visit to the reported adult, the HCS should compare the date of the initial visit between the case file and CRANE and correct any discrepancies.

Recommendations

The Department of Health and Senior Services:

7.1 Ensure cases are investigated, documented, and closed timely and ensure supervisory approval is obtained and documented for cases where policy timeframes are not met for initiation of the investigation and initial visit to the reported adult.

7.2 Ensure the ANE score and date of initial visit to the reported adult are correctly recorded in the case file and CRANE.

Auditee's Response

7.1 DHSS concurs with this recommendation. DHSS implemented a contract with a third party on May 19, 2011 to perform all of the assessments for home and community based services. This allowed state staff to devote more time to abuse, neglect and exploitation investigations. While the contract was terminated on August 31, 2011 due to failure of the contractor to perform required duties, DHSS does not plan to have staff that conduct abuse, neglect and exploitation investigations resume assessment functions.

Since the contract was terminated, temporary state staff have been hired to perform assessment functions.

Also, Case Compass includes features that remind supervisors to ensure that appropriate review and follow up occurs. If cases are not timely completed, an explanation is required by the field staff and supervisor.

7.2 DHSS concurs with this recommendation.

DHSS implemented a new computer system (Case Compass) in August of 2011 that will replace the CRANE system. Case Compass facilitates more timely data entry by DHSS staff since the same information no longer has to be entered in multiple databases. This not only enhances productivity, but reduces the likelihood of data entry errors.

Thomas A. Schweich

Missouri State Auditor

Jackson County Sports Complex Authority

December 2011

Report No. 2011-114

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Jackson County Sports Complex Authority

Background	The Jackson County Sports Complex Authority (Authority) is a body corporate and politic and a political subdivision of the state of Missouri. The Authority was created by statute to oversee the construction of the Harry S. Truman Sports Complex, a dual stadium complex for football and baseball. The Authority is party to 25-year lease agreements with the Kansas City Royals and the Kansas City Chiefs signed in 2006, when renovations to the complex were started. These amended leases shifted the primary responsibility for long-term maintenance of the stadiums to the teams and require the teams pay rent to the Authority. The Authority pays management fees to the teams under a management contract to compensate the teams for the cost of utilities and managing the daily operations of the stadiums. The Authority is governed by a five-member board of commissioners, each of whom is recommended by the Jackson County legislature and appointed by the Governor with the advice and consent of the Senate. The Authority employs an executive director and office manager.
Closed Meetings	On several occasions, the Authority said it was closing a meeting to discuss one topic, but then discussed other topics, some of which were not allowable under the Sunshine Law.
Insurance Coverage	The Chiefs and Royals are contractually required to maintain liability insurance on the respective stadiums, and Jackson County fulfills the Authority's duty to maintain casualty insurance, but the Authority did not request proof of insurance from any of these parties to confirm that adequate coverage is in place.
Expenditures	The Authority did not maintain adequate supporting documentation for some expenditures. The Authority purchased a chartered flight for $6,500, but the voucher does not indicate who was on the flight or the purpose for the flight. In addition, the Executive Director's expense reports did not always document the purpose of the expenses. The Authority does not always competitively bid professional services, such as legislative, accounting and audit, and legal services, as is required by Section 64.940.3, RSMo.
Tickets and Suite Usage	The Authority does not adequately document who uses its tickets for the Royals home baseball games or its suite at the Chiefs home football games, making it difficult to ensure the cost of providing food, beverages and tickets to state and local public officials is reported to the Missouri Ethics Commission. Between January 2008 and December 2010, the Authority's lobbyist reported only $1,857 in expenditures provided to public officials at Chiefs games and reported no expenditures for use of Royals tickets by public officials.

Board Supervision

The Authority's Board of Commissioners should improve its oversight of the Authority's activities. The Board does not usually request supporting documentation for expenditures, and there is no documentation that the Board provides any other type of supervision over the activities of the Executive Director.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Jackson County Sports Complex Authority did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Jackson County Sports Complex Authority
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the Missouri General Assembly
and
Members of the Jackson County Sports Complex Authority
Kansas City, Missouri

We have audited certain operations of the Jackson County Sports Complex Authority in fulfillment of our duties under Chapter 29, RSMo. The authority engaged Cudney, Ecord, McEnroe & Mullane LLC, Certified Public Accountants, to audit the authority's financial statements for the 3 years ended December 31, 2010. To minimize duplication of effort, we reviewed the CPA firm's audit reports. The scope of our audit included, but was not necessarily limited to, the years ended December 31, 2010, 2009, and 2008. The objectives of our audit were to:

1. Evaluate the authority's internal controls over significant management and financial functions.

2. Evaluate the authority 's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the authority, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the authority's management and was not subjected to the procedures applied in our audit of the authority.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures.

The accompanying Management Advisory Report presents our findings arising from our audit of the Jackson County Sports Complex Authority.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
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Jackson County Sports Complex Authority
Management Advisory Report
State Auditor's Findings

1. Closed Meetings

Information provided in the closed session minutes for several meetings was not sufficient to demonstrate that issues discussed were allowable under the Sunshine Law.

- The open session minutes for meetings held by the Board during February and April 2008 cited personnel issues as the reason for closing the meeting, but instead, existing contracts were discussed. We also noted closed meetings in January 2009 and February 2010 for which legal issues were cited as the reason for closing the meeting, but instead, an existing contract was discussed. Discussion related to existing contracts is not an allowable topic for closed session.

- We identified closed meetings in April 2009 and January 2010 in which legal issues was cited as the reason for closing the meeting, but instead, a personnel issue was discussed.

- We identified a meeting in September 2009 which cited leases as the reason for closing the meeting, but real estate matters were discussed.

Section 610.020.7, RSMo, requires governmental bodies to prepare and maintain minutes of open and closed meetings. In addition, Section 610.022, RSMo, provides that the Board shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, record, or vote, and limits the types of topics which can be discussed in closed meetings.

Recommendation

The Jackson County Sports Complex Authority ensure topics discussed during closed session meetings are allowable and the reasons for closing a meeting are documented in the open session minutes.

Auditee's Response

While both legal issues and personnel issues can arise from existing contracts, we agree we should stay on the topic for which we went into closed session and we will also ensure the topic is allowable. When a board member makes a motion to go into closed session, they are using their best judgment consistent with their understanding of the sunshine law.

2. Insurance Coverage

The authority should require documentation of the sports complex insurance coverage. In 2006, the authority entered into amended operating leases with the Chiefs and Royals thereby giving the teams the cost responsibility and risk for the long term repair, maintenance and operation of the stadiums. Article 17, Section 17.2 of the Chiefs' amended lease requires the Chiefs to provide liability insurance on Arrowhead Stadium. Section 28 of the Royals' amended lease requires the Royals to provide liability insurance on Kauffman Stadium. The leases do not require the teams to provide proof of insurance to the authority and the authority did not request proof during the audit period.

In addition, the authority is required under Article XVII, section 17.01 of the original lease agreements to provide casualty insurance as a condition of the lease. In addition, Article 17, Section 17.1 of the amended lease requires the casualty insurance to include coverage specifically for acts of terrorism. According to the Executive Director, the casualty insurance is provided by Jackson County on the authority's behalf, but the authority did not request documentation from the county that coverage was adequate to meet the terms of the lease.

The authority has a responsibility to ensure the stadiums, as public assets, are adequately insured at all times. Without obtaining adequate documentation and implementing proper monitoring procedures, the authority cannot determine the stadiums are adequately insured as required.

Recommendation

The Jackson County Sports Complex Authority obtain detailed summaries of the levels of insurance coverage.

Auditee's Response

We agree and will obtain summaries of the existing insurance coverage provided by others. The 2006 Lease Amendments actually provide that the "Landlord/County" will provide casualty insurance. (Kansas City Chiefs section 17.1) "Landlord/County" is defined in section 34.2 as referring to " a joint obligation or joint right of, or determination to be made by, or with respect to, both Landlord and the County, as the context indicates." The County has always provided the casualty insurance under the 2006 Lease Amendments.

3. Expenditures

Controls and procedures over Authority expenditures could be improved.

3.1 Supporting Documentation

Some payments were not supported by an invoice or other adequate documentation.

- A chartered flight was purchased for $6,500. The payment voucher did not indicate who was on the flight or the purpose for the flight.

- The Executive Director received expense reimbursements totaling $11,333 during the 3 years ended December 31, 2010. The expense reimbursement reports did not show the purpose and the destination for mileage reimbursements, making it difficult to determine the propriety and reasonableness of the expenses claimed. In addition, the Executive Director received reimbursement for the purchase of three gift cards totaling $400. The expense report did not document the purpose or the recipients of the gift cards, nor was other documentation provided to indicate such information.

To ensure the validity and propriety of disbursements, adequate supporting documentation should be obtained for all goods and services. In addition, to ensure reimbursement requests are reasonable and represent valid disbursements, the authority should ensure documentation is adequately detailed.

3.2 Procurement of Professional Services

The authority does not always competitively bid professional service contracts, as required by state law. During the 3 years ended December 31, 2010, competitive bids were not solicited for legislative, accounting and audit, and legal services totaling approximately $141,000, $45,000, and $304,000, respectively. The authority signs a new engagement letter for accounting and audit services on an annual basis and signs a new agreement for legislative services every 2 years. The engagement letter for legal services was last updated in April 2005. Rather than periodically soliciting bids for these services, the Executive Director indicated the authority has used the same providers for years and is pleased with the results and thus, did not solicit bids in recent years for these services.

Section 64.940.3 RSMo, states any expenditure made by the authority in excess of $25,000, including professional service contracts, must be competitively bid.

Recommendations

The Jackson County Sports Complex Authority:

3.1 Ensure adequate supporting documentation is submitted and retained for all disbursements.

3.2 Ensure competitive bids are solicited periodically for professional services, in accordance with applicable state law.

Auditee's Response

3.1 We agree with the recommendation and have already addressed the issue.

The $6500 payment was for a flight to Jefferson City to appear before the Missouri Development Finance Board (MDFB) to obtain the tax credits of $25 million, $15 million of which was used for Arrowhead Stadium, and $10 million of which was used for facilities at Missouri Western University in St. Joseph, Missouri to allow the Kansas City Chiefs to return their annual summer camp to Missouri. The plane that had been chartered was about 1/10 of the price, but could not take off because that morning Kansas City was in the midst of one very heavy snowstorm and visibility was zero. The Authority had no choice but to book the only available plane for this important meeting. The passengers on the plane included the president of Missouri Western University, officials of the Kansas City Chiefs, a state senator, a member of the MDFB, the Executive

Director, and the General Counsel of the Authority. The Authority was reimbursed a portion of the cost by the Kansas City Chiefs.

The gift cards were purchased at the direction of a former Chairman of the Board as Christmas gifts for an employee and two catering people who work in the suite.

3.2 Agree in principle. When the current law firm was retained by the Authority, we believe it is the first time that proposals were solicited for legal services. The existing audit firm has been doing the financial statements for the Authority for the past 15+ years. With the new leases in effect any changes to these firms would be very expensive at this time.

4. Tickets and Suite Usage

Documentation of the use of the authority's suite at the Chiefs home football games and authority tickets for the Royals home baseball games is inadequate. The cost of providing food, beverages, and tickets to state and local public officials at Chiefs football games and Royals baseball games is not adequately tracked and the authority does not maintain a record of who uses the provided tickets at each game.

Section 105.473, RSMo, requires that all expenditures made by a lobbyist or lobbyist principals on behalf of state and local officials, their staff, or spouses and dependent children be reported monthly by the lobbyists to the Missouri Ethics Commission (MEC). The expenditures to be reported shall include the costs of food, beverages, and the face value of tickets provided to these individuals. Records supporting who used the tickets would allow the authority to ensure the value of the tickets, food, and beverages provided to public officials is properly reported.

For each Chiefs home game, the authority receives 46 tickets to the game at no cost to the authority and for each Royals game, each authority member receives 4 tickets. The authority members, staff, and invited guests, including government officials, watch the football games from the authority's suite at Arrowhead stadium overlooking the playing field. Food and beverages are provided at the Arrowhead suite at no cost to the authority by its registered lobbyist, as required in the contract. The authority does not have a suite at Kauffman Stadium, therefore, food and beverages are not provided for Royals games. The authority indicated its lobbyist is responsible for distribution of tickets and tracking expenditures provided to state and local officials at the games and reporting those amounts to the MEC. Between January 2008 and December 2010, the authority's lobbyist reported minimal expenditures of $1,857 provided to public officials at Chiefs games and no amount was reported for use of Royals tickets by public officials. The Executive Director indicated neither the authority nor its lobbyist maintain a complete list of who used each ticket provided to the

authority, making them unable to document the amount of expenditures reported to the MEC was accurate.

Adequate records of all suite attendees and all ticket recipients are necessary to ensure the authority and its lobbyist have reported all expenditures provided to state and local officials, as required by state law.

Recommendation

The Jackson County Sports Complex Authority maintain records of all Arrowhead suite attendees and Royals ticket recipients to ensure the costs of any food, beverages, and tickets provided to state and local officials are reported to the MEC as required by state law.

Auditee's Response

The Authority already satisfies this recommendation. The governmental relations firm retained by the Authority dispenses all tickets to public officials and pays for all food and drink in the Arrowhead suite. The Executive Director and a member of the governmental relations firm are at every Chiefs home game to ensure compliance. The firm maintains a complete record of public officials which is filed with the Missouri Ethics Commission and is available online. No food or drink is furnished at Royals games. We do not believe law or policy requires the Commissioners to list the names of those guests of theirs who are not public officials.

Auditor's Comment

While the government relations firm retained by the authority does maintain records of public officials attending games in the authority's suite, the firm does not, nor does the authority, maintain a record of who uses all the tickets available, whether a public official or not. Only by maintaining a complete listing of all suite attendees and comparing that listing to the public officials usage information reported to the MEC, can the authority ensure all public officials usage is properly reported.

5. Board Supervision

To strengthen internal controls, the Authority's Board of Commissioners should provide better oversight of authority activities.

The Board employs an Executive Director to provide active supervision, control, and management of the day-to-day operations of the authority, which includes processing and approving expenditures and other financial related activities. The Board meets monthly to discuss authority business including personnel issues, contracted services, financial activity, and potential and upcoming maintenance and repair projects. The Board is provided summary financial information at each board meeting, including a listing of expenditures. However, supporting documentation for expenditures is not usually requested and there is no documentation the Board has provided any other type of supervision over the activities of the Executive Director.

The staff of the authority consists of the Executive Director and an Office Manager. The small staff size inhibits the ability to provide adequate segregation of duties. However, periodic reviews of supporting documentation of transactions by the Board or a designated member would help improve oversight. Without adequate oversight, the Board has less assurance that all assets are adequately safeguarded, and all transactions are accounted for properly, adequately supported, and for reasonable and appropriate uses.

Recommendation

The Jackson County Sports Complex Authority should establish procedures to improve the oversight of the operations of the authority. These procedures should include timely supervision and, at a minimum, a periodic review of supporting documentation of transactions and the work performed by the Executive Director.

Auditee's Response

While we agree that procedures can always be improved and we will certainly look for such opportunities, we believe the Board is fully aware of all expenditures and the Executive Director has documentation in the form of invoices and cancelled checks which are available upon request. Periodic review is done for certain invoices (legal expenses) by a Board member. The Board is also fully aware and receives detailed documents to support the bond disbursements each month well in advance of their actual disbursement. During the construction project, the Board received weekly e-mail updates and a detailed written monthly report.

Jackson County Sports Complex Authority
Organization and Statistical Information

The Jackson County Sports Complex Authority is a body corporate and politic and a political subdivision of the state of Missouri. The authority was created in 1965 under the authority of Section 64.920, RSMo, to oversee the construction of the Harry S. Truman Sports Complex, a dual stadium complex, which opened for football during the 1972 season and for baseball during the 1973 season.

The authority was assigned certain powers, duties, and obligations directed principally to plan, construct, operate, and maintain all things necessary to a complex suitable for all types of sports and recreation.

The authority is currently operating under 25-year amended lease agreements with the Kansas City Royals and Kansas City Chiefs which were entered into in January 2006. Each lease agreement calls for annual basic rents of $450,000 paid by each team and percentage rentals based upon gross receipts, net of taxes, in excess of $7,500,000.

The authority entered into management contracts with the teams, as part of the original 1990 leases, which provide for the authority to pay management fees to the Royals and Chiefs. Management fees of approximately $2 million and $1.9 million were paid to the Royals and Chiefs, respectively, during the year ended December 31, 2010. These fees are to compensate the teams for the costs to manage the daily operations of the stadiums, including utilities. The management fees currently increase each year with the Consumer Price Index, not to exceed 4.75 percent, during the remainder of the contracts.

In 2006, the authority amended the leases and entered into development agreements with the teams to renovate Arrowhead and Kauffman stadiums to bring them up to current National Football League and Major League Baseball standards. In 2006, Jackson County issued $425 million of leasehold revenue bonds to fund a portion of the renovation projects. In addition, Jackson County voters approved a three-eighths cent sales tax which the county will use to pay the debt service costs on the 2006 bonds and to provide for ongoing repairs and maintenance of the common areas of the complex over the 25 year leases. The Missouri Development Finance Board contributed $75 million in Tax Credits for Contributions for the renovation projects. The Royals contributed $25 million and the Chiefs contributed $125 million; with the teams responsible for any cost overruns from the renovation projects and ongoing stadium maintenance costs. The renovations to Kauffman Stadium were completed in April 2009 at a cost of $271.8 million and the renovations to Arrowhead Stadium as of July 2011 totaled $405 million.

In 1990, the voters of Jackson County approved the shift of an eight cent property tax levy to the county's Park Fund to help finance the obligations contained in the leases. Since that time, the county has allocated $3.5

million annually from this levy to support the obligations contained in the leases. In 1998 and 2002, the county issued $40,170,000 and $10,000,000, respectively, of leasehold revenue bonds in part to fund improvements at the sports complex. The 1998 bond proceeds were used for repairs, maintenance and improvement expenditures totaling $34,100,000.

From 1991 to 1996, the Missouri General Assembly appropriated $2 million annually for the maintenance of the sports complex pursuant to Sections 67.638 through 67.641, RSMo. The state funding increased to $3 million annually beginning in 1997.

Each year, the authority enters into a cooperative agreement with the City of Kansas City, whereby the city agrees to appropriate $2 million annually to partially fund the master plan projects and for other maintenance and repair expenses at the sports complex. However, the City of Kansas City only appropriated $1.7 million in fiscal year 2009 and $1.5 million in fiscal year 2010. Jackson County made up the deficiencies. The county, state, and city funds have been deposited into a Convention and Sports Complex Fund which was established pursuant to Section 61.641, RSMo, and the monies in this fund are used to maintain and operate the sports complex.

Authority Commissioners

The authority board is bipartisan and consists of five commissioners who are qualified voters of the state of Missouri and residents of Jackson County. The Jackson County legislature submits a list of candidates to the Governor to replace members of the Board whose terms have expired. The Governor then appoints, with the advice and consent of the Senate, the succeeding members from that list of candidates. The commissioners serve staggered terms of five years and hold office until a successor has been appointed and confirmed. Commission members receive a maximum salary of $3,000 per year, plus reimbursement for actual expenses incurred in the performance of their duties. The Board elects its own officers. At December 31, 2010, the commissioners were:

Commissioner	Term Expires
J. Beto Lopez, Chairman	July 15, 2012
Gerald Winship, 1st Vice-Chairman	July 15, 2014
Jon R. Gray, 2nd Vice-Chairman	July 15, 2013
Deron Cherry, Treasurer (1)	July 15, 2011
Garry Kemp, Secretary (2)	July 15, 2015

(1) Deron Cherry was re-appointed to a 5 year term ending July 15, 2016
(2) Garry Kemp replaced Michael Smith as Secretary in October 2010

As of December 31, 2010, the authority employed an executive director and an office manager to provide various administrative and support functions. Jim Rowland has served as Executive Director for the authority since 2006.

The Executive Director's salary for the year ended December 31, 2010, was $120,000.

Copies of the authority's financial statements can be obtained from the authority.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Jackson County Sports Complex Authority did not receive any federal stimulus monies during the 3 years ended December 31, 2010.

Thomas A. Schweich

Missouri State Auditor

ADMINISTRATION

Children's Trust Fund Board

December 2011

Report No. 2011-113

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Administration, Children's Trust Fund Board (CTFB)

Background

The CTFB was established by Section 210.170, RSMo, to provide child abuse and neglect public awareness and prevention programs throughout the state. The Board is comprised of 21 members, 17 appointed by the Governor, 2 members of Missouri Senate appointed by the President Pro Tem of the Senate, and 2 members of the Missouri House of Representatives appointed by the Speaker of the House. The Board appointed an executive director who, along with three other employees, performs administrative duties.

Monitoring

The CTFB did not comply with its policy for timely monitoring of general prevention program grantees. CTFB written policy requires an on-site monitoring visit of all first year grantees, and stated practice is to conduct these visits within the first 2 years of the 5-year grant cycle. As of June 30, 2011, 21 of 71 (30%) grantees did not receive a monitoring visit within the first 2 years of the grant cycle. Of these, 6 received a monitoring visit in the third or fourth year, but 15 of these had not received a monitoring visit at all. Timely monitoring helps ensure general prevention funds are used for intended purposes.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Department of Administration, Children's Trust Fund Board did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Children's Trust Fund Board
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the Children's Trust Fund Board
and
Kirk Schreiber, Executive Director
Jefferson City, Missouri

We have audited certain operations of the Children's Trust Fund Board in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the 4 years ended June 30, 2011. The objectives of our audit were to:

1. Evaluate the board's internal controls over significant management and financial functions.

2. Evaluate the board's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the board; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the board's management and was not subjected to the procedures applied in our audit of the board.

For the areas audited, we identified (1) a deficiency in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. The accompanying Management Advisory Report presents our finding arising from our audit of the Children's Trust Fund Board.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Keriann Wright, MBA, CPA
In-Charge Auditor:	Denise Huddleston, MBA

Children's Trust Fund Board
Management Advisory Report
State Auditor's Findings

Monitoring

The Children's Trust Fund Board (CTFB) is not complying with its policy for timely monitoring of general prevention program grantees, providing less assurance that general prevention funds are being used as required. The CTFB provides funding to various organizations through several programs, one of which is the general prevention program. This funding is used to provide programs and services to help families reduce the risk of child abuse and neglect. To promote general prevention program sustainability, the CTFB commits funding to successful grantees on a 5-year cycle. During the 4 years ended June 30, 2011, the CTFB disbursed approximately $3.7 million to 71 general prevention grantees.

CTFB written policy requires an on-site monitoring visit to be conducted on all first year grantees and stated practice is to perform these site visits within the first 2 years of the grant period. During site visits, CTFB personnel perform both a programmatic review by interviewing recipients and providers, and a financial review of supporting documentation. Other methods used to monitor general prevention grantees include reviewing required annual or biannual reports and detailed reimbursement requests; however, documentation supporting the information submitted is not required.

We found that site visits are not always completed timely, or at all, during the life of the grant. As of June 30, 2011, we noted 21 of 71 general prevention grantees did not receive a site visit within the first 2 years of the grant cycle as required by CTFB written or stated policies. Of these, 6 grantees received a site visit in the third or fourth year of the grant cycle and 15 grantees had not received a site visit at all although they were in at least the third year of the grant cycle or the grant had been finalized. Total funding disbursed to these 15 grantees was approximately $1.18 million during the current 5-year cycle. According to CTFB personnel, these site visits had not been completed timely due to staffing and funding limitations. To adapt to these limitations, CTFB personnel indicated they schedule site visits based on proximity to other scheduled reviews or delay or waive visits based on low-risk factors, such as past experience with the grantee. CTFB policy does not reflect this practice and such decisions have not been adequately documented.

Timely monitoring of grantees is necessary to ensure general prevention funds are adequately supported and used for intended purposes.

Recommendation

The CTFB ensure site visits are conducted timely in accordance with policy, and any decisions made to deviate from policy should be adequately documented.

Auditee's Response

The Executive Director provided the following written response on behalf of the Children's Trust Fund Board (CTFB):

The CTFB will devise and implement a schedule to insure the timely on-site monitoring of general prevention contracts within the first two years of the contract period. Additionally by the close of fiscal year 2012, the CTFB plans to monitor the 15 general prevention grantees as identified by the Missouri State Auditor as not having received timely visits. General prevention grantees are required by the CTFB to retain documentation for a period of five (5) years after the contract period expires or is terminated for purposes of auditing/monitoring by the CTFB. The Board of Directors will review and revise as needed policy governing grant/contract monitoring, taking into account risk factors and history of the recipient organization, staff resources, proximity of scheduled reviews in geographic regions and other factors.

Children's Trust Fund Board
Organization and Statistical Information

The Children's Trust Fund Board (CTFB) was established by Section 210.170, RSMo, to provide child abuse and neglect public awareness and prevention programs throughout the state. Under the provisions of Section 210.174, RSMo, any individual or corporation may designate a part or all of his/her income tax refund to be contributed to the CTFB. Additional funding is derived from contributions made directly to the CTFB including to obtain the specialized CTFB license plate, fees on marriage licenses, vital records, federal and other grants.

Section 210.170, RSMo, provides that the board shall consist of twenty-one members. Seventeen members are appointed by the Governor with the advice and consent of the Senate. Members serve until their successor is appointed. Two members of the Missouri House of Representatives are appointed by the Speaker of the House and two members of the Missouri Senate are appointed by the President Pro Tem of the Senate. Members of the Senate and House of Representatives serve on the CTFB until their term in the House or Senate expires. On June 30, 2011, the CTFB had nineteen members and two vacancies. Members serving on the board as of June 2011 were:

Members	City	Term Expires
Rev. Eric F. Battle	St. Louis	September 2012
Nela Beetem	Holts Summit	September 2012
Susan E. Block	University City	September 2012
Paula E. Clay	Columbia	September 2009
Lynne Cooper, D. Min.	St. Louis	September 2011
Kathleen Boyle Dalen, Ph.D.	Kansas City	September 2011
Jillian Harris	Jefferson City	September 2010
Robert J. Harris, M.D.	Columbia	September 2011
Stephen F. Huss, Ph.D.	Hillsboro	September 2010
Dena Ladd	St. Louis	September 2010
Patrice Mugg	Kirkwood	September 2010
Martina L. Peterson	Kansas City	September 2012
Charmaine Smith	St. Louis	September 2012
Regina Staves, Ph.D.	Kansas City	July 2012
Thomas M. Vansaghi, Ph.D.	Kansas City	September 2011
Representative Michael McGhee	Odessa	
Representative Jill Schupp	Creve Coeur	
Senator Jolie Justus	Kansas City	
Senator John Lamping	St. Louis	

The board is empowered to enter into contracts with public or private agencies, schools, or qualified individuals to establish community-based educational and service programs focused on the prevention of child abuse and neglect. The programs include crisis care, home visiting, counseling, and support groups. The board also provides public education about the

problem of child abuse and neglect and how Missouri citizens can contribute to prevention efforts.

The board may appoint an executive director to perform administrative duties. Kirk Schreiber was appointed Executive Director in October 2005. Three other employees perform various administrative duties and responsibilities.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The CTFB did not receive any federal stimulus monies during the 4 years ended June 30, 2011.

Appendix A

Children's Trust Fund Board
Comparative Statement of Receipts, Disbursements, and Changes in Cash

	Year Ended June 30,			
	2011	2010	2009	2008
RECEIPTS				
Private donations	$ 147,875	172,691	191,510	370,517
Marriage license fees	1,007,571	982,591	999,276	985,334
Vital records sales	424,105	464,740	481,864	561,752
Intergovernmental receipts	614,844	543,273	434,567	387,855
Interest	28,416	49,230	100,667	184,537
Interagency receipts *	665,173	670,125	664,710	653,765
Registration fees	17,619	0	18,209	0
Miscellaneous refunds	0	0	6,811	68,535
Total Receipts	2,905,603	2,882,650	2,897,614	3,212,295
DISBURSEMENTS				
Personal service	202,783	202,783	202,750	196,705
Expense and equipment	38,484	50,325	65,728	65,444
Program disbursements	2,471,292	2,492,446	2,746,481	2,820,452
Office lease	15,682	15,822	18,498	14,569
Refunds	10,105	9,543	10,100	11,079
Total Disbursements	2,738,346	2,770,919	3,043,557	3,108,249
RECEIPTS OVER (UNDER) DISBURSEMENTS BEFORE OTHER FINANCING SOURCES (USES)	167,257	111,731	(145,943)	104,046
OTHER FINANCING SOURCES (USES) **				
Transfers in	85,938	89,050	103,072	114,894
Transfers out	(96,995)	(99,179)	(94,542)	(96,491)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	156,200	101,602	(137,413)	122,449
CASH BALANCE, JULY 1	3,714,321	3,612,719	3,750,132	3,627,683
CASH BALANCE, JUNE 30	$ 3,870,521	3,714,321	3,612,719	3,750,132

* Interagency receipts include payments received from other state agencies for contracted services.

** Transfers in amounts are income tax contributions designated by individual and corporate taxpayers on their income tax returns under the provisions of Section 143.1000, RSMo. Transfers out amounts include employee fringe benefits, allocation of costs in support of the state's central services and other.

Appendix B

Children's Trust Fund Board
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2011			2010		
	Appropriation	Expenditures	Lapsed Balances	Appropriation	Expenditures	Lapsed Balances
CHILDREN'S TRUST FUND						
Program distributions	$ 3,360,000	2,471,292	888,708	3,360,000	2,492,446	867,554
Personal service	211,199	202,783	8,416	211,199	202,783	8,416
Expense and equipment	145,140	39,102	106,038	145,140	50,234	94,906
Office lease	15,601	14,982	619	16,917	15,597	1,320
Refunds	13,495	9,805	3,690	9,554	9,543	11
IT Consolidation expense and equipment	1,100	382	718	1,100	316	784
Unemployment benefits	146	0	146	146	0	146
Total Children's Trust Fund	$ 3,746,681	2,738,346	1,008,335	3,744,056	2,770,919	973,137

(continued next page)

Appendix B

Children's Trust Fund Board
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
CHILDREN'S TRUST FUND						
Program distributions	$ 3,360,000	2,746,481	613,519	3,360,000	2,820,452	539,548
Personal service	211,199	202,750	8,449	205,049	196,705	8,344
Expense and equipment	145,140	66,348	78,792	145,140	65,011	80,129
Office lease	17,748	17,748	0	16,179	13,953	2,226
Refunds	13,495	9,725	3,770	13,495	11,029	2,466
IT Consolidation expense and equipment	1,100	505	595	1,099	1,099	0
Unemployment benefits	146	0	146	146	0	146
Total Children's Trust Fund	$ 3,748,828	3,043,557	705,271	3,741,108	3,108,249	632,859

Appendix C

Children's Trust Fund Board
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2011	2010	2009	2008	2007
Salaries and wages	$ 202,783	202,783	202,750	196,705	187,049
Travel, in-state	3,358	6,100	7,150	5,654	6,942
Travel, out-of-state	1,636	0	4,474	1,266	4,893
Supplies	6,019	7,181	4,747	9,677	18,962
Professional development	265	2,780	3,390	3,710	3,555
Communication service and supplies	3,212	2,018	3,561	2,192	4,564
Professional services	21,872	30,445	38,661	37,265	66,700
Maintenance and repair services	472	419	318	339	407
Computer equipment	0	189	387	1,039	198
Office equipment	536	0	1,412	2,642	699
Other equipment	0	0	115	807	320
Building lease payments	15,682	15,822	18,498	14,569	12,288
Equipment rental and leases	0	0	0	0	1,982
Miscellaneous expenses	1,114	1,193	1,513	853	14,803
Refunds	10,105	9,543	10,100	11,079	12,801
Program distributions	2,471,292	2,492,446	2,746,481	2,820,452	2,687,294
Total Expenditures	$ 2,738,346	2,770,919	3,043,557	3,108,249	3,023,457

Thomas A. Schweich

Missouri State Auditor

Schuyler County Collector and Property Tax System

December 2011

Report No. 2011-112

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Schuyler County Collector and Property Tax System

Missing Monies

Property tax receipts of at least $568,974 are missing. A lack of oversight and a failure to segregate duties allowed the missing monies to go undetected. The former County Collector collected receipts but did not deposit some monies, issued checks from the County Collector's official bank account made payable to herself, and used error-correction fluid to alter tax book entries. Because of inadequate and incomplete records, the auditors could not determine whether additional monies are missing. Law enforcement authorities were alerted, and criminal charges have been filed against the former County Collector.

Property Tax System Controls and Procedures

The county did not prepare a separate delinquent property tax book, and to conceal the missing monies, the former County Collector improperly increased the delinquent tax totals on her annual settlements. No one totals the unpaid entries in the tax books, and as a result, the County Clerk and County Commission did not verify the delinquent tax totals. State law requires the County Collector to prepare the delinquent tax listings, the County Commission to examine and correct the listings and the County Clerk to make the listings into delinquent tax books and charge the County Collector with the amount of delinquent taxes to be collected.

The County Assessor's office recorded changes to property assessments on unnumbered manual forms which the former County Collector used to compute tax amounts and post additions and abatements manually to the tax books, and neither the County Clerk nor the County Commission verified the accuracy and completeness of the tax book additions and abatements made by the former County Collector.

Neither the County Clerk nor the County Commission adequately reviewed or verified the amounts on annual settlements prepared by the former County Collector, which allowed incorrect amounts on the settlements to go undetected.

County Collector's Controls and Procedures

The former County Collector did not record some property tax receipts on abstract reports and did not adequately reconcile receipts to bank deposits. Proper internal controls over receipts should include recording all paid tax statements on daily abstract or receipt lists, reconciling the lists to bank deposits, and reconciling the method of payment received to the composition of deposits.

The former County Collector did not always perform, or did not maintain documentation of, monthly bank reconciliations and did not adequately reconcile liabilities to the bank account balances. At June 30, 2011, identified liabilities exceeded the adjusted bank balance by $18,665.

The former County Collector did not issue receipts slips for some partial payments, did not use numbered receipt slips for partial payments, and did not maintain a ledger or other record to adequately identify partial payments collected and balances due from each taxpayer.

Commissions and Written Agreements

The former County Collector withheld commissions at a higher rate than allowed by law. The County Collector withheld approximately $5,250 more per year than she was entitled to withhold, which she remitted to the General Revenue Fund. The former County Collector also improperly withheld and remitted to the General Revenue Fund a one-half percent mailing commission on railroad and utility taxes, totaling $5,885 for tax years 2007 through 2010. The county collects property taxes for various cities in the county but did not have up-to-date written agreements for these services. State law requires such contracts to be in writing.

In the areas audited, the overall performance of this entity was **Poor**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Schuyler County Collector did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Schuyler County Collector and Property Tax System
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THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
County Collector of Schuyler County

We have audited the County Collector and Property Tax System of Schuyler County. During our audit of certain operations of Schuyler County in fulfillment of our duties under Section 29.230, RSMo, we determined there were monies missing in the office of the County Collector. The County Collector resigned effective August 31, 2011, and a successor was appointed on October 24, 2011, and sworn into office on November 3, 2011. Section 52.150, RSMo, requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. The scope of our audit of the County Collector and Property Tax System included, but was not necessarily limited to, the period March 1, 2007, to August 31, 2011. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant property tax functions.

2. Evaluate the county's compliance with certain legal provisions.

3. Determine the extent of monies missing from the County Collector's office.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. The county and the County Collector's office did not maintain adequate records to support certain significant financial and property tax book transactions, including incomplete records of tax book additions and abatements and incomplete tax receipt records. Because of this limitation on the scope of our audit, we could not adequately audit certain transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

Except as discussed in the second paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the County Collector and Property Tax System.

Section 52.150, RSMo, requires the County Commission to accept the State Auditor's report and, if necessary, to take certain specific actions if the State Auditor finds any monies owing to the county or the former County Collector.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) missing monies totaling at least $568,974. The accompanying Management Advisory Report presents our findings arising from our audit of the County Collector and Property Tax System of Schuyler County.

An audit of certain operations of Schuyler County, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Heather R. Stiles, MBA, CPA
Audit Staff:	Janielle Robinett
	Angela M. McFadden

1. Missing Monies

Weaknesses in internal controls and record keeping procedures of the County Collector's office and property tax system, as noted throughout this report, allowed missing monies of at least $568,974 to go undetected. Information regarding these missing monies has been shared with law enforcement authorities. On June 27, 2011, Kathy Roberts (former County Collector) ceased performing duties related to the County Collector's office, and on August 31, 2011, Roberts resigned her position as Schuyler County Collector. Criminal charges were filed on October 7, 2011.

The missing monies went undetected due to a lack of segregation of duties and oversight. The County Collector's office is a two-person office, which makes proper segregation of accounting duties difficult. Normally, when duties cannot be adequately segregated due to limited staff available, at a minimum, the County Collector should perform and document periodic supervisory reviews of accounting records. However, the County Collector was responsible for most recording, depositing, disbursing, and reconciling duties. Due to the lack of oversight in the County Collector's office, it is even more important for the County Commission and County Clerk to perform the checks and balances provided by state law.

For the 4 years ended February 28, 2011, the County Collector's office processed and distributed approximately $2.2 million annually in property taxes and other monies, as recorded on the annual settlements.

Unrecorded receipts

Property tax receipts of at least $568,974 collected by the County Collector's office were not recorded and properly distributed. The majority of these receipts were not deposited into the former County Collector's official bank account; however, some of the unrecorded receipts were deposited and the former County Collector issued checks from her official bank account which do not appear to be for legitimate purposes (as described below).

Upon receipt of property tax payments, the County Collector's office procedures are to stamp the tax statements as paid and file the statements with the corresponding bank deposit slips. However, numerous stamped paid tax statements were located in the vault in the County Collector's office and were not filed with deposit slips. We attempted to trace several of these stamped paid tax statements to abstract lists (lists of taxes recorded and distributed to taxing authorities), but could not locate any of these paid tax statement amounts on the abstract lists.

The majority of the stamped paid tax statements not filed with deposit slips were marked as paid in cash. We reviewed deposits to the former County Collector's official bank accounts during the months of October through January for each of the 4 years of the audit period, which represents the busiest tax collection periods, and noted minimal cash deposited.

Improper disbursements

From March 1, 2007, to June 30, 2011, various checks totaling $46,686 were issued from the former County Collector's official bank account payable to the former County Collector or to a family member. The former County Collector could not provide adequate documentation to support the purpose of these checks, and based on copies of the canceled checks obtained from the county's depositary bank, it appears these checks were endorsed by the former County Collector and deposited into a personal bank account. In addition, the former County Collector provided us with copies of some of these canceled checks for which the payee appeared to be altered.

Methods to conceal missing monies

Various methods were used to conceal missing monies, including inflating the amount of delinquent tax credits reported on annual settlements. As required by state law, the former County Collector prepared annual settlements of tax book charges and credits for the year ended February 28 (29), each year. The settlements accurately reported taxes deposited and distributed to the taxing authorities, but amounts collected and not deposited and distributed were falsely reported on the settlements as uncollected delinquent amounts. As a result, total delinquent credits reported on the annual settlements increased significantly during the past 4 years, from $514,166 at March 1, 2007, to $767,159 at February 28, 2011.

Our review of the county's property tax books noted alterations or the use of white error correction fluid to various entries posted to the tax books. While the county's tax books are printed from the computerized property tax system, the former County Collector did not utilize the computer system to record tax receipts. Manual notations were documented in the tax books to denote dates paid, and some of these manual notations were concealed with error correction fluid. Our review noted several of the entries concealed with error correction fluid were related to tax statements stamped paid in cash that could not be traced to bank deposits or entries on the abstract lists.

Determination of shortage

To determine the amount of missing monies, we reviewed the county's property tax books and unpaid tax statements as of June 30, 2011, and determined actual delinquent tax totals at that date. We then reviewed tax book transactions, including collections and tax book additions and abatements, from March 1, 2011, to June 30, 2011, and determined the actual amount of delinquent taxes at February 28, 2011. Our audit work determined actual delinquent taxes totaled approximately $216,850 at February 28, 2011, while the former County Collector reported total delinquent taxes of $767,159. As a result, taxes of approximately $550,309 cannot be accounted for and are missing.

In addition, liabilities exceeded the balance in the former County Collector's official bank account by $18,665, which represents a shortage in the bank account. We prepared a bank reconciliation for the former County Collector's bank account at June 30, 2011, and compared the adjusted

balance (bank balance plus identified deposits-in-transit less identified outstanding checks) to identified liabilities. The account had an adjusted balance of $27,901, compared to identified liabilities of $46,566. Liabilities consisted of June tax collections distributed in July ($25,406), undistributed land tax sale proceeds ($1,820), partial tax payments held in the account ($3,923), and an undistributed protested tax refund ($15,417).

Potential additional missing monies

Due to inadequate or incomplete records, additional missing monies could exist but cannot be readily determined. Some tax book addition and abatement amounts reported on the former County Collector's annual settlements do not appear accurate. For example, some assessment forms located in the former County Collector's vault for property tax additions could not be traced to tax book addition amounts charged to the former County Collector on the annual settlements; however, manual tax statements were located for these property tax additions. Additionally, tax book abatement credits of $3,566 reported on the February 28, 2011, annual settlement could not be traced to supporting documentation and represent the amount of 2006 personal property tax abatements already credited in the previous year's annual settlement. While it appears additional monies could be missing because of inaccurate addition and abatement amounts reported on the annual settlements, we could not determine the actual amount of tax book additions and abatements to compare to amounts reported on the annual settlements.

In addition, some of the tax statements which could not be traced to deposits or abstract lists were for taxes paid after December 31 and would have been assessed delinquent penalties and interest. However, due to inaccurate or missing receipt records, we could not readily determine the amount of penalties and interest collected but not deposited and distributed.

Upon discovery of the missing monies and resignation of the former County Collector, the County Clerk and County Commission have implemented changes to improve controls over property tax transactions.

Recommendation

The County Commission and County Clerk take necessary action to recover the missing monies and work with law enforcement authorities regarding any criminal prosecution.

Auditee's Response

The County Commission and County Clerk provided the following written response:

The Prosecuting Attorney is currently working with the local insurance company and the bonding company to recoup the monies.

2. Property Tax System Controls and Procedures

Significant weaknesses were noted in controls and procedures over the county's property tax system.

2.1 Delinquent tax books

The county does not prepare separate delinquent property tax books, and no one totals the unpaid entries in the tax books to obtain and document delinquent tax totals. As a result, the County Clerk and the County Commission did not verify the accuracy of delinquent tax totals claimed by the former County Collector.

The County Assessor utilizes a computerized assessment and tax system to enter property assessments, and this information is used by the county to generate property tax books annually in October; however, the former County Collector elected not to utilize the system to record tax receipts. Tax receipts were manually recorded on the tax books, which did not allow the county to generate separate delinquent tax books from the computer system. County officials indicated the county is currently in the process of fully utilizing the computerized system for recording tax receipts, which should allow separate delinquent tax books to be generated in the future.

Section 140.030, RSMo, requires the County Collector to prepare delinquent tax listings. Section 140.040, RSMo, requires the County Commission to examine and correct the listings, and Section 140.050, RSMo, requires the County Clerk to make the listings into delinquent tax books and charge the County Collector with the amount of delinquent taxes to be collected. Because the County Collector is responsible for collecting property taxes, good internal controls require someone independent of that process be responsible for generating and testing the accuracy of delinquent property tax books. If it is not feasible for the County Clerk to prepare delinquent tax books, at a minimum, the County Clerk should verify the accuracy of the delinquent tax amounts annually at the beginning of the County Collector's fiscal year (March 1).

2.2 Additions and abatements

Controls over property tax additions and abatements were not adequate. There was no independent comparison of property assessment changes made by the County Assessor to the related changes in the property tax books made by the former County Collector. In addition, the County Commission only approved changes in assessed valuations and did not approve the related tax book additions and abatements.

The County Assessor's office records changes to property assessments on unnumbered manual forms. These forms were forwarded to the County Collector's office, and the former County Collector used the assessed valuation changes to compute the related tax amounts and manually post

additions and abatements to the tax books. The former County Collector then forwarded the assessment change forms to the County Clerk's office, and the County Clerk's office prepared sequentially numbered orders of assessment changes for County Commission approval. The County Clerk did not receive the tax book addition and abatement amounts from the former County Collector and did not receive copies of the assessment change forms directly from the County Assessor. Therefore, the County Clerk and the County Commission could not verify the accuracy and completeness of the tax book additions and abatements prepared by the former County Collector.

Because the County Assessor did not file the unnumbered assessment change forms separately (they were filed with each applicable property record) and did not prepare summaries of all assessment changes, we could not verify the accuracy and completeness of the tax book additions and abatements prepared by the former County Collector.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. The lack of independent verification and approval of assessed valuation changes made by the County Assessor and tax book additions and abatements made by the County Collector significantly increases the risk of intentional and unintentional errors and omissions to the property tax books.

2.3 Review of annual settlements

Neither the County Commission nor the County Clerk adequately reviewed or verified the amounts on the annual settlements prepared by the former County Collector. As a result, incorrect amounts recorded on the settlements prepared by the former County Collector as noted in MAR finding number 1 went undetected.

As required by Section 139.160, RSMo, the former County Collector prepared annual settlements of tax book charges and credits for the years ended February 28 (29). While these settlements were reviewed and approved by the County Clerk and the County Commission, the County Clerk did not verify the accuracy of various amounts recorded on the annual settlements. The County Clerk maintained a summary of collections recorded on the former County Collector's monthly settlements which materially agreed to collections and distributions recorded on the annual settlements. In addition, the County Clerk verified the accuracy of the current tax book charges recorded on the annual settlements. However, the County Clerk did not obtain records or verify the accuracy of amounts recorded on the annual settlements for additions, abatements, delinquent taxes, protested taxes, and city tax collections.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable to the county treasury. An accurate account book would help the County Clerk ensure the amount of taxes charged and credited to the County Collector each year is complete and accurate and could be used by the County Clerk and the County Commission to verify the County Collector's monthly and annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

Recommendations

The County Commission and County Clerk:

2.1 Establish procedures to prepare delinquent tax books. If preparation of delinquent tax books is not feasible, the County Clerk should total and verify delinquent tax amounts annually on March 1 and document all procedures performed.

2.2 Work with the County Assessor to ensure all tax book additions and abatements are properly recorded, approved, and charged to the County Collector.

2.3 Review the accuracy and completeness of the County Collector's monthly and annual settlements. This could be accomplished by the County Clerk maintaining a complete and accurate account book with the County Collector of all tax book charges and credits.

Auditee's Response

The County Commission and County Clerk provided the following written responses:

2.1 A new system has been adopted to do the delinquent tax books. The County Commission and County Clerk would have already implemented these steps had they been notified of the issues in previous audits that were conducted by the Missouri State Auditor's Office.

2.2 The County Assessor and County Clerk have a new system in place for all additions and abatements.

2.3 The County Clerk's office is already doing this. Due to false information that the previous County Collector reported to the County Clerk's office, it was hard to detect that monies were missing.

Auditor's Comment

2.1 Implementation of internal controls is the responsibility of county management.

3. County Collector's Controls and Procedures

Significant weaknesses existed in the former County Collector's accounting controls and procedures.

3.1 Receipts and deposits

The former County Collector did not record some property tax receipts on abstract reports and did not adequately reconcile receipts to bank deposits.

The former County Collector generally deposited monies daily and normally reconciled receipts to deposits by including corresponding paid tax statements with the deposit slips; however, some bank deposits did not include paid tax statements and were not otherwise reconciled to receipts. In addition, the former County Collector prepared manual monthly abstract lists of individual paid tax statements; however, these lists did not include daily receipt totals and were not reconciled to deposits.

As noted in MAR finding number 1, numerous paid tax statements were found in the County Collector's office which were not filed with deposit slips, were not included on monthly abstract lists for the month paid, and could not otherwise be traced to bank deposits.

Furthermore, the method of payment (cash, check, and money order) was not indicated on some tax statements and the composition of receipts was not always reconciled to the composition of deposits. The former County Collector stated the method of payment is indicated if a cash payment is made or if a check payment is received from someone other than the taxpayer; however, the composition of some deposits did not agree to the corresponding tax statements filed with the bank deposit.

Proper internal controls over receipts should include recording all paid tax statements on daily abstract or receipt lists, reconciling the lists to bank deposits, and reconciling the method of payment to the composition of deposits. Without performing such reconciliations, there is little assurance all monies received are deposited in the bank account or all receipts are properly recorded.

3.2 Bank reconciliations and liabilities

Documentation of monthly bank reconciliations was not always prepared or retained by the former County Collector. In addition, the former County Collector did not adequately reconcile liabilities to the bank account balances. As noted in MAR finding number 1, we attempted to prepare a bank reconciliation for the former County Collector's main collection account at June 30, 2011, and attempted to identify related liabilities. Our review noted identified liabilities exceeded the adjusted bank balance by $18,665.

While bank reconciliations were generally included on the back of monthly bank statements, some reconciliations could not be located and some reconciliations were not accurate. Some outstanding checks were not included on applicable bank reconciliations, and bank balances were not always reconciled to the balances recorded in the checkbook register. In addition, negative cash balances were sometimes noted in the checkbook register and the register balances were not kept up-to-date and did not appear accurate. Because liabilities exceeded the bank balance, it appears current month's receipts were used to make the previous month's distributions.

Monthly bank reconciliations and identification of liabilities are necessary to ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient funds are available for the payment of all amounts due. Without the preparation of such reconciliations, there is little assurance cash receipts and disbursements are properly handled and recorded.

3.3 Partial payments

Records and procedures related to the collection of partial payments were not adequate. Receipt slips for partial payments were not numbered and the former County Collector did not issue receipt slips for some partial payments received. In addition, the former County Collector did not maintain a ledger or other record to adequately identify amounts collected and balance due from each taxpayer.

Upon our initial inquiry, the former County Collector indicated she did not accept partial payments. The Deputy County Collector indicated partial payments were accepted, recorded on unnumbered receipt slips and on the office's copy of the tax statement, and were not distributed until the taxes were paid in full. The tax statements were filed with all other unpaid statements until full payment was received, at which time the taxes were abstracted and distributed. Because receipt slips were not issued for some partial payments and because applicable receipts and balances due were not recorded on a separate ledger, it was difficult to determine the amount of partial payments held in the former County Collector's bank account.

Without accurate and detailed records for all partial payments collected and balances due, there is little assurance partial payments are properly handled and recorded.

Recommendations

The County Collector:

3.1 Record all receipts on the abstract lists and reconcile receipts to deposits by preparing daily totals on the abstract lists which agree to daily deposits. Additionally, the method of payment should be recorded on all tax statements and the composition of receipts

should be reconciled to the composition of deposits. Any differences should be investigated and explained.

3.2 Prepare and retain accurate monthly bank reconciliations. In addition, monthly lists of liabilities should be prepared and reconciled to the monthly bank balances.

3.3 Maintain accurate records of all partial payments received and due, including reconciling amounts collected to amounts held in the bank account. Additionally, pre-numbered receipt slips should be issued for all partial payments received.

Auditee's Response

The current County Collector provided the following written responses:

3.1 With the new tax system being used in the County Collector's office, there are reports that are printed from the system that show all taxes that were taken in daily. While in the process of learning the new system and getting everything set up, the newly appointed County Collector was using a computer spreadsheet to keep her daily abstracts.

3.2 Bank reconciliations are now done and looked over by the County Collector and County Clerk monthly. These bank reconciliations are matched to the partial payments ledger, interest ledger, surtax ledger, reclaimed property ledger, and any other ledgers that are on file with the County Collectors' office along with all money that was brought in and disbursed for the office for that particular month.

3.3 Pre-numbered receipt slips have been purchased and are already being used for any partial payment that is received. A partial payment ledger has already been implemented. Bank reconciliations are now matched to the partial payments ledger and other monies being held.

4. Commissions and Written Agreements

Commissions withheld by the former County Collector from some tax receipts were incorrectly calculated. In addition, written agreements with the cities for which property tax collection services are performed are not current.

4.1 Commissions

The former County Collector did not properly withhold commissions from tax collections. The County Collector withheld commissions at a higher rate than allowed by law. The former County Collector calculated commissions as a Bracket 2 collector (as defined in Section 52.260, RSMo), and a 2.5 percent commission was withheld from the first $350,000 collected and 1

percent from all additional amounts collected. The basis for a Bracket 2 collector is total annual taxes levied are less than $2 million. However, total annual taxes levied have exceeded $2 million each year, as documented on the former County Collector's annual settlements for the 4 years ended February 28, 2011. As a result, the County Collector is a Bracket 3 collector and a 1 percent commission should be withheld from all taxes collected. As a result, approximately $5,250 in annual commissions were over-withheld each year from tax collections and paid to the county General Revenue Fund.

Additionally, the former County Collector incorrectly withheld a one-half percent mailing commission on railroad and utility taxes. Section 52.250, RSMo, allows this commission on all current taxes as compensation for mailing the tax statements, exclusive of railroad and utility taxes. As a result, the former County Collector over-withheld and remitted commissions to the General Revenue Fund of $1,232, $1,490, $1,517, and $1,646 for tax years 2010, 2009, 2008, and 2007, respectively.

To ensure commissions are properly computed and paid to the General Revenue Fund, the County Collector should ensure applicable statutes are followed for the computation of commissions. To correct previous errors noted, the County Collector should determine total commissions over-withheld and make appropriate adjustments to tax and commission distributions with approval of the County Commission.

4.2 Written agreements

The county did not have up-to-date written agreements for city property tax collection services performed. The county collects property taxes for the cities of Downing, Glenwood, Lancaster, and Queen City. These agreements provide for amounts to be retained by the county to cover various operating costs and for amounts to be retained personally by the County Collector. The most recent agreements were entered into by the former County Collector in 1998 (Downing and Glenwood), 2000 (Queen City), and 2008 (Lancaster).

Section 50.332, RSMo, allows county officials, subject to the approval of the County Commission, to perform services for cities they normally provide to the county for additional compensation. Section 432,070, RSMo, requires all such contracts to be in writing. Up-to-date written contracts are necessary to clearly address the responsibilities of the cities, county, and County Collector, clearly define the amount of additional compensation to be assessed and paid to the county and County Collector, and address the proper distribution of all amounts collected.

Recommendations

The County Collector:

4.1 Recalculate commissions from past years and withhold from or make adjustments to future distributions to correct for errors noted. In the future, the County Collector should calculate and withhold commissions in accordance with state law.

4.2 Work with the County Commission to obtain current written agreements with the cities for tax collections.

Auditee's Response

The current County Collector provided the following written responses:

4.1 We will look into this matter as time allows.

4.2 The County Collector and County Commission will draw up new contracts for the collection of taxes for each individual city. The contracts will then be presented to each city for review and signatures.

Schuyler County Collector and Property Tax System Organization and Statistical Information

The County Collector bills and collects property taxes for the county and most local governments. Pursuant to Section 52.015, RSMo, the term for which collectors are elected expires on the first Monday in March of the year in which they are required to make their last final settlement for the tax book collected by them. Annual settlements are to be filed with the county commission for the fiscal year ended February 28 (29).

Kathy Roberts was the County Collector during the audit period from March 1, 2007 until August 31, 2011. Tammy Steele was appointed the Schuyler County Collector on October 24, 2011, and sworn into office on November 3, 2011.

The County Collector received compensation of $14,652 for the period March 1 through August 31, 2011. During the years ended February 28 (29), 2011, 2010, 2009, and 2008, the County Collector received compensation of $25,013, $24,871, $24,910, and $23,480, respectively. Compensation was in accordance with statutory provisions.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Schuyler County Collector did not receive any federal stimulus monies during the period March 1, 2007, to August 31, 2011.

Thomas A. Schweich

Missouri State Auditor

Board of Election Commissioners, City of St. Louis

December 2011

Report No. 2011-111

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Board of Election Commissioners, City of St. Louis

Voter Registration	The Board of Election Commissioners, City of St. Louis, (BEC) does not routinely review and update the database of registered voters, and over 2,400 voters were registered in the city and elsewhere in the state. The BEC has made significant improvements in this area since our prior audit in 2004.
Election Services Fund	The BEC deposited the additional 5 percent of election costs charged and collected to the General Fund instead of the Election Services Fund, so it is not clear the monies were used for training programs and additional supplies or equipment to improve the conduct of elections, as required by state law.
Closed Meetings	The BEC did not comply with the Sunshine Law with respect to closed meetings. Roll call votes to go into closed session were not taken and/or recorded in the minutes, the specific reasons for closing meetings were not included in the minutes, and the closed minute meetings indicate unallowable topics were discussed in closed session.
Disbursements	The BEC had no documentation that it solicited bids for five procurements.
Campaign Finance	The BEC does not adequately track all required candidate reports, so there is no assurance complete and accurate candidate reports are filed when due and late fees assessed for violations. For five candidate committees reviewed for the year ended June 30, 2011, two did not file a 40 day report, four did not file the 30 day after report, and three did not file the 8 days before or quarterly reports. In addition, for the April 5, 2011 ballot, 11 out of 29 committees failed to file an organization statement, and three candidates failed to file a termination statement.

In the areas audited, the overall performance of this entity was **Fair.***

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The Board of Election Commissioners, City of St. Louis, did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

Board of Election Commissioners, City of St. Louis
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the Board of Election Commissioners
City of St. Louis, Missouri

We have audited certain operations of the Board of Election Commissioners, City of St. Louis, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2011. The objectives of our audit were to:

1. Evaluate the board's internal controls over significant management and financial functions.

2. Evaluate the board's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the board, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the board's management and was not subjected to the procedures applied in our audit of the board.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures.

The accompanying Management Advisory Report presents our findings arising from our audit of the Board of Election Commissioners, City of St. Louis.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
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1. Voter Registration

Many city voters are registered to vote in both the city and another location, which increases the risk of voter fraud occurring during elections. At our request, the Board of Election Commissioners (BEC) generated a list of potential duplicate registered voters as of June 23, 2011, from the Missouri Centralized Voter Registration (MCVR) database maintained by the Missouri Secretary of State, which showed more than 2,400 voters were registered in both the city and elsewhere in the state. Of these, 231 voters were registered twice in the city and approximately 1,050 voters were listed as active by both the city and another election authority.

The BEC does not have written procedures requiring MCVR records be reviewed for duplicate registered voters. The BEC can review and update voter registration records for duplicate registered voters throughout the state through the MCVR database. However, a review had not been performed since at least November 5, 2010, when the employee responsible for reviewing and updating duplicate voter registrations left employment. In addition, no documentation could be provided to show the review was done prior to this employee's departure. BEC management indicated they were unaware this review had not been performed recently. On June 15, 2011, there were 224,994 voters registered in the city, of which 194,330 were active.

It is apparent the BEC has made improvement in this area, when the 2,400 duplicate registrations noted during the audit are compared to over 15,000 noted in our prior audit (report 2004-040); however, more improvement is needed. The BEC, along with all election authorities, is mandated under the National Voter Registration Act of 1993 (NVRA), to conduct a program to maintain the integrity of voter registration rolls. In addition, NVRA, Section 8, requires states to maintain accurate and current voter registration lists by identifying persons who have become ineligible due to having died or moved outside the jurisdiction.

Recommendation

The BEC periodically review and investigate potential duplicate voter registrations to ensure voter registration records are as accurate as possible.

Auditee's Response

The BEC provided the following written response:

The BEC appreciates and fully complies with its responsibilities under the NVRA. This is reflected in its Mission Statement that states, in relevant part, that the mission of the BEC is to insure that "voter files are kept accurate and up-to-date."

In furtherance of that mission, the BEC utilizes various sources available to it to discharge this responsibility, including (i) the Duplicate Voter Registration Report (the "DVRR") generated by the Missouri Centralized Voter Registration ("MCVR") system maintained by the Missouri Secretary

of State (the "SOS") of voters who may be registered in more than one county in Missouri; (ii) monthly reports from the 22nd Judicial Circuit of convicted felons and persons who have been adjudged incompetent; and (iii) monthly reports from Missouri Department of Health and Senior Services of St. Louis City residents who have died. The BEC also receives voter registration and change of address information from Missouri Department of Revenue driver's license offices and various social service agencies, follows up on returned mail to try to identify voters who may have moved, and cross-checks its voter registration database with counties in Illinois. Any and every suspected violation of a voting law is promptly investigated and the results reported to the appropriate law enforcement officials if warranted.

The Report states (Page 4) that "[m]any city voters are registered to vote in both the city and another location." Although the BEC goes to great lengths to avoid duplicate registrations, it is important to place the word "many" in perspective. As a practical matter, the more than 2,400 potentially duplicate voter registrations found by the auditors represent just over 1% of the nearly 225,000 registered voters in the City of St. Louis. In contrast, the auditors at the time of the last audit of the BEC in 2004 found more than 24,000 questionable voters which was approximately 9.6% of the more than 249,000 registered voters in the City of St. Louis then. Due in part to the introduction of a centralized voter registration database, the BEC has made significant strides to improve its performance in this area in the last seven years.

The BEC conducts an investigation after every federal election of voting activity in surrounding counties, including Illinois, with a view to identifying any instances of suspected voting irregularities (which encompasses not only duplicate voter registrations, but also voters registered at a location which is a vacant lot or which contains a derelict building), with a view to turning over evidence of any such irregularity to the U.S. Attorney and/or the Circuit Attorney for the City of St. Louis. This vigilance on the part of the BEC has resulted in no less than fourteen convictions for voter fraud in the past six years.

There are some election authorities in Missouri that do not regularly check the Duplicate Voter Registration Report ("DVRR") available through the MCVR system. As a result, the SOS periodically issues a written reminder to such election authorities reminding them of their voter registration list-monitoring obligation. The BEC has never received such a reminder from the SOS. Although there is no specific statutory or regulatory mandate concerning the frequency with which list maintenance activity must be performed, it is impossible for the BEC to eliminate all duplicate voter registrations in its database if other election authorities are not fulfilling their responsibilities in this regard.

In analyzing the issue of duplicate voter registrations, it is important to understand that on any given day the DVRR will disclose the names of thousands of voters who appear to be registered in more than one county. For example, the DVRR for June, 2011, which was provided to the auditors, contained more than 5,000 duplicate names; the one for September 2011, contains more than 3,000 such names; and the DVRR for October, 2011 contains nearly 3,600 names. This is because there is no consistency among the various counties in Missouri as to when they check the DVRR and update their records. There is also one election authority in Missouri that is not connected to the MVCR system, which means that the names of voters who might have been registered in that county at one time and are now registered in St. Louis City (or vice versa) always appear on the DVRR.

In checking or "working" the DVRR, staff at the BEC checks every name on the report to verify that the information is accurate and that each voter listed as being registered in both St. Louis City and another county is the same person (i.e., has the same date of birth and/or the same last four digits of their Social Security Number). If so, and the voter's most recent activity is in our jurisdiction, staff merges that individual's voter registration record from the other jurisdiction with ours. Conversely, if the voter's most recent activity is in the other jurisdiction, then staff will delete the voter's registration information from our database. If, in each instance, the "other jurisdiction" is not similarly working the DVRR, then that particular voter's name will appear on the next DVRR printed and worked. In addition, as noted above, since there is one county in Missouri that has its own voter registration database that is not part of MCVR, the names of voters registered both there and in St. Louis City will always appear on the DVRR, even though the BEC has properly worked previous Duplicate Voter Registration Reports.

There are other reasons why names appear on the DVRR For example, a change in the criteria by which MCVR searches for duplicate names may result in more names appearing on the DVRR than before. For example, in comparing the October DVRR with the September list we noticed the addition of the names of some voters that one would have expected to appear on the list previously. This was because MCVR was previously unable to identify as a duplicate voter someone who was registered in one county under a maiden name and in a different county under a married name. Now that such identification is possible, additional duplicate voter registrations will be able to be deleted.

In an effort to further improve its performance in this area the Democratic and Republican Supervisors in the Registration Department are now working the DVRR each month and signing off on the Report after it is worked to verify that the review has been completed. This monthly review requirement is being incorporated in a written Registration Department Procedures Manual that is being developed to insure that anyone new to the BEC will know what is required in this regard. We also anticipated dividing

this work among several staff members during a busy election cycle so that the Report can be worked more frequently.

2. Election Services Fund

The BEC did not deposit the additional 5 percent of election costs charged and collected to the Election Services Fund as required. As a result, it could not be determined whether these monies were spent in compliance with state law. The monies were deposited to the city's General Fund. BEC management indicated they were not aware the revenues should be credited to the Election Services Fund. The BEC charged and collected $64,743 for the additional 5 percent of election costs during the year ended June 30, 2011.

Section 115.065.4, RSMo, states the Election Services Fund shall be budgeted and expended at the direction of the election authority and shall not be used to substitute for or subsidize any allocation of general revenue for the operation of the election authority's office without the express consent of the election authority. The Election Services Fund shall be used by the election authority for training programs and purchase of additional supplies or equipment to improve the conduct of elections.

Recommendation

The BEC ensure the 5 percent election revenues are deposited to the Election Services Fund and budgeted and spent in accordance with state law.

Auditee's Response

The BEC provided the following written response:

The BEC agrees with the recommendation and notes that it is developing a Election Procedure Manual that will set forth written procedures for every department applicable to the conduct of an election that will include a section on election costs and the proper accounting thereof. This Manual will be finalized and in effect for the Presidential Preference Primary Election scheduled for February 7, 2012.

3. Closed Meetings

Procedures for conducting and documenting meetings need improvement.

- The minutes for open meetings do not document the specific reasons for closing the meeting. For example, the open meeting minutes normally indicate the Board has adjourned its regular meeting and entered into closed session to discuss legal, personnel, purchasing, and real estate matters.

- A roll call vote to go into a closed session is not taken and/or recorded in the minutes.

- The closed minutes were not sufficient to demonstrate that issues discussed were allowable under Chapter 610, RSMo, the Sunshine Law.

Some of these issues included approval for payment of legal fees, a Christmas party for the office staff, payment of some vendor bills, employee training, and voter registration cards.

Chapter 610, RSMo, provides that the question of holding a closed meeting and the reason for the closed meeting be voted on at an open meeting by a roll call vote and requires minutes be prepared for all closed meetings. The law also provides that public governmental bodies shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, and limits what types of topics can be discussed in closed meetings.

Recommendation

The BEC ensure compliance with the Sunshine Law regarding closed meetings.

Auditee's Response

The BEC provided the following written response:

The BEC agrees with the recommendation and is pleased to report that, even while the audit was continuing, it had implemented the changes recommended by the auditors. This includes (i) stating on the notice that is posted announcing a Board meeting that the Board may go into closed session pursuant to RSMO Section 610.021 to discuss legal, personnel and real estate matters, if necessary; (ii) reflecting in the minutes of open session a roll call vote to go into closed session; (iii) documenting in the minutes of the closed session that any issues discussed were permissible under the Sunshine Law; (iv) recording the roll call vote of any matters voted on in closed session; and (v) reflecting in the minutes of the open session the roll call votes, if any, taken during closed session.

4. Disbursements

Although BEC personnel indicated bids were probably solicited, no documentation of bids was provided for the following items:

Item or Service	Amount
Transportation costs	$ 12,000
Computer equipment	19,848
Handicap equipment	27,961
Election supplies	2,150
Computer maintenance	30,000

As a result, there is no assurance the BEC is selecting the most economical cost when obtaining goods or services and is in compliance with its informal bid policy.

BEC personnel stated they use vendors approved by the City of St. Louis Supply Division when possible or solicit three bids for goods or services greater than $1,000. Bidding for major purchases helps ensure the BEC

receives fair value by contracting with the lowest and best bidders. Bid documentation should include a list of vendors contacted, a copy of the bid specifications, copies of all bids/proposals received, justification for awarding the bid/proposal, and documentation of discussions with vendors.

Recommendation

The BEC maintain adequate documentation of all bids, including the reasons why bids are not solicited and why certain bids are selected.

Auditee's Response

The BEC provided the following written response:

The BEC agrees with the recommendation and is writing a formal policy regarding the purchase of goods and services that will (i) detail when bids need to be solicited and whether such bids need to be in writing; (ii) require that verbal bids be documented and that all bids be retained for at least three years; and (iii) set forth criteria by which bids are to be evaluated and when factors other than cost should be considered (such as timing; a vendor's prior history with the BEC and/or the City of St. Louis; etc.). It should be noted that the BEC has always requested bids for major purchases of goods and/or services and then selected the vendor whose bid best served the interests of the taxpayers of the City of St. Louis. Per your recommendation, that practice will now be documented.

5. Campaign Finance

The BEC did not perform several duties related to monitoring campaign finance issues to ensure campaign disclosure reports were filed correctly and timely. In addition, the BEC does not maintain an adequate filing, coding, and cross indexing system; notify candidates for failing to file; assess late filing fees; or notify the Missouri Ethics Commission (MEC) of violations.

In April 2010, the BEC entered into a Local Campaign Finance Reporting Waiver Agreement with the MEC. As a result of this agreement, only candidate committees to elect committeemen, committeewomen, members of the Board of Education, and trustees of the Junior College District, or committees formed to support/oppose ballot measures only in the City of St. Louis are required to file campaign reports with the BEC.

5.1 Coding and index system

Several candidate reports were not filed with the BEC as required; however, there was no indication the BEC noted the nonfiling or attempted to resolve or report the non-compliance to the MEC. The BEC has not developed a sufficient and complete coding and cross-indexing system to track all required reports. As a result, there is no assurance required reports are filed when due, the reports filed are reviewed for completeness and accuracy, the person or committee is notified of missing reports, the MEC is notified of violations, and any late fees are assessed.

Between July 1, 2010, and June 30, 2011, there were four elections with 12 candidates who should have filed campaign reports. We reviewed reporting

for 5 of the 12 candidate committees and noted 2 did not file a 40 day report, 4 did not file the 30 day after report, and 3 did not file the 8 days before or quarterly reports as required by law. In addition, the BEC did not notify four of the five candidates or the MEC of the violations. The BEC issued a certificate of election to the winners of these elections although the committees had not filed the required reports with the BEC.

Section 130.056.2, RSMo, states each appropriate election officer accept reports and statements required to be filed with the person's office; develop for the officer's constituency a filing, coding, and cross-indexing system; make the reports and statements filed available for public inspection and copying; preserve such reports and statements for a period of not less than 5 years from the date of receipt; examine each report and statement filed to determine if the reports and statements appear to be complete and filed within the required time; notify a person required to file a report or statement the person has failed to file a report or statement as required by law; and notify the MEC if the person has reasonable cause to believe a violation has occurred. In addition, requirements for disclosure reports are set forth in Section 130.041, RSMo, and the required times to file are specified in Section 130.046, RSMo.

5.2 Statement of organization and termination

The BEC does not ensure all candidates and committees file a statement of organization and a termination statement. As a result, there is no assurance candidates and committees are filing campaign reports with the BEC as required by law. We obtained a list of all candidates and issues appearing on the April 5, 2011, ballot and noted the BEC did not have a statement of organization on file for 11 of 29 committees. In addition, three candidates failed to file a termination statement.

Section 130.021.5, RSMo, states the treasurer or deputy treasurer acting on behalf of any person or organization or group of persons and any candidate who is not excluded from forming a committee in accordance with the provisions of Section 130.016, RSMo, shall file a statement of organization with the BEC. In addition, Section 130.021.8, RSMo, provides upon termination of a committee, a termination statement indicating dissolution shall be filed not later than 10 days after the date of dissolution with the appropriate officer or officers with whom the committee's statement of organization was filed.

Recommendations

The BEC:

5.1 Develop a coding and index system to track failure to file and late filing of campaign finance reports; assess late filing fees as required; and notify candidates, committees, and the MEC when reports are not filed.

5.2 Ensure all candidates and committees file a statement of organization and a termination statement with the BEC as required.

Auditee's Response

The BEC provided the following written response:

The BEC agrees with the recommendations and has begun to develop a tracking system that will be implemented for the December 20, 2011 Special Election to fill a vacancy in the 5th Ward and utilized for all elections thereafter. In this regard, it should be noted that, with changes in the Campaign Finance Disclosure reporting requirements implemented by the MEC in April, 2010, the BEC's responsibility for monitoring the filing of campaign finance reports is limited to candidate committees to elect (i) party city central committeemen and women, (ii) members of the Board of Education, and (iii) trustees of the Junior College District, and committees formed to support/oppose local ballot measures.

Written procedures will be developed to track the filings required of all committees for which the BEC is responsible, and to ensure that all candidates (including those required to file their campaign finance disclosure reports with the MEC) file with the BEC a Statement of Committee Organization or Exemption Statement at the start of a campaign and a post-election Statement of Committee Termination or other document reflecting the committee's status (such as converting to a continuing committee). In the interest of transparency, the BEC will also provide a link on its website so that anyone who is interested can check the status of a committee's campaign finance report filings.

It should also be noted that the BEC did not issue to any winning candidate a certificate confirming their having won their election without verifying that all required campaign finance disclosure reports had been filed. It did, however, fail to document such compliance in each instance. Such failure will not recur with the implementation of the tracking system described above.

Board of Election Commissioners City of St. Louis
Organization and Statistical Information

The Board of Election Commissioners for the City of St. Louis exists pursuant to Section 115.017, RSMo, and was originally established under city ordinance in 1878. The four members of the board are appointed to four year terms by the Governor with the advice and consent of the Senate. Two members shall be from one major political party and two members shall be from the other major political party. The chairman and the secretary must not be from the same political party.

The board's primary duties are to conduct all elections in the City of St. Louis, maintain voter registration records, maintain and review campaign finance reports, and estimate and collect the cost of elections from the state and local political subdivisions who have candidates or issues on the ballot. The board is authorized 24 full-time employees who serve at the pleasure of the board. The board receives most of its funding from the City of St. Louis. Other revenue sources are the reimbursement of election costs from the state and other political subdivisions, and the sale of voter registration lists, precinct maps, copies, and certificates of residency. Monies received are turned over to the City of St. Louis Office of Treasurer for deposit and reported to the Office of Comptroller. Following approval of vouchers by the board, disbursements are handled through the City Comptroller and Treasurer offices. The board does not maintain separate bank accounts. The board's annual operating budgets are set by the Board of Estimate and Apportionment and the Board of Aldermen.

The city is divided into 28 wards and 203 voting precincts. The board attempts to recruit over 1,200 election judges and election day workers and uses about 120 polling places for a citywide election. The board also conducts registration and absentee voting visits to about 20 nursing homes for a citywide election. As of June 16, 2011, there were 194,330 active and 30,664 inactive voters registered in the city. The cost to conduct a citywide election is over $300,000, excluding routine full-time board personnel and operational costs. The following table shows the number of registered voters, number of ballots cast, and the voter turnout for the four elections held during the year ended June 30, 2011.

Election	August 2010	November 2010	March 2011	April 2011
Registered Voters	183,838	188,480	194,060	194,640
Votes Cast	34,152	91,907	13,094	39,474
Voter Turnout	18.58%	48.76%	6.75%	20.28%

Board Members

The board member positions and political party affiliation on June 30, 2011, are listed below:

Joan M. Burger, Chairperson (Democrat)
Jack Lary, Secretary (Republican)
Benjamin M. Phillips, Sr., Member (Democrat)
Andrew L. Schwartz, Member (Republican)

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Board of Election Commissioners did not receive any federal stimulus monies during the year ended June 30, 2011.

Appendix A

Board of Election Commissioners
Statement of Appropriations and Expenditures
Year Ended June 30, 2011

		Appropriation Authority	Expenditures	Lapsed Balance	
GENERAL FUND					
Personal service	$	2,165,997	1,968,952	197,045	*
Materials and supplies		422,321	393,802	28,519	
Equipment, lease, and assets		296,165	280,626	15,539	
Contractual and other services		307,203	284,597	22,606	
Total General Fund	$	3,191,686	2,927,977	263,709	

* The lapsed balance includes $53,500 in employee furloughs ordered by the city.

Appendix B

Board of Election Commissioners
Schedule of Receipts, Disbursements, and Cash Balances - Special Revenue Funds
Year Ended June 30, 2011

ELECTION AND REGISTRATION FUND		
Receipts		
Election reimbursements	$	660,378
		660,378
Disbursements		
Personal service		311,102
Materials and supplies		256,512
Rental and non-capital leases		5,498
Contractual and other services		87,266
		660,378
Receipts over (under) Disbursements		0
Beginning Cash Balance		0
Ending Cash Balance (balance returns to City funds at end of FY)	$	0
ELECTION SERVICES FUND		
Receipts		
SOS/grant reimbursements	$	196,108
		196,108
Disbursements		
Personal service		50,000
Materials and supplies		3,475
Rental and non-capital leases		3,543
Contractual and other services		154,025
		211,043
Receipts over (under) Disbursements		(14,935)
Beginning Cash Balance		85,446
Ending Cash Balance	$	70,511

Thomas A. Schweich

Missouri State Auditor

Pulaski County

November 2011

Report No. 2011-110

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Pulaski County

Prosecuting Attorney Procedures

Although prior audit reports identified inadequacies in the Prosecuting Attorney's procedures, improvements have not been made and significant weaknesses still exist. Some receipts were not recorded in the accounting system or deposited timely, and money orders are not restrictively endorsed immediately. These weaknesses increase the risk of loss, theft, or misuse of funds. Fifty-nine receipts, totaling $8,034, were not deposited or recorded in the accounting system. Auditors were eventually able to account for 40 of these receipts. However, the disposition of 19 receipts, totaling $2,777, could not be verified.

Accounting duties are not adequately segregated, and the Prosecuting Attorney does not conduct a detailed review to ensure all monies are accounted for properly. The Prosecuting Attorney's office lacks an adequate system to account for the disposition of bad check complaint forms, and the auditors identified two complaint forms for which no collection actions had begun. The Prosecuting Attorney's office did not timely perform bank reconciliations and did not follow up on unreconciled differences or outstanding checks. The county owes the Missouri Office of Prosecuting Attorneys $17,754 for fees collected on bad check cases dating back to June 2006.

Sheriff Procedures

The Sheriff's department lacks adequate controls and oversight for managing inmate monies. The cash on hand for inmates was $200 less than the amount shown on inmate account logs. Accounting duties for civil service, inmate monies, and conceal and carry monies are not adequately segregated or reviewed. Receipt slips are not always issued, some receipt slips are unnumbered, and the numerical sequence of numbered receipt slips is not accounted for properly. Civil service fee receipts and conceal and carry permit fee receipts are not deposited timely and intact, increasing the risk of loss, theft, or misuse of funds. The Sheriff's department did not promptly return monies held in trust to released inmates and did not turn certain monies over to the County Treasurer as required by state law. The Sheriff's department should close two old inactive bank accounts with a total balance of over $3,500. Our prior audit reports contained findings similar to most of the findings in this report.

Property Tax System

As noted in our prior audit report, the property tax system lacks adequate internal controls and procedures. Neither the County Clerk nor the County Commission reviews the activities of the County Collector or verifies the County Collector's monthly or annual settlements. Annual settlements do not include tourism taxes, and the County Clerk does not prepare or review the tax books. In addition, various aggregate abstract reports were not consistently prepared as required by state law.

County Procedures

The County Commission meeting minutes did not provide sufficient details to show how some issues discussed in closed meetings were allowable under the Sunshine Law. Outstanding checks are not adequately followed up.

The 2011 county budget understated the principal balance of the Neighborhood Improvement District bonds by nearly $50,000.

Additional Comments

Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.* However, the audit revealed several shortcomings within the Prosecuting Attorney's office and the Sheriff's department.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

During the 2 years ended December 31, 2010, the county was awarded the following Federal Stimulus funds:

- A $288,921 Recovery Act-Assistance to Rural Law Enforcement to Combat Crime and Drugs: Enhancing Rural Corrections, Detention and Jail Operations grant, of which $99,527 was received. The county spent $97,475 for jailor's salaries and other payroll-related expenses and $2,052 for training.
- A $170,502 Recovery Act-Assistance to Rural Law Enforcement to Combat Crime and Drugs: Improving Rural Law Enforcement Investigations grant, of which $64,862 was received. The county spent $60,963 for dispatcher and evidence technician salaries and other payroll-related expenses and $3,899 for a barcode reading program.
- A $58,610 Recovery Act-Edward Byrne Memorial Justice Assistance Grant Program Local Solicitation grant, of which $57,309 was received and expended for rifles, ammunition and other equipment.
- The Senate Bill 40 Board received $12,396 under Title V, Section 5011 of the Recovery Act which provided additional funding through the Medicaid Federal Medical Assistance Percentage grant and the Targeted Case Management Case grant for Medicaid expenditures and case management services.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Pulaski County
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THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Pulaski County

We have audited certain operations of Pulaski County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock and Associates, Certified Public Accountants, has been engaged to audit the financial statements of Pulaski County for the 2 years ended December 31, 2010. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2010. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Pulaski County.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Randall Gordon, M.Acct., CPA, CGAP
In-Charge Auditor:	Gayle Garrison
Audit Staff:	Lori Bryant
	Wayne Kauffman, MBA
	Brian Hammann

1. Prosecuting Attorney Procedures

Prior audit reports have addressed the inadequacy of the Prosecuting Attorney's procedures. Improvements have not been made and significant weaknesses still exist. The disposition of receipts totaling $2,777 was not properly documented. Procedures related to receipts, supervisory review, accounting for bad check complaint forms, and bank reconciliations are in need of improvement. In addition, fees collected on bad check cases have not been properly disbursed. Prosecuting Attorney receipts totaled approximately $211,000 in 2010 and $186,000 in 2009.

1.1 Receipts

Accounting records were not sufficient to verify the disposition of 19 receipts totaling $2,777. The following control weaknesses were noted related to receipt records and procedures.

- Receipts are not deposited intact and some receipts were not recorded in the accounting system or deposited. While receipt slips are written when monies are received, the monies receipted are not reconciled to monies recorded in the accounting system or to monies deposited. Monies received are not always deposited intact with other receipts. Monies received from offenders are not deposited immediately upon receipt if: 1) a case has not been established, 2) the payment is a partial payment on an initial demand for payment of a bad check, 3) the offender has a zero case balance, or 4) the payment is due to another prosecuting attorney or to a court. Some receipts are deposited at later dates if a case is subsequently established.

  Our review of January 2009 through July 2011 receipts identified 59 receipts totaling $8,034 that were not deposited or recorded in the accounting system. However, the disposition of these receipts was not adequately documented. When monies received were forwarded to another Prosecuting Attorney's office or a Circuit Court, or were returned to the offender, documentation such as a receipt slip was not obtained to verify the disposition of the monies. Our review included sending confirmation requests to the offenders, calling the Prosecuting Attorney in another county, and contacting the Circuit Court. These contacts resulted in accounting for 40 of the 59 receipts. However, confirmation responses from four individuals indicated that seven payments totaling $818 were not returned as indicated in the accounting records. Confirmation requests were not returned or information was not adequate regarding the other receipts. Ultimately, documentation was not sufficient and we could not verify the disposition of 19 receipts totaling $2,777.

- Receipts are not recorded in the accounting system or deposited timely. Receipts are recorded in the accounting system when deposits are prepared. Deposits occurred approximately one or two times per week and often exceeded $1,000.

- Money orders are not restrictively endorsed immediately upon receipt. Money orders are received and recorded on a prenumbered receipt slip by one legal assistant and endorsed by a second legal assistant when the monies are recorded in the accounting system and prepared for deposit. However, the endorsement is not a restrictive endorsement and does not indicate "for deposit only."

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, all monies receipted should be recorded in the accounting system timely, deposited intact timely, and disbursed by official check. In addition, monies receipted should be reconciled to the accounting system and to monies deposited. Finally, money orders should be restrictively endorsed immediately upon receipt.

1.2 Supervisory review

Accounting duties are not adequately segregated. One legal assistant receipts restitution, bad checks, and delinquent income tax monies and another legal assistant accounts for the numerical sequence of receipt slips, prepares deposits, records receipts in the accounting system, prepares disbursements, and performs the bank reconciliations. The Prosecuting Attorney does not perform detailed reviews to ensure all monies received are properly deposited, recorded in the accounting system, and disbursed to the appropriate party. Because the legal assistants are primarily responsible for all accounting functions, routine and thorough supervisory reviews are essential. As indicated above, our review identified 19 receipts totaling $2,777 which were not deposited and for which the disposition could not be determined or verified.

Thorough supervisory reviews help ensure all transactions are accounted for properly and assets are adequately safeguarded. Such reviews would reduce the possibility of errors, theft, loss, or misuse of funds going undetected. Internal controls would be strengthened by the Prosecuting Attorney reviewing the receipting, recording, and disbursing functions. Documentation is necessary to demonstrate performance of the reviews.

1.3 Tracking procedures

An adequate system to account for the disposition of all bad checks submitted to the Prosecuting Attorney's office for collection has not been established. Our review identified two complaint forms in a case file that were not entered in the accounting system. As a result, the Prosecuting Attorney's office had not initiated collection on the bad checks indicated on the complaint forms. Currently, merchants complete an unnumbered complaint form when the bad check is turned over to the Prosecuting Attorney for collection. Information from the complaint form is entered into the computer system, and the complaint form and information regarding the handling of the case is maintained in the individual case file. A sequential tracking number is not assigned. Without a tracking procedure, there is no assurance all bad check complaint forms are entered into the system.

To ensure all bad checks turned over to the Prosecuting Attorney are handled and accounted for properly, a sequential number should be assigned to each bad check complaint form or bad check received. This number should be used to track the status and disposition of the corresponding bad check, either through the use of a manual log or by utilizing the computer system.

1.4 Bank reconciliations

Bank reconciliation procedures are not adequate to ensure accounting records agree with bank records, errors are discovered on a timely basis, and outstanding checks are followed up on properly.

- Bank reconciliations were not prepared timely. Most of the 2010 bank reconciliations were prepared several months after the bank statement closing dates. As a result, bank reconciliations, which are prepared using the accounting system, include numerous outstanding transactions to account for receipts and disbursements made after the bank statement closing dates and the reconciliations are unnecessarily complicated.

- Unreconciled differences on the bank reconciliations are not properly investigated and resolved. The August 26, 2011, bank reconciliation indicated the book balance exceeded the reconciled bank balance by $576 although as of December 27, 2010, there was only a $4 difference. The Prosecuting Attorney could not provide further explanations for how the unreconciled differences occurred. Our review identified the following differences between book and bank transactions which account for the $576 difference.

Transaction Description		Transaction Amount
January 26, 2011, Check order charge	$	471
July 6, 2011, Check order charge		38
July 25, 2011, Uncleared adjustment		74
August 2011, Interest earned		(7)
Total	$	576

In addition to the differences shown above, we noted other unreconciled differences occurred and were not corrected timely. For example, a $117 check cleared the bank in January 2011 but was not removed from the outstanding check list until June 2011. Also, 83 checks totaling $12,554 cleared the bank in October 2008, but were not removed from the outstanding check list until March 2009.

- Follow up on outstanding checks has not been performed. As a result, at June 27, 2011, 12 checks totaling $2,158 had been outstanding over a year. Our review identified one check for $905 had been returned to the

Prosecuting Attorney's office by the victim on May 20, 2010. However, the returned check was not canceled in the accounting system nor had the offenders account been corrected to repost the $905 in the offender's undisbursed balance as of August 2011.

Timely preparation and review of bank reconciliations including investigation and correction of unreconciled amounts is necessary to ensure accounting records agree with bank records and errors are discovered on a timely basis. The Prosecuting Attorney should follow up on outstanding checks to ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

1.5 Bad check fees

The county has not made required payments to the Missouri Office of Prosecuting Attorneys (MOPS) for fees collected on bad check cases since January 2007, and as a result, owes MOPS $17,754 as of August 31, 2011. MOPS fees collected by the Prosecuting Attorney's office between January 2007 and August 2011 were remitted to the County Treasurer for deposit in the Prosecuting Attorney User Fund. However, the current and former Prosecuting Attorney did not provide information to the County Clerk regarding the fees to be paid to MOPS. In addition, MOPS fees collected in June, July, and December 2006 were also remitted to the County Treasurer and deposited in the Prosecuting Attorney User Fund, but were not paid to MOPS.

Section 570.120.5(1), RSMo, provides for the Prosecuting Attorney to collect a fee of $5 on each bad check received for prosecution. The MOPS fee must be transmitted at least monthly by the County Treasurer to the Missouri Director of Revenue for credit to the MOPS Fund.

Similar conditions previously reported

Similar conditions to points 1.1, 1.2, and 1.4 were noted in our two prior audit reports.

Recommendations

The Prosecuting Attorney:

1.1 Ensure all monies received are recorded timely in the accounting system, deposited intact timely, and disbursed by official check. In addition, monies receipted should be reconciled to entries in the accounting system and to the monies deposited. Money orders should be restrictively endorsed immediately upon receipt.

1.2 Perform and document supervisory reviews of the receipting, recording, and disbursing functions.

1.3 Develop procedures and records that provide sufficient information to track the disposition of all bad check complaints filed.

1.4 Ensure bank reconciliations are prepared and reviewed timely. In addition, the Prosecuting Attorney should investigate and resolve unreconciled differences on the bank reconciliations and follow up on outstanding checks.

1.5 Remit $17,754 to the Missouri Director of Revenue for MOPS fees previously collected, and remit MOPS fees monthly as required by state law.

Auditee's Response

The Prosecuting Attorney provided the following written responses:

Thank you for allowing me to comment on the findings of your audit. As I took office in January 2011, and this audit primarily focuses on the years 2009 and 2010, I am only able to comment on the situation as I found it at the beginning of this year and the changes we have made and continue to make to improve the Pulaski County Prosecutor's Office.

1.1 When I assumed office in January 2011, I found significant issues and problems with the bad check program. Some of these are issues noted in the audit. The most significant issue I found was the failure to file or follow up on many of the bad checks complaints. The filing of these cases became our priority because of the possibility of the running of the statute of limitations, which would preclude us from the filing of these cases. The second problem I found was the inadequate receipting process and lack of procedures for receiving cashier's checks and money orders. For example, there were two receipt books with duplicate receipts and on one the words, "Stop due to mess on computer," written on the front. Finally, I found the accounting program that the office was using to be confusing and not adequate. This program made it difficult to reconcile the account. As was commented on in the report, these problems have resulted in many deficiencies over the past two years. However, it is important to note that despite these problems, all funds were accounted for and only .0074% of all funds collected and disbursed were not able to be verified and there is no allegation of any theft or misuse of these funds.

As a result of these problems, and at my direction, the office is now following all of the recommendations of the audit report suggested in Recommendation 1.1. All monies are recorded by sequential receipts by one clerk, and deposited by a separate clerk in order to separate duties and reduce the possibility of fraud or misappropriation of restitution monies. Secondly, the office does not accept cash but only certified checks and money orders. Upon receipt, these are stamped with a restricted endorsement of "For Deposit Only." All monies received are now disbursed by official

check. The account is reconciled on a monthly basis. Finally, the office is switching to a new and improved accounting system on January 1, 2012 that also works with the office case management system. This new program will allow the office to more easily account for all receipts and disbursements and integrate it with the case management system.

1.2 *Upon assuming office, as stated above, there were a number of problems discovered with the bad check program. Immediately, a report was developed so that I could personally review the deposits and disbursements at least twice each month. As a result of the recommendations of the audit, I now personally review each bank statement and reconciliation. On January 1, 2012, the switch to the Karpel accounting and case management program, which creates much better reports, will assist in the monitoring of deposits and disbursements. I believe these changes are in accord with the recommendations of the audit.*

1.3 *Upon taking office, we conducted an inventory of numerous boxes of records that were disorganized and in storage. We found numerous bad check complaint forms from merchants that had not been acted upon, and the primary focus has been to pursue as many of those cases as was possible prior to the statute of limitations expiring. It is impossible to assign numbers to the bad check complaint forms when they are disbursed to merchants, as many of these forms are copied by merchants and are designed to be readily available. However, when the forms are received in the office, they are now assigned a case number through the same process as occurs in all other criminal cases referred to my office. This is done through the Karpel case management system, and on January 1, 2012, the bad check function of my office will be fully integrated into the Karpel case management program. This system will allow my office to track the disposition of all bad check complaints which are submitted to my office. Through these changes, I believe all issues raised in the audit will be resolved.*

1.4 *The bank reconciliations are now prepared and reviewed on a monthly basis. The account is reconciled to date. Reconciliation reports are now presented to the Prosecuting Attorney for review and if any problems are found, they are investigated. Any outstanding checks not cashed are investigated and if the rightful owner is not found, the money will be turned over to the State unclaimed property fund in a timely fashion. On January 1, 2012, the switch to the Karpel accounting and case management system will allow for better tracking of bank reconciliations. These changes address the recommendations raised in the audit.*

1.5 It is unclear why the prior Prosecuting Attorney stopped the payments to MOPS as required by statute. Upon learning of this issue, I determined the amount owed for 2011 and a payment was immediately made to the State Treasurer. All payments for 2011 are now current. In addition, we developed a report to send to the County Treasurer informing her of the amount to pay each month. As to the payments for 2007-2010, I must leave that decision to the County Commission as all funds for those years were turned over to the County's General Revenue fund in each of those years.

2. Sheriff Procedures

Procedures related to inmate monies, supervisory reviews, receipts, deposits, disbursements, and bank accounts need improvement. Sheriff receipts totaled approximately $286,000 in 2010 and $329,000 in 2009.

2.1 Inmate monies

Cash totaling $1,392, was held in the Sheriff's vault in trust for inmates as of June 28, 2011. Cash on hand held for inmates was $200 less than the balances recorded on the inmate account logs. The lack of adequate controls and the absence of proper oversight allowed this discrepancy to remain undetected. In addition, records are inadequate to account for all inmate monies received and returned to inmates. A reconciliation of monies on hand in the inmate envelopes to the inmate manual account logs is not performed. Our review indicated cash shortages for four inmates ranging from $2 to $144 and cash balances for three additional inmates exceeded the inmate manual account logs by as much as $5.

Receipt slips are issued when inmate monies are received, and a manual account log is used to document cash held in the Sheriff's safe in trust for inmates and the release of monies from the safe to the inmates. However, all monies receipted are not recorded on the inmate logs and inmate signatures are not always obtained to document authorization to disburse monies. Some monies are released to inmates immediately upon receipt for use in the jail commissary vending machines. These receipts and disbursements are not recorded in the inmate logs or verified by inmate signatures. In addition, although inmate signatures are obtained when inmates withdraw monies for use in the jail vending machines, signatures are not obtained when monies are withdrawn to purchase prepaid telephone cards.

To reduce the risk of loss, theft, or misuse of funds, all monies received should be deposited in an official bank account. In addition, all inmate monies received should be recorded on the inmate account logs and all disbursements should be clearly documented on the log. The inmate's signature should be obtained on the log each time monies are disbursed. Any cash balances which remain on hand should be periodically reconciled to the inmate logs.

2.2 Supervisory review

Accounting duties are not adequately segregated for civil service, inmate monies, or conceal and carry monies. The duties of recording receipts in the accounting records, preparing deposits or maintaining inmate cash funds, and accounting for the numerical sequence of receipt slips are primarily performed by one individual for each of these receipt sources. The Sheriff does not perform detailed reviews to ensure all monies received are properly deposited or placed in the respective inmate's cash envelopes, recorded in the accounting records, and disbursed to the appropriate party.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, the Sheriff should develop a system to review monies received that would include reconciling all monies received to deposits, transmittals, or entries on the inmate account logs.

2.3 Receipts

Receipt procedures need improvement. Various individuals collect monies for bonds, conceal and carry weapon permits, sales of prepaid telephone cards to inmates, and inmate funds and periodically remit those monies to the Chief Deputy. In addition, the Chief Deputy collects monies for serving civil papers and other miscellaneous receipts.

- The Sheriff issues unnumbered receipt slips for cash bonds received at the jail.

- Receipt slips were not issued for inmate monies until February 2011, although inmate monies were collected throughout the 2 years ended December 31, 2010. As a result, documentation is not adequate to demonstrate that inmate monies were properly maintained and distributed on behalf of the inmates.

- The numerical sequence of receipt slips for civil paper service, inmate monies, and conceal and carry permits are not accounted for properly. Three separate receipt books are maintained by various individuals for these three receipt sources. However, no one accounts for the numerical sequence of the receipts to ensure all civil paper service receipted are properly deposited, all inmate monies receipted are properly recorded in the inmate account logs, and all conceal and carry permit monies receipted are properly deposited or transmitted to the Chief Deputy.

To properly account for all monies received, the Sheriff should ensure all monies received or transmitted are recorded on prenumbered receipt slips immediately upon receipt and account for the numerical sequence of all receipt slips.

2.4 Deposits

Civil service fee receipts and conceal and carry permit fee receipts are not deposited intact.

- Civil service fee receipts, which may include payments in the form of cash, are held for long periods of time and are not deposited intact or timely. Civil service fees are paid before the civil papers are served; however, the fees are held by the Chief Deputy until the civil papers are served and are then deposited. Deposits were made on five different days during December 2010, and the amounts deposited averaged approximately $4,100. At June 15, 2011, the undeposited civil service fees receipts totaled $4,125, including $130 in cash, and 44 checks dated between January 20, 2011, and June 14, 2011.

- The deposit and transmittal of state and county conceal and carry permit fees collected are not performed at the same time. Although received on the same day, the state fee may be deposited to the conceal and carry bank account on a different day than when the county fee is transmitted. The county fee is subsequently deposited to the Sheriff's fee account but these receipts are not deposited intact. As a result, the verification of monies on hand and the ultimate disposition of monies is made more difficult.

To adequately account for collections and reduce the risk of loss, theft, or misuse of funds, deposits should be made intact and in a timely manner.

2.5 Disbursements

Monies are not disbursed on a timely basis.

- In July 2011, cash totaling $293 was held in the safe for 17 inmates that had been released from jail. The release date for one inmate could not be determined because the inmate's records could not be located by the Sheriff. The release date for six individuals was in 2010 and ten individuals in 2011. These closed account balances create additional and unnecessary record keeping responsibilities.

- A $400 electronic funds transfer was received from the Social Security Administration on October 22, 2010, due to the incarceration of an individual who was receiving Social Security benefits. However, these monies had not been turned over to the County Treasurer as of July 2011.

- Interest totaling $1,106 earned on the bank accounts has accumulated during the 2 years ending December 31, 2010, and had not been turned over to the County Treasurer as of July 2011.

To ensure monies held in trust for inmates is properly returned to inmates, an attempt should be made to disburse inmate accounts to inmates upon their release. The Sheriff should also attempt to locate prior inmates with account balances and disburse the inmate funds to the inmates. If the inmates cannot be located, the amounts should be disbursed to the state

Unclaimed Property Section as required by Sections 447.500 through 447.595, RSMo. In addition, all accountable receipts and interest earned should be turned over to the County Treasurer monthly to reduce the risk of misappropriation of assets.

2.6 Inactive bank accounts

The Sheriff has two old inactive bank accounts which should be closed.

- The old inmate account was used prior to 2010 for holding inmate monies received, and had a balance of $2,560 as of May 31, 2011. Bank reconciliations were not performed during the 2 years ended December 31, 2010, and the Sheriff is unsure when the last reconciliation was performed for this account. Our review determined there was an unidentified balance of $128 in the account at December 31, 2010.

- The old fee account had a balance of $945 as of December 31, 2010. This balance consisted of 47 checks which had been outstanding over a year.

To reduce the risk of loss, theft, or misuse of funds, inactive bank accounts should be reconciled and outstanding checks should be followed up timely. The Sheriff's Department should attempt to identify and distribute the funds held in old inactive bank accounts, dispose of any unclaimed or unidentified funds in accordance with state law, and close the accounts.

Similar conditions previously reported

Similar conditions to points 2.2 and 2.3 were noted in our prior audit report and similar conditions to points 2.4, 2.5, and 2.6 were noted in our two prior audit reports.

Recommendations

The Sheriff:

2.1 Deposit all inmate monies in an official bank account and ensure inmate monies are accounted for properly by recording all inmate monies received on the inmate account log and requiring the inmate signatures on the logs each time monies are withdrawn. In addition, the Sheriff should implement procedures to ensure independent reconciliations are periodically performed between monies held in trust for inmates and the inmate account logs.

2.2 Perform supervisory reviews to ensure receipt slips in the inmate, conceal and carry, and control receipt books are accounted for properly and agree to monies deposited, transmitted, or recorded in the inmate account logs.

2.3 Issue prenumbered receipt slips immediately on receipt of all monies received. In addition, the Sheriff should account for the numerical sequence of receipt slips.

2.4 Deposit all monies intact timely and distribute monies by official check.

2.5 Ensure attempts are made to resolve unpaid balances of closed inmate accounts and inmate account balances are disbursed when an inmate is released. If the payees cannot be located, these monies should be disposed of in accordance with state law. In addition, the Sheriff should turn over all receipts and interest to the Treasurer monthly.

2.6 Ensure bank reconciliations are prepared for all old bank accounts monthly. In addition, the Sheriff should investigate unidentified balances and follow up on old outstanding checks in the bank accounts. Unclaimed monies should be disposed of in accordance with state law, and the accounts should be closed.

Auditee's Response

The Sheriff provided the following written responses:

2.1 We will retrain the jail staff and require all money deposited by receipt on a numbered receipt. Inmates will sign for the money or it will not be given to them. The Sheriff will account for the numerical sequence of the receipts. The Sheriff will consider best practices for the office giving consideration to the use of a bank account. However, the cash envelope system currently appears to work the best.

2.2 The Sheriff and senior staff will review and reconcile receipts to deposits monthly on a test basis. The conceal and carry weapon permits (CCW) money procedure has already been changed and the County Treasurer picks up the money daily. Unfortunately due to budget issues we still only have two employees in the main office that handle our cash flow.

2.3 The numbered receipt books have been ordered for inmate accounts. The civil fee and CCW accounts have always used prenumbered receipts. The Sheriff will check the receipt number sequence on a regular basis. I have asked the Pulaski County Circuit Clerk who supplies the receipt book we use to accept cash bonds for her office via our on duty dispatch people after the courthouse has closed to give us a numbered receipt book. She agreed to do so.

2.4 As stated the CCW money is now picked up and deposited daily by the County Treasurer. The civil fee checks are immediately stamped for deposit only as we receive them. It is my policy to hold these checks in a secure location until the job is complete. Then only one accounting transaction is required to close out that case. The clerk can zero balance at any time. In your report I did not see any un-deposited civil fee checks listed for the audit years of 2009 and 2010 that were covered by this audit. This is no mention of any funds missing. The only checks listed as not deposited were active cases from 2011 that we are still working on.

2.5 We are behind in the closure of these inmate accounts. We will work to close these accounts out as soon as possible with our current budgeted personnel. The $400 has been turned over and interest has been turned over and interest will be remitted yearly.

2.6 We shall reconcile and close out the old bank accounts as soon as possible.

3. Property Tax System

The County Clerk and the County Commission do not provide adequate monitoring of property tax system activities. The County Collector's annual settlements were not complete, and aggregate abstracts were not filed with the Missouri Department of Revenue (DOR) and the State Tax Commission (STC). Annual settlements prepared by the County Collector indicated that for the years ended February 28, 2011 and 2010, approximately $16.7 million and $15.2 million, respectively, was collected.

3.1 Account book

Neither the County Commission nor the County Clerk provide a review of the activities of the County Collector. The prior County Clerk had a computer spreadsheet to summarize taxes charged and collected and had posted activity through November 2010 prior to her leaving office; however, the new County Clerk had not updated the spreadsheet since he took office. In addition, no evidence was provided to indicate procedures are performed by the County Clerk or the County Commission to verify the County Collector's monthly or annual settlements.

Section 51.150(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records which summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector each year are complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's monthly and annual settlements. Such procedures are

intended to establish checks and balances related to the collection of property taxes.

3.2 Tax books

The County Clerk does not prepare or verify the accuracy of the current or delinquent tax books. The County Collector extends and prints the tax books and tax statements and verifies the accuracy of amounts to be collected. The County Collector is responsible for collecting property tax monies, and good internal controls require someone independent of that process be responsible for generating and testing the accuracy of the property tax books. Failure to perform reviews of the tax books may result in errors or irregularities going undetected. A review of the tax books should include verification of individual entries in the tax books and recalculating total tax book charges.

Sections 137.290 and 140.050, RSMo, require the County Clerk to extend the current and delinquent tax books and charge the County Collector with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the tax books, at a minimum, the accuracy of the tax books should be verified and approval of the tax book amounts to be charged to the County Collector should be documented.

3.3 Annual settlements

Annual settlements for the 2 years ended February 28, 2011, do not include several miscellaneous taxes and fees, including tourism tax totaling approximately $666,000 in 2011 and $609,000 in 2010.

To help ensure the validity of tax book charges, collections, and credits, and for the County Clerk and the County Commission to properly verify these amounts, it is imperative the County Collector file accurate and complete annual settlements. Section 139.160, RSMo, requires the collector to settle accounts of all moneys received on account of taxes and other sources of revenue.

3.4 Aggregate abstracts

The Land and Personal Tax Aggregate Abstract and the Railroad and Utility Aggregate Abstract were not prepared for the 2010 and 2009 tax years. The Back Tax Aggregate Abstract was not prepared for the 2011 tax year. Section 137.295, RSMo, provides for the County Clerk to prepare these reports and forward them to the DOR and STC.

Similar conditions previously reported

Similar conditions to points 3.1, 3.2, and 3.3 were noted in our prior audit report.

Recommendations

3.1 The County Commission and the County Clerk monitor property tax system activities and perform a thorough review of the County Collector's settlements. In addition, the County Clerk should maintain a complete and accurate account book with the County Collector.

3.2 The County Clerk prepare the current and delinquent tax books or, at a minimum, verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts.

3.3 The County Collector file complete and accurate annual settlements.

3.4 The County Clerk prepare and file the tax aggregate abstracts with the DOR and STC in a timely manner.

Auditee's Response

The County Commission provided the following response:

3.1 The County Commission agrees and will implement monthly and annual reviews of the County Collector's collection reports and the County Clerk's account book.

The County Clerk provided the following responses:

3.1 He agrees. Since assuming duties of the County Clerk's office in 2011, and becoming aware of the duties related to the account book, he has updated and maintained an account book to verify the Collector's monthly and annual collection reports.

3.2 He agrees and will implement procedures to verify the accuracy of the tax books.

3.4 He agrees and will ensure these reports are prepared and submitted in a timely manner.

The County Collector provided the following response:

3.3 She is not charged with the collection of specific amounts of Tourism Tax and had not considered the collections that were remitted to the County Treasurer each month to be reportable revenues. However, she will begin including the Tourism Tax collections and distributions in the Collector's annual settlement reports.

4. County Procedures

Procedures related to closed meetings, outstanding checks, and county budgets are in need of improvement.

4.1 Closed meetings

The County Commission meeting minutes did not provide sufficient details to show how some issues discussed in closed meetings were allowable under the Sunshine Law. We identified six instances where the closed meeting minutes disclosed some issues discussed that did not appear to be allowable under the Sunshine Law. For example, the County Commission discussed general issues about inmate medical care contracts, a

Sunshine Law document request for records on three county roads, courthouse cleaning issues, legal bills to be paid, and budget issues.

The Sunshine Law, Chapter 610, RSMo, states the specific reasons governmental bodies are allowed to close a public meeting. Issues not specifically allowed by the Sunshine Law should not be discussed in closed session.

4.2 Outstanding checks

The status of outstanding checks is not followed up. The prior County Treasurer had not performed bank reconciliations for September 2009 through December 2010. As of August 2011, the current County Treasurer had performed a reconciliation of the July 2011 bank statement but had not prepared reconciliations for the January 2011 through June 2011 bank statements. The July 2011 reconciliation indicated, at July 31, 2011, 306 checks totaling $6,434 had been outstanding over a year with one check dating back to 2001.

Procedures to routinely follow up on outstanding checks are necessary to ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

A similar condition was noted in our prior audit report.

4.3 County budgets

The payments and outstanding principal balances reflected in the county budget long-term debt schedules for 2008 through 2010 were not accurate for the Neighborhood Improvement District bonds. Beginning with the 2008 bond activity schedules, the payments reported in the county budgets incorrectly included accumulated interest amounts. The payments reported should only have included the principal portion of the payments. As a result, the principal balance reported in the 2011 county budget at December 31, 2010, was understated by nearly $50,000.

Accurate county budget information is necessary to ensure the county, its citizens, and other users of the county budgets have accurate data to assist in making properly informed decisions.

Recommendations

4.1 The County Commission ensure only allowable topics are discussed in closed meetings.

4.2 The County Treasurer routinely follow up on outstanding checks. In addition, old outstanding checks should be voided and reissued to payees who can be readily located. If the payees cannot be located, the monies should be disposed of in accordance with state law.

4.3 The County Commission and County Clerk ensure information reported in the county budget is accurate and agrees to external supporting documents when possible.

Auditee's Response

4.1 The County Commission provided the following response:

The County Commission agrees and will ensure information discussed in closed sessions is clearly documented and allowed by state law.

4.2 The County Treasurer provided the following written response:

Upon entering the Treasurer's Office on January 3, 2011, I was aware that bank statements had not been reconciled and outstanding checks as well had not been tracked.

I made it my priority with the first 60 days to start the reconciliation process (which involved the current bank account, as well as the previous bank account), by tracking the outstanding payroll, accounts payable, and Treasurer's warrant checks, jury script checks, voided checks, stop payments, and re-issued checks, from September 2009 through December 2010. I also started tracking check status from January 2011 to the present, which is the start of my term. Without the outstanding check information, I could not even begin to reconcile bank statements starting January 2011 let alone prior to my term. This resulted in 5 separate outstanding check lists from 2 separate banks and 3 separate years. To date bank accounts have been reconciled from October 2011 back to June 2011, January 2011, February 2011, and March 2011.

I took action to settle as many of the outstanding checks as possible. I first provided the banking facilities with a list of outstanding checks I compiled. These lists were verified as outstanding and stop payments were put on those checks written from the current account. The prior account list (closed on April 15, 2010), was verified as still outstanding. No additional action was taken on these checks as all county checks are printed with a 6 month void notation. As of October 5, 2011 bank correspondence showed none of the checks had cleared.

The next action taken was notifying the various entities (cities, school districts, fire districts, employees, citizens), of outstanding funds in their name. Stop payments were placed on checks, and those checks were re-issued, in the amounts of several thousands of dollars. I also began to work on locating as many persons possible with outstanding jury script checks. I sent out letters to last known

addresses on file, placed phone calls, and contacted family members to try to locate individuals. Due to a transient community, many of them Military members, persons move with no forwarding information. I currently am in the process of turning over unclaimed funds in accordance with State Statute. This process will be complete by year end 2011.

4.3 The County Commission and County Clerk provided the following response:

They agree and will ensure information reported on the county budget is accurate.

Pulaski County
Organization and Statistical Information

Pulaski County is a county-organized, third-class county. The county seat is Waynesville.

Pulaski County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 75 full-time employees and 12 part-time employees on December 31, 2010.

In addition, county operations include the Senate Bill 40 Board, the Senior Citizens Service Board, and eight Neighborhood Improvement Districts.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2011	2010
Don McCulloch, Presiding Commissioner	$	34,670
Bill Farnham, Associate Commissioner		32,670
Rickey Zweerink, Associate Commissioner		32,670
Rachelle Beasley, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Diana Linnenbringer, County Clerk		49,500
Deborah A. Hooper, Prosecuting Attorney		96,000
J. B. King, Sheriff		55,000
Morris Roam, County Treasurer		49,500
Mikel Hartness, County Coroner		16,600
Loretta Rouse, Public Administrator		49,500
Terri Mitchell, County Collector (2), year ended February 28,	56,055	
Roger Harrison, County Assessor , year ended August 31,		49,500
John Mackey, County Surveyor (3)		140

(1) Compensation is paid by the state.

(2) Includes $6,555 of commissions earned for collecting city property taxes.

(3) Compensation on a fee basis.

Financing Arrangements

The county has established eight Neighborhood Improvement Districts. The county issued general obligation bonds to finance the projects and levied special assessments on the property located in the districts to pay the debt principal and interest. The bonds are repaid for four of the eight districts as of December 31, 2010. The remaining principal due for the other four districts at December 31, 2010, was $208,000.

The county has entered into several lease purchase agreements for road and bridge equipment. At December 31, 2010, the principal balance of the leases totaled $227,438. Principal and interest payments are made from the Special Road and Bridge Fund.

The county entered into a 0 percent interest lease purchase agreement with the Missouri Department of Transportation for purchase of real estate including a maintenance shed. At December 31, 2010, the principal balance of the lease totaled $19,130. Payments are made from the Special Road and Bridge Fund.

The county entered into a loan from the Courthouse Sales Fund to the General Revenue Fund in 2008. At December 31, 2010, the principal balance of the loan totaled $100,000. Interest on the loan is charged at the same rate the county receives on its deposits.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

According to county personnel, the county was awarded the following American Recovery and Reinvestment Act of 2009 funding during the 2 years ended December 31, 2010:

A Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs: Enhancing Rural Corrections, Detention and Jail Operations grant totaling $288,921 was awarded by the U.S. Department of Justice for payroll and payroll-related expenses to allow the Sheriff's Department to hire additional jailers. During the year ended December 31, 2010, $99,527 was received. The county spent $97,475 for jailors' salaries and other payroll-related expenses and $2,052 on training.

A Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs: Improving Rural Law Enforcement Investigations grant totaling $170,502 was awarded by the U.S. Department of Justice for payroll and payroll-related expenses to allow the Sheriff's Department to hire additional dispatchers, hire an evidence technician, and purchase a barcode reading program to enhance the tracking of seized property. During the year ended December 31, 2010, $64,862 was received. The county spent $60,963 for dispatcher and evidence technician salaries and other payroll-related expenses, and $3,899 on a barcode reading program.

A Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program Local Solicitation grant totaling $58,610 was awarded by the U.S.

Department of Justice for the purchase of equipment in the Sheriff's Department. During the year ended December 31, 2010, $57,309 was received and expended for rifles, ammunition, and other equipment.

These grants affected the local economy by providing employment for eight individuals. Per discussions with county personnel, employment is difficult to find in Pulaski County and it is a real possibility that the individuals who received employment due to these grants would not have been able to find employment elsewhere in Pulaski County. At this point in time, these positions do not appear to be sustainable and the positions may be vacant when the ARRA grant monies are fully expended. Other revenue streams to continue to employ these individuals in their current capacity have not yet been identified. The General Revenue Fund has a limited balance and it does not appear the General Revenue Fund could support the payroll costs for these individuals.

For the years ended December 31, 2010 and 2009, the Senate Bill 40 Board received $12,396 under Title V, Section 5001 of the Recovery Act which provided additional federal funding through the Medicaid Federal Medical Assistance Percentage grant and the Targeted Case Management grant. These grants were awarded by the Missouri Department of Mental Health. The payments were made for Medicaid expenditures reported between October 1, 2008, and December 31, 2010, and for case management services provided.

Thomas A. Schweich

Missouri State Auditor

Thirty-Eighth Judicial Circuit

City of Sparta Municipal Division

November 2011

Report No. 2011-109

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Thirty-Eighth Judicial Circuit, City of Sparta Municipal Division

Receipting and Depositing	The audit identified significant weaknesses with receipting and depositing procedures, making it difficult to ensure all monies are accounted for properly. The municipal division does not issue receipt slips for all monies collected, does not reconcile receipt slips to deposits, and does not always note whether cash, check or money order was used for the payment. Receipts are not deposited timely and intact, and the Court Clerk often issues bond refunds in cash from municipal division receipts.
Liabilities and Disbursements	Monthly lists of liabilities are not accurate. The municipal division bank account does not have adequate funds to pay everything owed because the municipal division overpaid the Police Fund by almost $2,000. In addition, the municipal division does not timely disburse or adequately investigate bonds and partial payments remaining on the liabilities list for extended periods of time. The municipal division does not disburse fines and court costs to the city and state at least monthly as required by state law.
Segregation of Duties	The municipal division does not adequately segregate the duties of receiving and depositing monies from that of recording transactions and does not provide sufficient supervision or review of these duties. Proper segregation of duties or a documented independent review helps safeguard against possible loss or misuse of funds.
Records and Reporting Procedures	The municipal division did not prepare and file with the city a monthly list of all cases heard, as required by state law. The municipal division did not maintain a comprehensive list of all monies owed by defendants, making it difficult to monitor the amounts due and ensure payments are processed correctly. Municipal division personnel could not readily locate older case files and receipts records. Moreover, some court records were left unsecured on top of the Court Clerk's desk, which is often used by other city employees and volunteers; such records should be secured to maintain the integrity and confidentiality of the information.
Traffic Ticket Accountability	Neither the city Police Department nor the municipal division adequately accounts for the numerical sequence and ultimate disposition of traffic tickets issued. The Police Department tracks the ticket book numbers, but some ticket books were skipped and relevant information was not always recorded. In addition, voided tickets are not tracked, and the disposition of each ticket is not recorded, making it difficult to ensure all tickets issued are properly submitted for processing.

In the areas audited, the overall performance of this entity was **Poor**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The Thirty-Eighth Judicial Circuit, City of Sparta Municipal Division did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Thirty-Eighth Judicial Circuit
City of Sparta Municipal Division
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THOMAS A. SCHWEICH
Missouri State Auditor

Presiding Judge
Thirty-Eighth Judicial Circuit
and
Municipal Judge
City of Sparta, Missouri

We have audited certain operations of the City of Sparta Municipal Division of the Thirty-Eighth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the 3 years ended June 30, 2011. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.

2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Sparta Municipal Division of the Thirty-Eighth Judicial Circuit.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Natalie B. McNish, CGAP

1. Receipting and Depositing

Significant weaknesses were identified with receipting and depositing procedures of the municipal division. As a result, there is no assurance all municipal division receipts are accounted for properly.

1.1 Receipts

Receipt slips are not issued for some monies received, and the method of payment (cash, check, or money order) is not always recorded on receipt slips and reconciled to deposits.

In addition, city water/sewer manual receipt slips were issued for some municipal division monies received, but these receipts were not reconciled to municipal division receipt records to ensure the monies were recorded by the municipal division and deposited. The original copy of these receipt slips was given to the defendant and the duplicate copy was removed from the receipt book and stapled into the case file making it difficult to track municipal division receipts comingled with city receipts and ensure all monies were accounted for properly.

To ensure all receipts are properly recorded and deposited intact, receipt slips, with the method of payment documented, should be issued for all monies received, and the composition of receipt slips should be reconciled to the composition of deposits. In addition, municipal division monies collected by the city should be recorded separately from water and sewer receipts with copies of the receipt slips remaining intact in the receipt book and reconciled to municipal division receipt records to ensure the monies were properly deposited.

1.2 Deposits and cash refunds

Receipts are not deposited intact or in a timely manner, and numerous bond refunds were issued from cash receipts. Three deposits of municipal division monies were made on April 8, 2011, totaling more than $5,000 and included monies received as far back as February 22, 2011. In addition, receipts are not deposited intact because the Court Clerk often issues bond refunds in cash. For example, recorded receipts on June 1 and 2, 2011, totaled $2,190; however, only $1,790 was deposited on June 8, 2011. Upon further review, we found a $400 bond was refunded to a defendant using cash from municipal division receipts.

To ensure all receipts are accounted for properly and deposited intact, monies should be deposited timely and all refunds should be made by check. The failure to deposit timely increases the risk of theft or misuse of funds. Also, issuing cash refunds further inhibits the municipal division's ability to reconcile the composition of receipts and deposits.

Recommendations

The City of Sparta Municipal Division:

1.1 Issue receipts slips for all monies received, document the method of payment on receipt slips, and reconcile the composition of receipt

slips to the composition of deposits. Additionally, the municipal division should work with the city to ensure municipal division monies received by the city are separately recorded and reconciled to municipal division receipt records.

1.2 Deposit monies intact and in a timely manner, and discontinue the practice of issuing cash refunds for bond monies.

Auditee's Response

The Municipal Judge provided the following responses:

1.1 I will take the necessary steps to ensure receipt slips are issued for all monies received, the method of payment is documented and the composition is reconciled as recommended. Only municipal court receipt books will be utilized for recording court monies in the future.

1.2 At my instruction, the practice of issuing cash refunds for bonds was recently discontinued and I will take steps to ensure deposits are made intact and timely in the future.

2. Liabilities and Disbursements

Monthly lists of liabilities are not complete and reconciled to monies available in the municipal division bank account. Additionally, procedures have not been established to routinely investigate bonds and partial payments remaining on the liabilities list over a specified period of time. Further, court costs are not disbursed timely.

2.1 Liabilities

The monthly list of liabilities is not accurate, and because of overpayments made to the Police Fund, the municipal division bank account does not have adequate funds to pay all amounts owed. In addition, the division does not adequately follow up on bonds held for an extended period of time, forfeit bonds to the city in a timely manner, or disburse partial payments timely.

Prior to May 2011, monthly bank reconciliations for the municipal division's two bank accounts (bond account and fines/court cost account) were not performed or documented, and liabilities lists were not prepared and reconciled to the monies available in the municipal division bank accounts. In April 2011, the city hired a consultant to reconcile municipal division records and prepare a liabilities list. During this process, the bond account was closed and the balance transferred to the fines/court cost account.

As of June 30, 2011, the liabilities list included 11 bonds totaling $2,750; however, this list was incomplete and inaccurate. We identified one $200 bond on the list that was disbursed in December 2010. Also, 20 additional bonds and six partial payments totaling $3,679 should have been included on the list, making the total liabilities $6,229 as of June 30, 2011.

The municipal division bank account had a reconciled balance of $4,300 as of June 30, 2011. The shortage in this account is primarily caused by two overpayments made to the city Police Fund. In May 2010, without any documented reason, the former Court Clerk disbursed $1,000 to the Police Fund. In April 2011, the municipal division overpaid fines and costs due to the Police Fund by $964. These monies should be repaid to the municipal division bank account.

We identified 20 bonds totaling $2,900 which were held by the municipal division in excess of a year. Of these 20 bonds, 19 bonds totaling $2,850 had been ordered forfeited to the city by the Municipal Judge, but the bonds were not disbursed. We also identified six partial payments, totaling $779, which were deposited into the bond account in February 2011, but not disbursed. Of this amount, fines and costs of $744 are currently payable to the city and one $35 refund is due to a defendant.

Liabilities should be identified at each month-end and reconciled to the bank account balance to ensure accounting records are in balance and monies held in trust are sufficient to meet the payment of all liabilities. Such reconciliations would allow for prompt detection of errors. Unidentified differences should be investigated immediately and appropriate action taken. Additionally, to properly monitor liabilities and ensure monies are appropriately disbursed, procedures should be established to routinely investigate bonds and partial payments remaining on the liabilities list over a specified period of time. Further, forfeited bonds should be disbursed to the city in a timely manner.

2.2 Court costs

Fines and costs collected by the municipal division are not always disbursed to the city and state in a timely manner. For example, fines and costs collected February 22 through April 26, 2011, were not disbursed to the city until April 28, 2011.

Section 479.080, RSMo, requires the municipal division to disburse fines and court costs to the city or state, as applicable, at least monthly.

Recommendations

The City of Sparta Municipal Division:

2.1 Prepare monthly liabilities lists and reconcile lists to the balance in the municipal division bank account. In addition, the Municipal Division should disburse $1,964 from the Law Enforcement Fund to the Municipal Division bank account, and develop procedures to monitor liabilities and ensure monies are appropriately disbursed.

2.2 Disburse fines and costs in a timely manner.

Auditee's Response

The Municipal Judge provided the following responses:

2.1 I will ensure the Court Clerk performs the actions recommended to properly reconcile, monitor, and disburse court monies as required.

2.2 I will take steps to ensure monies are disbursed to the city on a monthly basis.

3. Segregation of Duties

The duties of receiving and depositing monies are not adequately segregated from recording transactions. The Court Clerk performs all duties related to collection of funds, deposit preparation, and posting fines and court costs received. Neither the Municipal Judge nor other city officials independent of the cash custody and record keeping functions provide any supervision or review of the work performed by the Court Clerk.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, a documented independent review of the work performed by the Court Clerk is necessary.

Recommendation

The City of Sparta Municipal Division segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.

Auditee's Response

The Municipal Judge responded that he plans to discuss this issue with city officials and develop procedures for adequate independent or supervisory review.

4. Records and Reporting Procedures

The municipal division has not prepared and filed with the city a list of cases heard each month as required by state law. A comprehensive control ledger showing the total amount owed by defendants is not maintained, and other procedures for maintaining municipal division records need improvement.

4.1 Report of cases heard

A monthly list of all cases heard is not prepared and filed with the city. Without such a report, the city cannot effectively monitor municipal division activity and ensure monies are properly remitted.

Section 479.080.3, RSMo, requires the Court Clerk to prepare a monthly list of all cases heard in the municipal division court, including the names of the defendants and fines and court costs imposed, to be verified by the Court Clerk or Municipal Judge and filed with the city.

4.2 Accounts receivable

A comprehensive control ledger showing the total amount owed by defendants to the municipal division is not maintained. Defendants are allowed to pay fines and court costs over a period of time, and the Court Clerk keeps track of these payments on the docket sheet attached to the cover of each case file, or on a separate sheet in the case file. Defendants making payments on a payment plan appear on the court docket each month; however, if a defendant fails to pay and a warrant is issued, the case no longer appears on the monthly court docket and a separate list of these cases and the amounts due is not maintained.

A complete and comprehensive control (or summary) ledger showing the total amounts owed by defendants and payments would allow the municipal division to properly monitor the amounts due and ensure payments are processed correctly.

4.3 Court records

Procedures for maintaining municipal division records need improvement. Municipal division personnel were uncertain where to find older records including case files and receipt records. Records that could not be located include a receipt ledger showing the issuance of 21 receipts totaling $3,742, 11 receipt slips missing from the receipt book, and one case file.

In addition, some court records are not adequately secured. During our audit, we noted numerous traffic tickets, case files, un-receipted bond monies, and other court documents on the top of the Court Clerk's desk. Since the Court Clerk also works as the city Water Clerk, and sits at a separate desk in the office, other employees and city volunteers often use the Court Clerk's desk.

Supreme Court Rule No. 8 requires all financial records be maintained for 5 years or upon completion of an audit. Retention of applicable records is necessary to properly account for the municipal division's financial activity. In addition, court records and bond monies should be kept in a secure place to ensure the integrity and confidentiality of information is maintained and court monies are adequately secured.

Recommendations

The City of Sparta Municipal Division:

4.1 Ensure a monthly list of cases heard in the municipal division is prepared and filed with the city in accordance with state law.

4.2 Ensure a complete and comprehensive control (or summary) ledger is maintained showing the total amounts owed by defendants and payments.

4.3 Ensure division records are organized efficiently, maintained securely, and appropriately retained. In addition, municipal division bond monies should be adequately secured.

Auditee's Response

The Municipal Judge provided the following responses:

4.1 A list of cases heard by the court will be prepared by the Court Clerk and filed with the city as required.

4.2 I will take steps to ensure the Court Clerk establishes a comprehensive control ledger for accounts receivable.

4.3 I will work with the city to develop a more secure means of maintaining division records.

5. Traffic Ticket Accountability

Neither the city Police Department nor the municipal division adequately account for the numerical sequence and ultimate disposition of traffic tickets issued. The Police Department tracks the ticket book numbers assigned to each officer on a log; however, some books were skipped, and information required such as date, officer name and badge number, and ticket numbers were sometimes not recorded. The Police Chief also maintains a separate log of each citation after it has been issued; however, this log does not account for the numerical sequence and disposition of tickets. For example, voided tickets are not tracked, some tickets were not issued by officers in numerical sequence, and the disposition of each ticket is not recorded.

Without proper accounting for the numerical sequence and ultimate disposition of tickets issued, the municipal division and the Police Department cannot be assured all tickets issued are properly submitted for processing.

Recommendation

The City of Sparta Municipal Division work with the Police Department to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.

Auditee's Response

The Municipal Judge responded that he will work with the city to establish procedures to monitor traffic tickets as recommended.

Thirty-Eighth Judicial Circuit
City of Sparta Municipal Division
Organization and Statistical Information

The City of Sparta Municipal Division is in the Thirty-Eighth Judicial Circuit, which consists of Christian and Taney Counties. The Honorable Mark Orr serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At June 30, 2011, the municipal division employees were as follows:

Title	Name
Municipal Judge	Jared Clinton
Court Clerk	Cathy Newman

Financial and Caseload Information

	Year Ended June 30,		
	2011	2010	2009
Receipts	$40,408	45,356	30,735
Number of tickets issued	302	524	196*

* Represents tickets issued January through June 2009 only. Prior to January 2009, these records were not maintained.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The City of Sparta Municipal Division did not receive any federal stimulus monies during the 3 years ended June 30, 2011.

Thomas A. Schweich

Missouri State Auditor

PUBLIC SAFETY

Missouri State Highway Patrol's Use of Highway Funds

Year Ended June 30, 2011

November 2011

Report No. 2011-108

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds

Background	The State Auditor is required to determine whether appropriations from the State Highways and Transportation Fund (State Highway Fund) to the Missouri State Highway Patrol (MSHP) are used for administering and enforcing state motor vehicle laws and traffic regulations, as required by Article IV, Section 30(b) of the Missouri Constitution and Section 226.200.3, RSMo.
Methodology	Audit staff reviewed pertinent documents, conducted interviews, and tested selected transactions. Audit staff assessed and tested internal controls and reviewed and tested MSHP calculations.
Conclusions	During the year ended June 30, 2011, the MSHP appears to be in compliance with legal provisions related to the use of Highway Funds.

Because of the limited objective of this review, no overall rating is provided.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	Not applicable to this report.

Department of Public Safety
Missouri State Highway Patrol's Use of Highway Funds
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
Jerry Lee, Director
Department of Public Safety
and
Colonel Ronald K. Replogle, Superintendent
Missouri State Highway Patrol
Jefferson City, Missouri

We have audited the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds, as required by Section 226.200.3, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2011. The objective of our audit was to determine whether the agency is in compliance with legal provisions related to the use of Highway Funds.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The Background, Methodology and Conclusions present our comments concerning the overall compliance related to the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Dennis Lockwood, CPA
In-Charge Auditor:	Steven J. Re, CPA

Department of Public Safety
Missouri State Highway Patrol's Use of Highway Funds
Background, Methodology, and Conclusions

Background

The State Auditor is required to determine whether appropriations from the State Highways and Transportation Fund (State Highway Fund) to the Missouri State Highway Patrol (MSHP) are used for administering and enforcing state motor vehicle laws and traffic regulations pursuant to the constitution.

Limitations and requirements

Article IV, Section 30(b), Missouri Constitution, limits the MSHP's use of highway funds to activities related to administering and enforcing state motor vehicle laws or traffic regulations. In addition, Section 226.200.3, RSMo, provides, in part:

". . . Appropriations allocated from the state highways and transportation department fund to the highway patrol shall only be used by the highway patrol to administer and enforce state motor vehicle laws or traffic regulations. Beginning July 1, 2007, any activities or functions conducted by the highway patrol not related to enforcing or administering state motor vehicle laws or traffic regulations shall not be funded by the state highways and transportation department fund, but shall be funded from general revenue or any other applicable source. Any current funding from the highways and transportation department fund used for activities not related to enforcing state motor vehicle laws or traffic regulations shall expire on June 30, 2007. The state auditor shall annually audit and examine the appropriations made to the highway patrol to determine whether such appropriations are actually being used for administering and enforcing state motor vehicle laws and traffic regulations pursuant to the constitution. The state auditor shall submit its annual findings to the general assembly by January fifteenth of each year."

During the year ended June 30, 2011, the MSHP utilized appropriations from the State Highway Fund as follows:

	Appropriation Authority	Expenditures	Lapsed Balances*
Technical services personal service	$ 12,330,406	11,516,764	813,642
Administration personal service	5,331,590	5,073,083	258,507
Administration expense and equipment	430,812	410,004	20,808
Enforcement program personal service	62,205,583	57,877,756	4,327,827
Law Enforcement Academy personal service	1,390,443	1,232,672	157,771
Law Enforcement Academy expense and equipment	76,872	65,293	11,579
Vehicle and driver safety personal service	10,175,307	9,851,963	323,344
Vehicle and driver safety expense and equipment	910,032	844,039	65,993
Enforcement program expense and equipment	6,238,855	5,732,841	506,014
Technical services expense and equipment	11,691,486	11,340,642	350,844
Refund unused motor vehicle inspection stickers	40,000	32,544	7,456
Fringe benefits personal service	59,411,104	53,994,818	5,416,286
Fringe benefits expense and equipment	6,288,232	5,746,398	541,834
Vehicle replacement expense and equipment	6,222,293	5,989,144	233,149
Gasoline expenses	3,448,218	3,344,771	103,447
Crime labs personal service	3,616,622	3,474,407	142,215
Crime labs expense and equipment	895,386	868,524	26,862
Interoperable system highway	23,251,052	18,568,382	4,682,670
Interoperable ongoing highway	2,350,000	104,395	2,245,605
Total	$ 216,304,293	196,068,440	20,235,853

* The lapsed balances include withholdings made at the Governor's request totaling $4,516,950.

Methodology

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the agency; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objective and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objective, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

To determine the MSHP complied with the limitations on the use of highway funds, we reviewed the MSHP calculations of amounts expended from the State Highway Fund for non-highway activities and the amounts

expended by the MSHP for highway-related activities from other funding sources. We compared the amounts used in the MSHP calculations to expenditures recorded in the state accounting system (SAM II) and to supporting documentation. In addition, we tested certain expenditures to determine they were properly recorded.

Conclusions

We concluded the MSHP appears to be in compliance with legal provisions related to the use of Highway Funds. During fiscal year 2011, the MSHP spent approximately $2,336,000 appropriated from the State Highway Fund that was not related to highway activities. This amount included non-highway personal service and fringe benefit expenditures made from the State Highway Fund for the Crime Laboratory Division, Training Division, Technical Services Bureau, and Administrative Services Bureau; and some gasoline and expense and equipment expenditures from the Administrative Services Bureau. However, these expenditures were more than offset by expense and equipment expenditures of approximately $4,460,000 incurred by the Crime Laboratory Division, Training Division, and Technical Services Bureau that were related to highway activities but were not paid from the State Highway Fund. As a result, approximately $2,124,000 more was spent on highway-related activities than was paid from highway funds during fiscal year 2011.

Thomas A. Schweich

Missouri State Auditor

SOCIAL SERVICES

MO HealthNet Division

Program Integrity Unit

November 2011

Report No. 2011-107

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Social Services (DSS), MO HealthNet Division, Program Integrity Unit (PIU)

Background

The Program Integrity Unit (PIU) monitors MO HealthNet program compliance of providers and participants by conducting post payment reviews to determine the propriety of claims reimbursed by the Medicaid program. The PIU also reviews allegations of MO HealthNet participant fraud or abuse. Potential fraud or abuse by MO HealthNet providers is referred to the Attorney General's Medicaid Fraud Control Unit for further investigation.

State law (Section 191.909.2, RSMo) requires the DSS to report annually on certain activities related to the PIU and requires the state auditor to conduct an audit of the PIU.

Annual Reports

Annual reports did not include some information required by state law and included some inaccurate amounts and unverified data. In addition, supervisors did not conduct reviews of the information entered into the reporting subsystem to ensure the information was entered correctly. Similar findings were noted in prior audit reports.

Payment of Performance Review Costs

The DSS spent approximately $139,000 on employees' salaries and travel costs during fiscal years 2010 and 2011 for a performance review of the PIU. The DSS paid the costs of these employees even though the employees did not perform PIU functions and reported to the Office of Administration, Division of Budget and Planning Director, not to DSS personnel.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The MO HealthNet Division, Program Integrity Unit did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

Department of Social Services, MO HealthNet Division, Program Integrity Unit
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
Brian Kinkade, Interim Director
Department of Social Services
and
Dr. Ian McCaslin, Director
MO HealthNet Division
Jefferson City, Missouri

We have audited certain operations of the Department of Social Services, MO HealthNet Division, Program Integrity Unit, as required by Section 191.909.2, RSMo. The objectives of our audit were to:

1. Determine the amount of money recovered by the unit.

2. Determine the amount of money invested in the unit.

3. Evaluate the unit's compliance with certain legal provisions.

Our audit determined the amount of money recovered by and invested in the unit, and reported those amounts in Appendixes A and B. In addition, for the areas audited, we identified noncompliance with legal provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and, other than Appendixes A and B, was not subjected to the procedures applied in our audit of the Program Integrity Unit.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Douglas Porting, CPA, CFE
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Robyn Lamb
Audit Staff:	Ashley Lee, MBA

Department of Social Services, MO HealthNet Division, Program Integrity Unit
Introduction

Background

Starting in 2008, pursuant to Section 191.909.2, RSMo, the Department of Social Services (DSS) is to report annually, by January 1 of each year, the following activities related to the Program Integrity Unit (PIU):

"(1) The number of MO HealthNet provider and participant investigations and audits relating to allegations of violations under sections 191.900 to 191.910 completed within the reporting year, including the age and type of cases;

(2) The number of MO HealthNet long-term care facility reviews;

(3) The number of MO HealthNet provider and participant utilization reviews;

(4) The number of referrals sent by the department to the attorney general's office;

(5) The total amount of overpayments identified as the result of completed investigations, reviews, or audits;

(6) The amount of fines and restitutions ordered to be reimbursed, with a delineation between amounts the provider has been ordered to repay, including whether or not such repayment will be completed in a lump sum payment or installment payments, and any adjustments or deductions of future provider payments;

(7) The total amount of monetary recovery as the result of completed investigation, reviews, or audits;

(8) The number of administrative sanctions against MO HealthNet providers, including the number of providers excluded from the program."

Additionally, the state auditor is required to conduct an audit of the PIU ". . . to quantitatively determine the amount of money invested in the unit and the amount of money actually recovered by such office."

When preparing the 2010 and 2009 annual reports, the DSS interpreted Section 191.909.2, RSMo, to require all recovery activity of the MO HealthNet Division (MHD) be reported, including PIU recoveries. In addition, although not required, the DSS also reported in both the 2010 and 2009 annual reports 1) cost avoidance amounts for various MHD units for the current year, 2) cost recovery and cost avoidance amounts for the 5 previous years for the PIU and various other MHD units, and 3) recoveries of MHD monies by the DSS Division of Legal Services.

PIU personnel obtain information from other DSS units, including the Cost Recovery Unit, MO HealthNet Investigations Unit (MHIU), Welfare Investigations Unit (WIU), Institutional Reimbursement Unit, and the Pharmacy and Clinical Unit, for inclusion in the annual report. Both the MHIU and WIU are units within the DSS Division of Legal Services. The MHIU investigates fraud and abuse committed by recipients against MO HealthNet providers, such as use of multiple physicians and pharmacies, forged prescriptions, or the payment of covered medication with cash. The WIU investigates fraud and abuse committed by public assistance recipients based on eligibility issues, such as inaccurately reporting income or household composition.

The Attorney General's Medicaid Fraud Control Unit (MFCU), not the DSS, is responsible for provider investigations related to fraud and abuse. The MFCU notifies the PIU of the outcome of all investigations completed on referrals from the DSS.

Scope and Methodology

The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2010.

Our methodology included conducting interviews with appropriate DSS personnel; reviewing written policies and procedures; obtaining and reviewing the PIU annual reports for the years ended June 30, 2010 and 2009; reviewing applicable state law and DSS and PIU records; and testing selected transactions.

We obtained an understanding of internal controls that were significant within the context of the audit objectives and assessed whether such controls had been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that were significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

To determine the amount of monies recovered by and invested in the unit, we compared the annual report information to the revenues and expenditures recorded in the state accounting system (SAM II) and to supporting documentation. We reviewed the annual report to determine whether all amounts and information required by Section 191.909.2, RSMo, were included, and compared the amounts and information to supporting documentation to determine the completeness and accuracy of the report. We also tested the amounts and information in the case files to determine the completeness and accuracy of PIU supporting documentation.

Department of Social Services, MO HealthNet Division, Program Integrity Unit
Management Advisory Report - State Auditor's Findings

1. Annual Reports

The Department of Social Services (DSS), MO HealthNet Division (MHD), Program Integrity Unit's (PIU) annual reports for fiscal years 2010 and 2009 did not include some information required by state law. In addition, due to inadequate internal controls and procedures, some amounts in the annual reports were inaccurate, data obtained from other sources was not verified for accuracy, and supervisory reviews were not performed.

State law requires specific information be included in the annual reports (see the Background section). For these reports to be useful to the General Assembly, the required information needs to be included and its accuracy needs to be ensured.

1.1 Participant and provider investigations

Some participant and provider investigations were not included in the annual reports, as required by Section 191.909.2(1), RSMo.

WIU and MHIU participant investigations

The annual reports did not include some participant investigations completed related to allegations of violations under Sections 191.900 to 191.910, RSMo. Although the reports included the investigations completed by the Welfare Investigations Unit (WIU), the investigations completed by the MO HealthNet Investigations Unit (MHIU) were not reported. In addition, the age and type of participant investigations completed by the WIU and MHIU were not reported.

A similar condition was noted in our prior two reports. At that time, the DSS indicated the MHIU investigations would be reported in the fiscal year 2009 annual report; however, this corrective action was not taken.

Medicaid Fraud Control Unit provider investigations

The number of provider investigations, with the applicable age and type of case, conducted by the Attorney General's Medicaid Fraud Control Unit (MFCU) based on referrals from the DSS is not reported. The MFCU notifies the PIU of the outcome of all investigations completed on referrals from the DSS; however, the PIU does not report it.

A similar condition was noted in our prior two reports. In response to both reports, the DSS did not agree it should report provider investigations completed by the MFCU, because that data is reported by the MFCU pursuant to Section 191.909.1, RSMo. However, while the MFCU reports the number of referrals received as well as the number of provider investigations conducted due to allegations of violations under Sections 191.900 to 191.910, RSMo, it does not specifically identify which investigations conducted were the result of DSS referrals.

1.2 Fines and restitution

Fines and restitution ordered to be reimbursed, as well as other required information on provider investigations closed by the MFCU, are not reported as required by Section 191.909.2(6), RSMo. The MFCU provides the PIU documentation regarding fines and restitution ordered to be

reimbursed on cases referred to the MFCU by the DSS; however, the PIU does not include this information in the annual reports.

A similar condition was noted in our prior two reports.

1.3 Information obtained from other DSS units

The PIU has not established adequate procedures to ensure the accuracy of amounts obtained from other DSS units included in the annual reports and some amounts were not accurately reported.

Welfare Investigations Unit participant cases investigated

The reported number of investigations into suspicion of participant health care fraud conducted by the WIU in the fiscal year 2010 annual report was not accurate. In addition, documentation supporting the number of WIU participant cases investigated and overpayments identified by the WIU based on those investigations was not obtained and reviewed by the PIU at that time and no longer exists.

In fiscal year 2010, the WIU reported its personnel investigated 403 participant cases with 431 associated claims; however, in the 2010 annual report, PIU personnel erroneously reported 431 participant cases were investigated by the WIU.

In addition, no supporting documentation was maintained to support the number of investigations or overpayments presented in the report. The PIU did not obtain documentation from the WIU supporting the number of cases and overpayments identified at the time the amounts were received from the WIU for inclusion in the annual reports. We attempted to obtain this documentation from the WIU during our audit. However, in October 2010 (prior to the start of our audit), the WIU converted its case database system, and Division of Legal Services (DLS) personnel indicated not all data converted correctly. In addition, DLS personnel indicated adjustments may have subsequently been made to overpayment amounts after the numbers were reported to the PIU due to additional claims received from providers.

Other DSS units

We also noted additional information obtained from other DSS units, including the WIU, the Institutional Reimbursement Unit, and Pharmacy and Clinical Unit, is not verified for accuracy by the PIU prior to inclusion in the annual reports.

A similar condition was noted in our prior report.

1.4 Adjustments to overpayments

Adjustments to PIU overpayment amounts identified and tracked were not reported in the fiscal year 2010 annual report; however, the annual report stated the overpayment amount included adjustments that occurred during the reporting year.

Adjustments to overpayment amounts may occur due to additional documentation received from the provider, an Administrative Hearing Commission decision, or other administrative actions. These adjustments are tracked by the PIU and were taken into consideration when reporting overpayments in the fiscal year 2009 annual report. However, due to changes in personnel, adjustments to PIU overpayments were not taken into consideration when compiling the fiscal year 2010 annual report, resulting in the overstatement of overpayments by approximately $363,000.

A similar condition was noted in our prior two reports.

1.5 Supervisory reviews

Supervisory reviews of information included in the reports are not adequate. Information on MHD provider cases reviewed, such as number of claims examined and overpayment amounts identified, is entered into the Surveillance and Utilization Review Subsystem (SURS) by various DSS personnel from manual case cards in the case files. The SURS is a subsystem of the Medicaid Management Information System, which maintains and stores Medicaid claims data. The SURS is programmed to detect suspicious billing and service utilization patterns and is used to document MHD case reviews. Once information from the manual case cards is entered into the SURS, the PIU prints electronic SURS case cards to retain in case files. The PIU creates SURS reports containing provider case review information which are then entered in spreadsheets for the annual reports; however, there is no reconciliation between the manual and electronic case cards in the case files to ensure all information was entered correctly.

A similar condition was noted in our prior report.

Recommendations

The DSS:

1.1 Include the number of all participant and provider investigations completed by DSS units and the MFCU in the annual report. Additionally, information about the age and type of completed investigations should be included.

1.2 Include the amount of fines and restitution ordered, and other required information on cases closed by the PIU and referred to and closed by the MFCU.

1.3 Establish procedures to ensure information obtained from other DSS units other than the PIU is verified for accuracy, either by the PIU or by the other DSS units.

1.4 Establish procedures to report subsequent adjustments to overpayment amounts initially identified.

1.5 Ensure supervisory reviews of data entered into the SURS are performed.

Auditee's Response

1.1 DSS had obtained an investigations report from MHIU and the WIU for the reporting purposes of Sections 191.900 to 191.910. DSS will acquire supporting documentation from WIU which includes the age of the case and the type of case for the totals given along with the participants' names and DCNs. As of April 1, 2011, MHIU was dissolved and the duties and responsibilities are now under Missouri Medicaid Audit and Compliance (MMAC) Investigations. DSS will obtain the final MHIU report (July 1, 2010 to April 1, 2011) and will verify MMAC referrals match with the supporting documentation. The second report (April 1, 2011 to June 30, 2011) will be from MMAC Investigations and the report will also be verified.

1.2 DSS has obtained a copy of the SB577 report from MFCU. Discussions were held with MFCU staff. DSS will report fines and restitution ordered to be reimbursed, as well other required information on provider investigations closed by MFCU on a calendar year basis instead of fiscal year for this section only.

1.3 DSS will make every effort to have supporting documentation from all units providing information to MMAC for the SB577 report and verify for accuracy.

1.4 DSS acknowledges the adjustments were overlooked for state fiscal year 2010. DSS has not knowingly withheld any reporting factors to fabricate our financial status.

1.5 DSS acknowledges our responsibility for the implementation of policies and controls to prevent errors in documentation.

2. Payment of Performance Review Costs

During fiscal years 2011 and 2010, the DSS paid salary and travel expenses related to a performance review of the PIU conducted under the direction and supervision of the Office of Administration (OA) Division of Budget and Planning Director, thus circumventing the appropriation process established by the General Assembly. Related expenditures totaled approximately $80,000 and $59,000, in 2011 and 2010, respectively.

Beginning in March 2010, the salaries and fringe benefits of two persons who conducted a performance review of the PIU were paid from DSS appropriations. While these persons were placed on the DSS payroll, they did not perform PIU-related functions and did not report to the PIU Director, but instead reported to the OA Division of Budget and Planning Director. According to the OA Division of Budget and Planning Director,

the concept and development of the performance review team was a joint effort by the Governor's office and the OA Division of Budget and Planning. Through June 30, 2010, the DSS paid approximately $54,400 in salary and fringe benefit costs related to these persons. A Governor's office employee also participated in the review, but that person's payroll costs were paid from a Governor's office appropriation.

In addition to the payroll costs for two of these employees, beginning in March 2010, travel costs of one of these persons and the Governor's office employee involved in the performance review, both domiciled in St. Louis, were charged to DSS appropriations. The expenses charged included mileage to and from St. Louis, as well as lodging that was direct billed to the DSS. Through June 30, 2010, the DSS paid approximately $2,500 in mileage and $2,400 in lodging for these two employees.

The costs of the performance review of the PIU continued to be charged to the DSS during part of fiscal year 2011. From July 2010 to November 2010, at least $79,900 in additional costs of the three persons to complete the performance review of the PIU were paid from DSS appropriations. In November 2010, all three performance review team members began a performance review of the Department of Revenue and were no longer paid from DSS appropriations.

Since these persons were working on a performance review under the direction and supervision of the OA Division of Budget and Planning Director, it appears their salary and other costs should have been paid accordingly from appropriations of the OA and the Governor's office.

Recommendation

The DSS work with the Governor's office and the OA to discontinue the practice of using DSS appropriations to pay costs not directly associated with the operations of the PIU.

Auditee's Response

Health care waste, fraud and abuse costs all healthcare payers, including taxpayers, billions of dollars annually. In order to protect taxpayer resources, DSS with the approval of the Office of Administration, Division of Budget and Planning (OA B&P) determined that an extensive performance review of the PIU was needed to ensure the unit was operating as efficiently as possible and making every effort to maximize audit efforts to protect taxpayer resources.

The performance review was critically important to Director Levy. The review needed to happen quickly while using reviewers independent of the department. Just like it's essential to have an independent SAO to perform the annual PIU audit, Director Levy felt this review needed to be done completely independent of PIU management since reviewers reporting to PIU management would not have yielded independent results. Director Levy

reached out to the OA B&P to recommend non-DSS staff to perform the performance review. OA B&P identified highly qualified, independent state staff to do an exhaustive performance review and to assist with operationalizing recommendations of the Lewin Group.

The performance review in question resulted in recommendations that elevated PIU within the department and reallocated resources from the Departments of Mental Health and Health and Senior Services. The actions taken by DSS to initiate the review resulted in budget reductions that were approved by the General Assembly. Even though the reviewers didn't report to PIU management, DSS believes it was perfectly appropriate to temporarily pay salaries of state staff for work being done on behalf of the unit. Similar work performed by a contractor would certainly have been paid by DSS appropriations and likely would not have resulted in a similar finding.

Auditor's Comment

At no time during fieldwork did personnel of either the DSS or the OA Division of Budget and Planning indicate the performance review was solicited by the DSS. In addition, neither the DSS nor the OA Division of Budget and Planning could provide documentation detailing the request, scope, and/or methodology of the review, or the estimated and maximum costs the DSS was willing to pay. As a result, we cannot determine if the review was properly planned and whether the DSS received fair value for expenditures totaling approximately $139,000.

Department of Social Services, MO HealthNet Division
Program Integrity Unit
Organization and Statistical Information

The Department of Social Services (DSS) is officially designated as the single state agency charged with the administration of the Missouri Medicaid program. The Program Integrity Unit (PIU), organizationally located within the MO HealthNet Division (MHD), is responsible for monitoring compliance by providers and participants as described in federal regulations by conducting post payment reviews to determine the propriety of claims reimbursed by the Medicaid program. The Family Support Division within the DSS determines participant eligibility for the Medicaid program. The Code of Federal Regulations, 42 CFR 455.13, requires a state Medicaid agency to have "a) methods and criteria for identifying suspected fraud cases; b) methods for investigating these cases. . . ; and c) procedures, developed in cooperation with state legal authorities, for referring suspected fraud cases to law enforcement officials." During fiscal year 2011, the PIU was reorganized into the DSS, Missouri Medicaid Audit and Compliance (MMAC) Unit and is now organizationally located within the DSS Director's office.

A post-payment review of Medicaid claims reimbursed is performed on selected providers or projects to determine program compliance. Providers are selected to be reviewed from referrals, exception reports and/or other system generated reports. Referrals concerning possible misutilization may be received from providers, recipients, consultants, and division employees, as well as staff from other agencies. Exception reports are produced on providers that have unusual patterns of utilization, or that deviate from established norms. This review is completed by either a desk or field review. Programs are evaluated for adequate documentation and the appropriateness and quality of service. Reviews of allegations of participant fraud or abuse are completed for all referrals received. Participants committing fraud or abuse may be limited to using one provider, or referred to local authorities for legal action, or both.

Based on a preliminary review of reports and referrals, the PIU makes the determination on what enforcement activities to pursue. These enforcement activities may include one or more of the following administrative actions or sanctions: 1) provider education, 2) demand of repayment, 3) suspension or termination of the provider's Medicaid participation agreement, 4) transfer to closed-end agreement, 5) placement on prepayment review status, 6) participant lock-in, and 7) referral to the Attorney General, Medicaid Fraud Control Unit (MFCU) or the DSS-MO HealthNet Investigation Unit (MHIU).

At June 30, 2010 and June 30, 2009, the PIU consisted of 29 and 27 employees, respectively.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The DSS - MHD - PIU did not receive any federal stimulus monies during the 2 years ended June 30, 2010.

Appendix A
Recoveries - 2 Years Ended June 30, 2010

For the 2 years ended June 30, 2010, the PIU recovered the following funds:

		Year Ended June 30, 2010	Year Ended June 30, 2009	
Collections	$	3,507,903	3,624,598	
Adjustments		1,910,977	1,840,735	(1)
Recoupments		3,090,526	1,638,691	(1)
Overpayment memos/refunds		(59,866)	(25,533)	(1)
Total	$	8,449,540	7,078,491	

(1) Adjustments, recoupments, and overpayment memos/refunds adjust the amount of claims. Adjustments are individual claims that have been overpaid and need to be adjusted. Recoupments are accounts receivable adjustments. Overpayment memos/refunds are duplicate payments made by providers related to previous overpayments or judicial decisions.

Appendix B
Operating Costs - 2 Years Ended June 30, 2010

For the 2 years ended June 30, 2010, the costs incurred to operate the PIU were:

	Year Ended June 30,		
	2010	2009	
Salaries and wages	$ 1,071,432	929,439	
Fringe benefits	483,708	386,586	
Travel, in-state	5,081	8,399	
Travel, out-of-state	42	1,581	
Supplies	762	2,981	
Professional development	835	915	
Professional services	1,073,408	824,123	
Maintenance and repair services	762,339	1,045,340	
Office equipment	0	509	
Miscellaneous expenses	1,852	2,165	
Building lease payments	28,523	25,916	
Total	$ 3,427,982	3,227,954	(1)

(1) Some office expenses such as phone charges and office supplies related to the MHD are not allocated to individual units within the division. Thus, there are additional expenditures related to the PIU not included above.

Thomas A. Schweich

Missouri State Auditor

City of Mountain Grove

November 2011

Report No. 2011-106

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Mountain Grove

Financial Condition and Monitoring	The General Fund is in poor financial condition due to operating losses of several city activities and increased health insurance costs. The city golf course lost over $100,000 in each of fiscal years 2011 and 2010, and the senior center operated at a loss of approximately $100,000 for fiscal year 2011 and $61,000 for fiscal year 2010. The city does not maintain complete, accurate, and up-to-date accounting records, so the Board of Aldermen does not receive adequate financial information to properly monitor cash balances and the financial condition of city funds. It is a concern that a city responsible for revenues of approximately $3.6 million annually for all city funds cannot produce timely basic financial reports that should be utilized regularly to manage city finances.
Budgets and Financial Reporting	Annual budgets do not contain all required elements, and the city does not publish complete, accurate, and up-to-date semi-annual financial statements, as required by state law. The Board of Aldermen does not adequately monitor budget to actual revenues and expenditures, and actual expenditures exceeded appropriated amounts for some funds, in violation of state law.
Expenditures	The city has a bid policy, but it was not followed for several purchases. The policy requires the city to advertise for bids for items or services in excess of $5,000, but the city did not advertise when it purchased chairs and tables, kitchen appliances, billiard tables, or culverts. The city needs to improve its approval process for expenditures and maintain better supporting documentation for expenditures. Vehicle mileage logs need improvement, and the city should maintain documentation to support the manner in which it allocates salaries to different funds.
Contracts and City Property	The city has entered into contracts for public services that do not adequately protect the city's financial interests by requiring the vendor to report on the services performed or provide proof of insurance. The city does not charge rent to three private entities and leases two houses to individuals for $100 and $200 per month with no written lease agreements or support for the reasonableness of the rental amounts. Additionally, the city did not solicit proposals to develop real estate owned by the city, so it cannot be sure it received the best value possible for the property.
Accounting Controls and Procedures	Receipting procedures need improvement. The city should use pre-numbered receipt slips, account for their numerical sequence, reconcile the method of payment to the composition of deposits, restrictively endorse checks immediately, and properly account for voided transactions. The city should also ensure individuals with access to city funds are bonded or insured to protect the city from loss.
Golf Course	The golf course pro shop is a private business operated on city property at city expense in violation of the Missouri Constitution's prohibition against using public funds to subsidize a private entity. The city and the pro shop

	have no written agreement, the business is operated with the help of city employees who do not track their time, the pro shop pays no rent to the city, and the city pays the pro shop's utilities and insurance. Pro shop receipts are commingled with the city's receipts, and the city does not receive adequate documentation of daily receipt activity. The pro shop cash register does not account for the composition of receipts and does not assign receipt or transaction numbers, making it harder to ensure all transactions are accounted for properly. The city needs to reexamine its employee discount policy related to golf course discounts. The city does not maintain accurate, up-to-date records of golf course membership dues, making it difficult to identify delinquent members.
Payroll	Payroll procedures need improvement. A golf course employee was allowed to accrue compensatory time in excess of the maximum allowed by law, police department employees are paid overtime not required by law, and two full-time city employees who perform janitorial duties for the city after business hours are not awarded compensatory time to which they might be entitled. The city does not require time sheets or maintain records of vacation and sick leave for some of its salaried employees. The city did not report the value of employee use of city vehicles as required by the IRS. Some employees are not paid in accordance with the city salary schedule.
Utility System Controls and Procedures	The city has not reviewed its water and sewer rates since 2008. Preparing a statement of costs would allow the city to determine the appropriate rate to charge to cover the cost of providing the service. Adjustments are sometimes posted to the utility system without adequate documentation of the reason for the adjustment and evidence of independent approval.
Sunshine Law	Closed meeting minutes lack sufficient detail of matters discussed, and the city should consider adopting a formal policy for access to city records.

In the areas audited, the overall performance of this entity was **Poor**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The City of Mountain Grove did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Mountain Grove
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THOMAS A. SCHWEICH
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
Mountain Grove, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Mountain Grove. We have audited certain operations of the city in fulfillment of our duties. The city engaged Officer CPA Firm L.L.C., Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2011 and 2010. The audit of the city's financial statements for the year ended June 30, 2011, is not yet completed. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm for the year ended June 30, 2010. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2011. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.

2. Evaluate the city's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Mountain Grove.

An additional report, No. 2011-23, *Forty-Fourth Judicial Circuit, City of Mountain Grove Municipal Division*, was issued in May 2011.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Ted Fugitt, CPA
Audit Staff:	Michelle Crawford, M.Acct.

City of Mountain Grove
Management Advisory Report
State Auditor's Findings

1. Financial Condition and Monitoring

The fund balance of the General Fund is declining and, the Board of Aldermen does not receive timely and complete financial information to adequately monitor the city's financial condition. While the city has historically maintained a relatively low fund balance in the General Fund, some activities of the city have significant operating losses that are contributing to a further decline of the fund balance of the General Fund.

General Fund revenues, expenditures, and fund balances for the years ended June 30, 2011, 2010 and 2009, are noted below:

		Year ended June 30,		
		2011*	2010**	2009**
Beginning fund balance	$	42,385	240,379	144,895
Revenues		1,805,326	1,677,338	1,741,975
Expenditures		(1,758,931)	(1,636,712)	(1,508,990)
Other financing sources (uses)		-	(238,620)	(137,501)
Ending fund balance	$	88,780	42,385	240,379

*Information obtained from unaudited city financial records provided at our request.

**Information obtained from city's audited financial statements.

Although city financial records for June 30, 2011, reflected the General Fund as having a fund balance of $88,780 and a cash balance of $54,060, the Senior Center Fund had a negative fund balance of $79,305. In previous years, the city transferred funds from the General Fund to the Senior Center Fund to compensate for the negative balance; however, city personnel indicated they plan to carry the negative fund balance forward to 2012. The city does not have a clear plan on how to fund the continued operating losses of the Senior Center given the deteriorating financial condition of the General Fund.

Additionally, the Transportation Fund reflected a negative fund balance of approximately $140,000 at June 30, 2011, that was covered by a transfer from the Capital Improvement Sales Tax Fund. The city did not maintain supporting documentation of capital improvement related expenses paid from the Transportation Fund to ensure this transfer was appropriate.

Several factors have contributed to the decline in the fund balance of the General Fund, including operating losses of several city activities, and increased health insurance costs associated with the city self insurance fund. However, because the city does not prepare timely and accurate financial data for review by the Board of Aldermen and city administration, it is difficult for the Board to monitor the city's financial condition.

Financial information

As of June 2011, the city was 9 months behind in recording financial transactions to the accounting system and producing a complete financial statement. August 2010 was the most current financial statement the city could provide to us in June 2011. According to the City Clerk, receipt and disbursement transactions are entered monthly but other accounting entries, such as amounts due to and due from the various city funds had not been recorded. The City Clerk indicated this was due in part to the city being unable to update the accounting records for the current year until the auditor prepares year end journal entries for the preceding year.

After our request for current financial statements, the City Clerk updated city accounting records through November 30, 2010. These records showed a negative cash balance for the General Fund of ($123,611), and accumulated balances in the Due From Other Funds account of $3.3 million and the Due To Other Funds account of $3.2 million for the General Fund with no detail of what made up these amounts. According to the City Clerk, the balances in the Due To Other Funds account and Due From Other Funds account may not have been closed out properly at year end and may contain entries from the previous year. As a result, the city's financial records were not complete, accurate, and up-to-date.

In response to our request for financial statements for the year ended June 30, 2011 the city subsequently updated their accounting records and provided to us the financial data shown in the chart above in September 2011.

Monitoring by the Board

The financial information provided to the Board of Aldermen is not adequate to properly monitor cash balances and the financial condition of city funds. The Board periodically, but less frequently than monthly, is provided actual revenues by fund; however, they are only provided a list of itemized expenditures, not categorized by fund. The Board is not provided with cash balances for most city funds. Additionally, the Board of Aldermen does not receive complete and detailed financial information of several city operations, some of which are incurring losses.

Golf course

The city-owned Randel-Hinkle Municipal Golf Course historically operates at a loss; however, financial reports provided to the Board of Aldermen do not adequately report losses associated with the golf course.

Most financial activity for the golf course is accounted for in the General Fund. Amounts paid for employee wages associated with the golf course are combined with other wages and not clearly identified in financial reports. Some water costs incurred by the golf course are not calculated and allocated to the golf course. Additionally, payments for principal and interest related to the golf course are paid from the Capital Improvement Sales Tax Fund and are not clearly separated from other city debt. As a

result, the financial reports and budget do not clearly reflect all golf course related expenses.

The expenditures included in the table below have been adjusted to include approximate amounts for employees wages, water costs, and principal and interest payments attributable to golf course operations. The revenues, expenditures, and operating loss for the last 2 years are noted in the table below:

	Year ended June 30,	
	2011	2010
Revenues	$ 130,281	146,734
Expenditures	(259,614)	(263,284)
Operating Loss	$ (129,333)	(116,550)

Information obtained from city records.

Senior center

The Dora White Community Center (senior center) historically operates at a loss and is subsidized by the General Fund. Although the city maintains a separate fund for the senior center, monies are transferred from the General Fund to compensate for any operating losses. The senior center had revenues, expenditures, and operating losses for the last 2 years as noted in the table below:

	Year ended June 30,	
	2011*	2010**
Revenues	175,996	182,209
Expenditures	(276,305)	(243,539)
Operating Loss	$ (100,309)	(61,330)

* Information obtained from city records.

** Information obtained from city's audited financial statements.

The operating loss of the senior center has increased significantly. According to city personnel, food costs of the senior center have increased, even though the number of meals served has decreased. City personnel indicated the center is required to serve more frozen meals which cost more than preparing meals from scratch.

Conclusion

It is a concern that a city responsible for revenues of approximately $3.6 million annually for all city funds cannot produce timely basic financial reports that should be utilized regularly to manage city finances.

To effectively monitor cash balances and the financial condition of city funds, the Board must receive timely and complete financial information. Activities of the city that operate at a loss should be carefully analyzed for ways to make them more cost effective. While it may be desirable to fund certain operations, funding should be reviewed periodically to ensure activities are operated efficiently and continue to be in the best interest of the city.

Recommendation

The Board of Aldermen ensure timely and complete accounting information is received and reviewed for all city funds and monitor cash balances and financial condition. Additionally, the Board of Aldermen should ensure transfers between funds are supported by adequate documentation, and periodically review operations of the city to ensure activities are operated efficiently and continue to be in the best interest of the city.

Auditee's Response

The Board of Aldermen provided the following response:

We recognize that the financial reports provided us have been lacking, and we intend to ensure this gets corrected. The City Clerk has been behind in entering financial information into the city's computer system. The city's accounting software system does not provide for us to easily prepare financial statements for a current period when accounting entries for prior periods have not been completed and closed. City personnel will begin to obtain totals from the accounting system each month and manually compile financial statements for each fund. The City Administrator advises the Board on the financial status of the Golf Course and Senior Center each year at budget time; however, this review will be performed more often.

2. Budgets and Financial Reporting

The city does not comply with state law related to budget preparation, budget amendments, and published financial statements.

2.1 Budget preparation

Annual budgets do not contain all elements required by state law. Budgets for the years ended June, 30, 2011 and 2010, did not include actual revenues and expenditures for the 2 preceding years, or beginning and estimated ending cash balances. The budgets only included budgeted revenues and expenditures for the prior 2 years.

Section 67.010, RSMo, requires the preparation of an annual budget which shall represent a complete financial plan for the ensuing budget year and also sets specific guidelines for the format. A complete budget should include the beginning available resources and a reasonable estimate of the ending available resources and include comparisons of actual revenues and expenditures for the 2 preceding years. A complete and well planned

budget, in addition to meeting statutory requirements, can serve as a useful management tool.

2.2 Budget monitoring

The Board of Aldermen does not adequately monitor budget to actual revenues and expenditures. As a result, budget amendments for some city funds were approved after year end, and the city exceeded budgeted appropriations for most city funds.

On July 6, 2010, the Board of Aldermen amended the budget to increase expenditures by $124,160 for the previous year ended June 30, 2010. A budget amendment was also approved on July 7, 2009, resulting in a net increase in budgeted expenditures of $185,525 for the previous year ended June 30, 2009.

Even with the inclusions of these late budget amendments, the city's independent auditor reported for the years ended June 30, 2010 and 2009, that expenditures exceeded budgeted appropriations for all funds by $350,678 and $86,829, respectively. Further, according to city records it appears expenditures exceeded budgeted appropriations for the General Fund and the Water and Sewer Fund for the year ended June 30, 2011, by $37,451 and $320,762, respectively. It also appears actual expenditures exceeded budgeted appropriations in other city funds for the year ended June 30, 2011.

While the Board of Aldermen is periodically provided certain financial information at its meetings, the Board is not regularly requesting or provided financial information to properly monitor actual expenditures compared to budgeted amounts. See MAR finding number 1 regarding the inadequacy of financial information provided to the Board of Aldermen.

Section 67.040, RSMo, requires political subdivisions to keep disbursements within amounts budgeted and allows for budget increases, after the governing body officially adopts a resolution setting forth the facts and reasons. In addition, Section 67.080, RSMo, provides that no disbursement of public monies should be made unless it is authorized in the budget. To ensure compliance with state law, the Board should request adequate financial data to properly monitor actual expenditures compared to budgeted amounts and formally amend the budget before the related expenditures are incurred.

2.3 Financial reporting

While state law requires the city to publish financial statements at the end of each 6 month period, the city only published annual financial statements for the years ended June 30, 2009 and 2010. In addition, these financial statements were each published approximately 12 months after year end. Further, as of September 2011, the city has not published financial statements for the year ended June 30, 2011. As noted in MAR finding

number 1, the city does not produce accurate and timely financial data to properly comply with state law regarding published financial statements.

In addition, the financial statements that were published did not specify whether beginning and ending balances were cash or fund balances. For example, the financial statement published for the year ended June 30, 2010, reflected an ending balance of $3,357,313 for the Water and Sewer Fund. This balance represented the fund balance of the Water and Sewer Fund and not the cash balance which was $480,166. While either method of financial reporting is appropriate, without specifying what the ending balance represents, the financial statements can be misleading to city residents. Further, the city only publishes the total revenues and expenditures for each fund instead of a detailed account of receipts and expenditures, and the published financial statements for the year ended June 30, 2010, did not include the indebtedness of the city.

Section 79.160, RSMo, requires the Board of Aldermen to prepare and publish financial statements within 1 month of the end of each 6 month period which include a full and detailed account of the receipts, expenditures, and indebtedness of the city. Complete, accurate, and detailed financial statements are necessary to keep the citizens informed of the financial activity and condition of the city. In addition, Section 79.165, RSMo, states the city cannot legally disburse funds until the financial statements are published.

Recommendations

The Board of Aldermen:

2.1 Prepare annual budgets that contain all information as required by state law.

2.2 Obtain adequate financial information monthly and properly monitor actual expenditures compared to budgeted amounts. Also, the Board of Aldermen should ensure expenditures do not exceed budgeted appropriations.

2.3 Ensure semiannual financial statements are published which present complete and detailed financial information, as required by state law.

Auditee's Response

The Board of Aldermen provided the following responses:

2.1 We will ensure the budget prepared for the year ending June 30, 2013, complies with state law.

2.2 We will request and review budget to actual reports monthly and ensure expenditures do not exceed budgeted appropriations.

2.3 We will properly publish financial statements semiannually and ensure they clearly specify fund balance or cash balance.

3. Expenditures

Weaknesses were noted in controls and procedures related to expenditures.

3.1 Bidding

The city bid policy was not followed for several purchases, and the bid policy does not include procedures to be followed in instances of sole source procurement. The city has a procurement policy (Ordinance Nos. 2-421 through 2-437) which requires city officials to solicit bids for items or services wherever possible and advertise for bids for items or services costing more than $5,000.

Bids were not solicited for the purchase of a walk-in cooler ($10,500) and golf course chemicals ($7,088). Additionally, the city has not solicited proposals for auditing services since 2004. The city paid $17,699 and $19,665 for auditing services for the years ended June 30, 2010 and 2011, respectively.

In addition, bidding procedures used for some purchases did not comply with city policy. For example, the city obtained bids by phone and/or price comparisons for the purchase of kitchen appliances ($51,516), chairs and tables ($23,489), and billiard tables ($21,276), but did not advertise for bids as required by the city procurement policy.

The city also did not bid the purchase of culverts ($16,240). According to the City Administrator, this was due to an emergency situation. The emergency purchase policy requires a full explanation for the emergency purchase in the minutes. Minutes of the Board of Aldermen do not include documentation as to why the purchase qualified as an emergency.

Further, the procurement policy does not include procedures to be followed in instances of sole source procurement. According to the city, purchases of road oil and salt were sole source purchases; however, this was not documented. During the 2 years ended June 30, 2011, the city paid a total of $100,527 and $33,007 for road oil and salt, respectively.

Documentation of the selection process and criteria including sole source procurement should be retained to support purchasing decisions. Competitive bidding not only ensures the city is complying with city ordinances, but also helps ensure all parties are given an equal opportunity to participate in city business. Complete documentation should be maintained of all bids and proposals received including the reasons why a bid or proposal was selected.

3.2 Approval process

The approval process for expenditures is not adequate. The city ordinance requiring Board approval of expenditures of $500 or more was not always followed, and reviews of expenditures by the City Administrator and department heads are not documented. For example, a check for $7,026 was written June 30, 2010, for food and supplies for the Dora White Community Center. The check cleared the bank on July 21, 2010. The invoice for this payment was not approved by the Board until August 17, 2010. We also noted that a $10,638 expenditure for three pool tables for the senior center was not approved by the Board, and the City Administrator's approval of the expenditure was not documented.

The list of bills approved by the Board each meeting is not complete. A comparison of this list to approved invoices and the actual checks written is not performed and in some instances items are approved after the check has been disbursed. Further, the list of bills approved by the Board each meeting does not include payroll.

To ensure expenditures are an appropriate use of city funds, the City Administrator and department heads should document their review and approve purchases in accordance with city ordinances. In addition, the Board should ensure an adequate review of the list of bills approved, invoices, and checks written is performed prior to checks being disbursed. Further, city ordinance indicates purchases of less than $500 will be made under the direction and supervision of the city administrator. Therefore, it appears purchases greater than this amount require approval of the Board of Aldermen.

3.3 Supporting documentation

Invoices and supporting documentation are not canceled upon payment, and receipt of goods or services was not always documented. Of the 22 disbursements reviewed, 5 invoices were not canceled and 4 did not contain documentation of receipt of goods or services. Invoices and supporting documentation should be canceled upon payment to avoid duplicate payments. To ensure the validity and propriety of expenditures, documentation of receipt of goods should be included on all invoices and other supporting documentation.

3.4 Vehicle logs

Vehicle mileage logs for the 24 city vehicles are not adequate. The logs do not indicate daily odometer readings and the purpose of trips. Logs should provide sufficient details so the city can effectively monitor vehicle use and fuel costs.

3.5 Allocation of salaries

The city has no documentation to support the allocation of salaries between city funds. The salaries of the City Administrator and City Clerk are allocated one-half to the Transportation Fund, one-fourth to the General Fund, and one-fourth to the Water and Sewer Fund. For the year ended June 30, 2011, the salaries of the City Administrator and the City Clerk were $62,239 and $32,914, respectively. Further, the salary of the Public

Works Director is allocated three-fourths to the Transportation Fund and one-fourth to the Water and Sewer Fund. For the year ended June 30, 2011, the salary of the Public Works Director was $45,590. In addition, the salaries of the City Collector and the Court Clerk/Utility Clerk are allocated to multiple city funds.

To ensure restricted funds are used for their intended purposes, the city should allocate expenditures to city funds based upon specific criteria, such as the number of hours worked by each employee, and retain documentation to support these allocations.

Recommendations

The Board of Aldermen:

3.1 Ensure bids are solicited for all applicable purchases in accordance with city ordinances and sufficient documentation is maintained. In addition, the Board should consider expanding the purchasing policy to address sole source purchases.

3.2 Ensure review and approval procedures are followed for expenditures. Further, the Board should ensure the list of bills provided for approval at monthly meetings is complete.

3.3 Ensure all invoices are canceled upon payment and require all invoices be initialed or signed by a department head or employee to indicate acceptance of goods or services.

3.4 Ensure mileage logs document the beginning and ending odometer readings, and purpose of each trip.

3.5 Ensure salary allocations are supported by adequate documentation.

Auditee's Response

The Board of Aldermen provided the following response:

3.1 We will review the city's bid policy for any potential amendments and ensure compliance with the policy for all future expenditures.

3.2 We will comply with this recommendation.

3.3 This recommendation has been implemented.

3.4 This recommendation has been implemented. Mileage logs now contain odometer readings and the purpose of each trip.

3.5 We will perform a time study to document salary allocations.

4. Contracts and City Property

Contracts with private entities for public services lack adequate provisions to protect the financial interests of the city, and do not adequately document the benefit to the city. Additionally, the city did not solicit proposals to develop real estate owned by the city.

4.1 Contracts

The city contracts with several entities to provide services for the public. Some contracts do not adequately protect the financial interests of the city.

- The city contracts with the Ozarks Family YMCA to provide recreational services to the community. These services include promoting and organizing various sports, operating the municipal swimming pool, and promoting and organizing senior adult programs. The city pays the YMCA $15,000 per year for these services, provides indoor and outdoor recreational facilities, and pays certain other expenses related to the YMCA providing services such as lifeguards for the pool. The contract does not provide for the YMCA to retain fees charged to citizens for these recreational services, and does not require any reporting to the Board of Aldermen on the use of the $15,000 or the fulfillment of contract terms. Further, although the contract contains a provision to protect the city against liability claims related to the recreational services offered by the YMCA, there is no provision requiring the YMCA to show proof of liability insurance.

- The city contracts annually with the Mountain Grove Chamber of Commerce and the Mountain Grove Central Business District Association paying them $11,000 and $3,500, respectively, for various public services including promoting the city and organizing several events. Although the City Clerk indicated a representative from the organization will periodically report to the Board of Aldermen on its activities, there is no provision in the contract requiring such reporting or a contract provision requiring documentation on how the funds were spent.

To provide proper accountability, city management should review future contracts to ensure city financial exposure is adequately limited and all contractual obligations are met. Further, future contracts should address who will receive fees collected for services provided. In addition, the city should establish formal procedures to monitor the use of monies paid to these entities and require financial reporting of how the city funds are used.

4.2 Lease contracts

The city leases property to the Arts Council, the Pregnancy Resource Center, and the Tri-County Fair with no lease payments required. Two of these lease contracts do not document any benefit to be received by the city, and one lease is not in writing. Additionally, the city owns two houses that are leased to individuals for $100 and $200 monthly without written lease

agreements outlining the terms of the lease and without documentation to support the reasonableness of the monthly rent amount.

The Missouri Constitution prohibits the use of public money or property to benefit any private individual, associations, or corporations except as provided in the constitution. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing. In addition, to ensure monthly rent amounts charged to tenants are reasonable, the city should maintain documentation of how the rent amount was determined.

4.3 Real estate procedures

The city did not solicit proposals to develop real estate owned by the city. In December 2007, a building that appraised at $900,000 was donated to the city for $1. The city then sold the building to a local business for $50,000 to be developed. The development included construction of a bowling alley and theaters completed in 2009, and additional development is ongoing. The city did not solicit any other proposals for the development of the building or bids for the sale of the property.

To ensure the best value is received or paid for property sold or purchased and all interested parties are given equal opportunities to participate, the city should solicit proposals for future real estate sales and development projects.

Recommendations

The Board of Aldermen:

4.1 Ensure future contracts address who will receive fees charged for services, require proof of liability insurance when applicable, and provide for periodic reporting to ensure all contractual obligations are met and city funds are accounted for properly.

4.2 Evaluate leasing property without a documented financial or service benefit to the city, and enter into written contracts/agreements defining services provided and benefits received. In addition, the Board of Aldermen should ensure documentation is maintained to support how the monthly rent amount is determined and its reasonableness.

4.3 Solicit proposals for future real estate sales and development projects.

Auditee's Response

The Board of Aldermen provided the following responses:

4.1 We will review all contracts and make the appropriate changes to comply with this recommendation.

4.2 The home that is leased for $200 per month is leased to an individual who also helps to watch over the city walking trail which is located near this residence. We will document this in a lease agreement. The city no longer leases the other home for $100. We will also ensure all written agreements define the services provided and benefits received.

4.3 We agree with this recommendation.

5. Accounting Controls and Procedures

Accounting controls and procedures need improvement.

5.1 Receipting procedures

A review of receipting procedures identified numerous weaknesses.

- The City Clerk and police department do not issue receipt slips for some monies received. Receipt slips are not always issued for monies received for police reports and amounts transmitted to the City Clerk by other city departments. In some instances, an invoice is issued by the City Clerk in place of a receipt slip; however, the invoice is not pre-numbered, does not indicate the method of payment, does not indicate who received the monies, and does not indicate the purpose for which the monies were received.

- Police department receipt slips do not indicate the method of payment.

- Receipt numbers are not accounted for in the computerized receipt system. During a cash count, we identified two missing receipt numbers on the daily cash drawer report. The computer system does not maintain a record of voided receipts and no copies of the receipt were retained.

- The Collector's office issues manual receipt slips for city licenses, ATV permits, animal licenses, and new water meter deposits. The corresponding computer receipt slip number is not recorded on the manual receipt slip after the information is entered into the city computer system, and there is no independent review to ensure all manual receipts are properly entered into the computer and subsequently deposited.

- The police department, City Clerk, and golf course do not endorse checks immediately upon receipt.

To properly account for all receipts and ensure monies are properly deposited, prenumbered receipt slips should be recorded in numerical order

for all monies received, the method of payment should be recorded for each receipt record and reconciled to the composition of deposits, and checks should be restrictively endorsed immediately upon receipt. Further, all voided transactions should be accounted for properly.

5.2 Bond coverage

Although the Mayor is an authorized signature on the bank accounts, he is not covered by a bond. Additionally, the Senior Center Director and volunteers at the Senior Center all handle monies and are not bonded or covered by a blanket insurance policy. Failure to properly bond or insure individuals who have access to funds exposes the city to risk of loss.

Recommendations

The Board of Aldermen:

5.1 Require receipt slips be issued in numerical order for all monies received with the method of payment indicated on the receipt slip and reconcile the composition of the amounts recorded to deposits. Additionally, the Board of Aldermen should take steps to ensure checks are endorsed upon receipt, and voided transactions are accounted for properly.

5.2 Obtain bond coverage or insurance for all officials and employees with access to city assets.

Auditee's Response

The Board of Aldermen provided the following responses:

5.1 All these recommendations have now been implemented.

5.2 We have discussed coverage for all these employees and officials with our bonding company and will obtain coverage as recommended.

6. Golf Course

Concerns relating to the golf course pro-shop, the handling of receipts, discount policies, and membership tracking were noted. The golf course processes membership fees, greens fees, cart rentals, shed rentals, and other miscellaneous receipts of approximately $139,000 annually, according to city accounting records.

6.1 Pro-shop

The golf course pro shop is a private business operated on city property at city expense. There is no written agreement between the city and the Golf Club House Manager for operation of the pro shop. The golf course pro shop, called The First Tee, is a private business inside the golf course club house and is personally owned by the Golf Club House Manager who is a city employee. This business is operated with the help of other city employees. The city requires no rent payment, pays utilities and insurance for the pro shop, and has not solicited proposals for its operation. Further,

the amount of city employee time spent to operate the pro shop is not tracked.

If the city continues to allow the Golf Club House Manager to own and operate the pro shop as a private business on city property, it should enter into a written agreement establishing appropriate terms for the operation of this private business on city property. The city should cease using city resources to subsidize the operation of the privately owned pro shop and periodically solicit proposals for the operation of the pro shop, if it is to continue being operated as a private business. Article VI, Section 25, Missouri Constitution, prohibits the use of public money or property to benefit an individual, except as provided in the constitution. Without a written agreement that clearly indicates the governmental purpose provided to the city, this could be considered a violation of the constitution. In addition, Section 432.070, RSMo, requires all contracts be in writing.

6.2 Receipts

Concerns were noted regarding golf course procedures related to receipts.

- Receipts of the pro shop, a private business, are comingled with city receipts. All receipts collected at the golf course, both for the pro shop and the city, are receipted using one cash register. If the city continues to allow the pro shop to operate as a private business, it should cease the comingling of city and private business receipts to ensure all public monies are accounted for properly.

- The city does not receive adequate documentation of daily receipt activity at the golf course. A daily report and receipt tape are submitted to City Hall with the city receipts; however, the city does not receive a copy of the daily report and register tape on days that only pro shop monies are received and no city fees are collected. As a result, there are some days that the city does not receive any reports from the golf course. To ensure all city fees collected are turned over, the city should receive a copy of the daily report and register tape for each day the golf course is open. Without obtaining and properly reviewing adequate documentation, the city cannot ensure all monies are transmitted.

- The cash register does not account for the composition of receipts or assign receipt or transaction numbers; and, golf course monies are not transmitted to the city intact. When the pro shop has credit card sales, an equal amount of cash is taken out of monies to be transmitted to the city since all credit card payments automatically post to a city bank account. When there is not enough cash to cover the credit card payments for pro shop items, the city issues a check to the employee who owns the pro shop for the amount of credit card sales. In addition, the city pays the credit card company fees for each credit card transaction and these fees are not considered when pro shop sales are withheld. The failure to account for the composition of receipts, assign receipt or transaction

numbers, and transmit intact increases the risk of theft or misuse of funds going undetected.

6.3 Policy

The city approved a golf course use policy that gives a 50 percent discount to city employees. The golf course also applies the discount to family members of city employees; however, the city policy does not clearly state if the discount applies to family members. To ensure all fees due the golf course are received and city policy is followed, the city should reexamine the policy and clarify who should receive a discount.

6.4 Membership billings

The city does not adequately track amounts due for golf course memberships. In response to a recommendation by its independent auditor, the city began maintaining a spreadsheet of amounts billed by the golf course for membership fees and amounts paid. However, we noted a $790 payment for a membership and shed rental received by check on January 28, 2011, had not been recorded on the spreadsheet as of May 26, 2011. The city should maintain adequate up to date, records to ensure all golf course membership dues are paid and to facilitate contacting delinquent members.

Recommendations

The Board of Aldermen:

6.1 Evaluate the current arrangement of allowing the Golf Club House Manager to operate the pro shop as a private business, and if the city decides to continue this arrangement, enter into a written agreement establishing appropriate terms for the operation of the business on city property. Further, the Board should cease using city resources to subsidize the operation of the privately owned pro shop and periodically solicit proposals for the operation of the pro shop, if it is to continue being operated as a private business.

6.2 Require copies of all daily reports and register tapes from the golf course, evaluate the practice of allowing the Golf Club House Manager to withdraw city cash receipts for pro shop credit card transactions, ensure the composition of all receipts is indicated, and evaluate the possibility of adding receipt/transaction numbers to the cash register at the golf course to properly account for all transactions.

6.3 Review the golf use policy and clarify whether the 50 percent discount includes family members of city employees.

6.4 Ensure billings and collections of golf memberships are adequately monitored.

Auditee's Response

The Board of Aldermen provided the following responses:

6.1 We will review the current situation and make changes as recommended. A written agreement will be prepared that complies with the State Auditor's recommendations.

6.2 A new cash register will be purchased that will track transactions and all reports will be reviewed. All receipts will be deposited and any funds owed to the Golf Club House Manager will be paid by check from the city.

6.3 We will review the policy and amend it as appropriate.

6.4 This recommendation has been implemented. The spreadsheet maintained by the City Clerk is reconciled to records maintained at the Golf Course.

7. Payroll

Procedures over compensatory time, timesheets and leave records, and commuting miles need improvement.

7.1 Compensatory time

Several areas of concern were noted with compensatory time.

- A golf course employee was allowed to accrue compensatory time in excess of the maximum allowed by the Fair Labor Standards Act (FLSA) of 1938. City payroll records indicate one golf course employee had a compensatory time balance of 595 hours at November 30, 2010. According to city officials, golf course employees work long hours during nice weather and receive compensatory time at the rate of time and one-half for hours worked in excess of 40 hours per week. The compensatory time is used by the employees during winter months when the golf course is closed. However, the FLSA states covered employees may accumulate a maximum of 480 hours (for seasonal personnel) of compensatory time. Hours in excess of this maximum are to be paid to or taken off by the employee in the next pay period.

- Overtime is paid to police department employees when not required by the FLSA. The city currently pays overtime to police department employees for any time worked over 40 hours in one week; however, the FLSA only requires police department employees to be compensated at time and one-half for work hours in excess of 171 hours in a 28-day pay period, not including holiday, vacation, or sick leave hours. Paying overtime for law enforcement based on a 40 hours week results in higher police department payroll costs.

- Compensatory time is not calculated for two full time city employees who performed janitorial duties after business hours. Two full-time city

employees are also employed by the city as janitors at city hall and the senior center. The janitor at city hall is the Fire Chief, a salaried city employee who does not prepare a time sheet and who as fire chief is exempt from overtime provisions. The janitor at the senior center is the cook and prepares one time sheet for her duties as cook and another time sheet for her duties as janitor; however, her timesheet as janitor only documents the days she cleans and not the hours she spends cleaning. Both employees receive two W-2 forms annually from the city for their separate duties. The city personnel policy and the FLSA require any time worked over 40 hours in a week (for non-emergency personnel such as the cook and janitorial services) to be paid at time and one-half. Because the city Fire Chief and the senior center cook are full time city employees, it is likely their time working as janitors would cause them to exceed 40 hours during the week.

To ensure the city complies with the FLSA, the city should establish better controls over the management of compensatory time balances. This would include evaluating balances for reasonableness, reviewing the reasons for large or increasing balances, and providing solutions to prevent excessive balances. Additionally, to limit city liability for overtime costs for law enforcement officers and ensure compliance with the FLSA and the city personnel policy, the city should review the method in which overtime is computed for law enforcement officers and require adequate documentation from the Fire Chief and the senior center cook for all time worked to ensure compensatory time is awarded as appropriate.

7.2 Timesheets and leave records

The city does not require timesheets be prepared for its seven salaried employees and the city hall janitor. Additionally, the city does not maintain records of vacation and sick leave for one of the salaried employees, the Golf Club House Manager (owner of the pro shop business referred to in MAR finding number 6).

Timesheets are necessary to document hours worked, substantiate payroll expenditures, and provide the city with a method to monitor hours worked and leave taken. In addition, without leave records, the city cannot ensure vacation and sick leave balances are accurate and all employees are treated equitably. Leave records also help the city in determining unused leave upon termination of employment.

7.3 Commuting miles

The commuting use of city vehicles is not reported to the Internal Revenue Service (IRS) and city vehicle logs do not distinguish between business and personal use. The City Administrator, Parks Supervisor, and Public Works Director take city vehicles home.

With certain exceptions, such as law enforcement personnel, the IRS reporting guidelines provide that personal commuting mileage is a

reportable fringe benefit. Furthermore, IRS guidelines require the full value of the provided vehicle be reported on the employee W-2 forms if the employer does not require submission of detailed logs which distinguish between business and personal use. Additionally, the city may be subject to penalties and/or fines for failure to report all taxable benefits.

7.4 Compensation

Some employees are not paid in accordance with the city salary schedule. We noted several positions, including the City Administrator, Police Chief, and Golf Club Manager, for which the salary amount paid was less than the amount on the salary schedule. According to the City Administrator, salary amounts for a few employees are not calculated using the salary schedule even though their position is specifically listed on the schedule. While the salaries of these employees are also specifically listed in the city budget which is approved by the Board of Aldermen, the salary schedule is also approved by the Board of Aldermen and there is no documentation indicating why the salary amount paid does not agree to the schedule.

To ensure salary amounts paid to employees are accurate, authorization of employee compensation by the Board of Aldermen should be consistent or adequate documentation should be maintained to document reasons why salaries for some city positions do not agree with approved salary schedules.

Recommendations

The Board of Aldermen:

7.1 Closely monitor compensatory time of city employees to limit potential city liabilities and ensure the maximum allowable balance is not exceeded. In addition, the Board of Aldermen should review the method in which overtime is computed for law enforcement officers and require adequate documentation from the Fire Chief and the senior center cook for all time worked for the city to ensure overtime is awarded as appropriate.

7.2 Require timesheets and leave records be maintained for all employees.

7.3 Comply with IRS guidelines for reporting fringe benefits related to commuting in city owned vehicles.

7.4 Ensure authorization of employee compensation is consistent or adequate documentation is maintained to document reasons why salaries for some city positions do not agree with approved salary schedules.

Auditee's Response

The Board of Aldermen provided the following responses:

7.1 Comp time for Golf Course employees no longer exceeds 480 hours. We will contact the Department of Labor regarding the employment arrangements with the Fire Chief and the Senior Center Cook. We have already implemented the new comp time calculations for police department personnel.

7.2&3 We will comply with these recommendations.

7.4 Beginning this year we discontinued approving a separate salary schedule. All employee salaries are detailed in the city's budget and approved when the budget is approved.

8. Utility System

The city has not reviewed water and sewer rates since 2008, and significant weaknesses were noted in control procedures over utility system adjustments.

8.1 Water and sewer rates

According to the City Clerk, there has not been a review of utility rates since 2008, and per the audited financial statements, the Water and Sewer Fund had net income of only $382 for the year ended June 30, 2010. Further, the Board does not receive and review timely financial information necessary to adequately monitor fund balances (see MAR finding number 1).

Water and sewer fees are user charges which should cover the cost of providing the related services. The city should perform a detailed review of its water and sewer costs, including depreciation and debt service costs, and set rates to cover the total cost of operation. Preparing a statement of costs would not only allow the city to determine the rates necessary to support current and future operations, but also provide documentation to customers of the rationale behind the rates. Such rate studies should be performed periodically.

8.2 Adjustments

Independent approval is not always obtained and documented for adjustments posted to the utility system, and the justification and reasons for the adjustments are not always adequately documented.

Adjustments to customer water accounts are authorized by the City Administrator; however, his approval and reasons for adjustments are not always documented. In addition, adjustments to customer sewer accounts are authorized only by the utility clerk, who also prepares utility bills and posts adjustments to utility accounts. Utility adjustments for the year ended June 30, 2011, decreased amounts owed by $8,609.

Proper authorization and adequate documentation, which fully explains the reason for adjustments to customer accounts, are necessary to ensure only the proper accounts and amounts are adjusted and to reduce the risk of theft, loss, or misuse of funds.

Recommendations

The Board of Aldermen:

8.1 Review water and sewer rates periodically to ensure receipts are sufficient to cover all costs of providing these services.

8.2 Require an independent review and approval of all utility system adjustments and ensure adequate documentation is retained to support such adjustments.

Auditee's Response

The Board of Aldermen provided the following responses:

8.1 We reviewed rates in July and we are considering an increase because of additional cost requirements.

8.2 This recommendation has been implemented.

9. Sunshine Law

Closed meeting minutes did not include sufficient detail, and the city did not always comply with the Sunshine Law and city ordinances.

9.1 Meeting minutes

Closed meeting minutes did not include sufficient detail of matters discussed. For example, some closed session minutes stated topics such as litigation and personnel were discussed but provided no further detail as to the specifics of the discussions. Further, no minutes were taken for a budget workshop held by a quorum of the Board in a conference room off the back of Council Chambers on July 5, 2011. Due to lack of documentation, it is unclear whether the workshop was an open meeting.

To ensure compliance with Chapter 610, RSMo (the Sunshine Law), the Board should adequately document discussions held in closed meetings and maintain minutes for all meetings of the Board of Aldermen, including workshops.

9.2 Public access policy

The city has not adopted a policy regarding public access to city records. A formal policy regarding access to city records would establish guidelines for the city to make the records available to the public. This policy should establish a person to contact, an address to mail requests for access to records, and a fee schedule for document retrieval and research. Section 610.023, RSMo, lists requirements of making city records available to the public, and Section 610.026, RSMo, establishes the fees for copying public records.

Recommendations

The Board of Aldermen:

9.1 Ensure closed meeting minutes contain sufficient detail of all significant matters discussed and minutes are maintained for all meetings of the Board of Aldermen, including workshops.

9.2 Establish written policies and procedures regarding public access to city records.

Auditee's Response

The Board of Alderman provided the following responses:

We will comply with these recommendations.

City of Mountain Grove
Organization and Statistical Information

The City of Mountain Grove is located in Wright County. The city was incorporated in 1886 and is currently a fourth-class city. The city employed 47 full-time employees and 7 part-time employees on June 30, 2011.

City operations include law enforcement services, utilities (water and sewer), street maintenance, fire protection, planning and zoning, and recreation services.

Mayor and Board of Aldermen

The city government consists of a mayor and eight-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 4-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at June 30, 2011, are identified below. The Mayor is paid $500 per month and members of the Board of Aldermen are paid $100 per month. The compensation of these officials is established by ordinance.

Delbert Crewse, Mayor
Glenn Kemper, Alderman
Amber Raney, Alderwoman
Dan Bartlett, Alderman
Victor Richards, Alderman
Kay Rogers, Alderwoman
Wayne Jones, Alderman
Jeff Holman, Alderman
Bill Davault, Alderman

Other Elected Official

The City Marshall/Ex Officio Collector at June 30, 2011, was Daniel Parker and his annual compensation was $2. The City Marshall/Ex Officio Collector 's compensation is established by ordinance. Daniel Parker also serves as the chief of police, an appointed position, at an annual salary of $37,226.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The City of Mountain Grove did not receive any federal stimulus monies during the 2 years ended June 30, 2011.

Thomas A. Schweich

Missouri State Auditor

City of Lanagan

November 2011

Report No. 2011-105

auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Lanagan

Missing Funds	Thousands of dollars of city monies are missing, and the city should work with law enforcement to prosecute the person(s) responsible and recover the missing amounts. The auditors identified over $13,600 in missing cash receipts and believe another $2,800 in property tax receipts is missing, and it is likely additional monies are missing.
Excess Court Revenues	The city failed to turn over approximately $36,000 in excess traffic ticket revenues to the Missouri Department of Revenue, as is required by state law, and the Police Chief continued to report certain traffic stops as being on city streets even after the audit staff informed him it was improper.
Financial Condition	The city is in poor financial condition, and elected officials are not taking the necessary steps to address the city's finances. At December 31, 2010, the city owed almost $84,000, and only had approximately $17,600 in available funds. Despite this, the city hired a new employee and gave raises to existing employees.
Accounting Controls and Procedures	The city's poor accounting controls and procedures, including the lack of segregation of duties, inadequate controls and absence of proper oversight allowed the missing funds to go undetected. The city lacks procedures to properly account for licenses and fees, accurate accounting records are not maintained, and $805 was removed from the petty cash fund but there is no documentation to show what happened to it. The city should consider reducing the number of bank accounts it maintains (nine checking and three savings) to reduce the number of transfers between accounts and opportunities for error. The city does not regularly backup its computer system and store the backups offsite.
Water and Trash Services	The city's water supply infrastructure has severely deteriorated, and the city lacks the resources to upgrade it. The city should segregate utility system accounting duties, investigate large water losses, review its water rates, and enforce delinquent penalties. The city used refundable water deposits to pay city expenses, and the fund is short by more than $10,000.
City Disbursements	The city did not solicit bids for trash services and does not have an adequate written agreement with this vendor. The city contracted with an engineering firm, but had no documentation showing it evaluated and considered competitors. The city lacks procedures to properly calculate, collect and remit sales taxes, and does not adequately document and approve disbursements. The city does not pay its bills on time and has been charged late fees, finance charges, and overdraft fees.

Restricted Funds	The city does not properly allocate expenses among its restricted funds and has spent Law Enforcement Training fees on items not allowed by state law.
Property Tax Collections	The Board of Aldermen did not properly protect city records, and the tax records disappeared from City Hall. The city paid the former City Clerk $802 in property tax commissions, but it is not clear whether these payments were appropriate. The Board of Aldermen does not review and approve property tax reports, and accurate delinquent tax lists are not maintained.
Payroll Procedures	The city does not maintain personnel files for its employees, and some time records were not available. The city does not maintain adequate documentation of leave balances, and the Police Chief and the former City Clerk both received unsupported payments for leave. The city did not properly report all wages on W-2 forms and paid its federal payroll taxes late, which cost the city $885 in penalties and interest.
Financial Statements, Budgets, and Audits	The city does not regularly publish semi-annual financial statements, submit annual financial statements to the State Auditor's office, or obtain annual audits.
Ordinances and Meetings	The city does not maintain a complete and orderly set of ordinances. The city needs to improve meeting minutes and ensure Sunshine Law compliance by limiting closed meeting discussions to allowable topics.
Capital Assets	The city does not maintain capital asset inventory records, tag assets for identification, or conduct annual physical inventories. The city had no documentation to support how it disposed of three city vehicles.

In the areas audited, the overall performance of this entity was **Poor**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The City of Lanagan received a $7,671 Recovery Act: Edward Byrne Memorial Justice Assistance Grant Program Local Law Enforcement Block Grant, which was expended during the 2 years ended December 31, 2010, for officer safety equipment.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Lanagan
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THOMAS A. SCHWEICH
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Lanagan, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Lanagan. We have audited certain operations of the City of Lanagan in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2010. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.

2. Evaluate the city's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Lanagan.

An additional report, 2011-12, *Fortieth Judicial Circuit, City of Lanagan Municipal Division*, was issued in March 2011.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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1. Missing Funds

Between January 1, 2009, and December 31, 2010, utility receipts collected for water and trash services totaling at least $13,520 and other cash receipts totaling at least $158 were received but not deposited and are missing. Additionally, when this audit began, property tax books and receipts records were discovered to be missing from city hall, and property tax receipts totaling approximately $2,800 also appear to be missing.

Some other essential records could not be located by the current City Clerk, and as a result, it is likely additional funds are missing. After our initial visit to the city on Wednesday, September 22, 2010, to begin the audit of the City of Lanagan Municipal Division, the former City Clerk, Peggy Gilliam, ended her employment. The Board of Aldermen appointed Monica Blue as City Clerk on October 12, 2010.

Water and trash receipts

Water and trash receipts totaling $171,928 were recorded as received during the 2 years ended December 31, 2010, but only $163,908 was deposited in the bank account, resulting in a shortage of $8,020. In addition, some adjustments posted to water customer accounts indicate specifically that payments were received but not posted. These adjustments total at least $5,500 and should have been included in total receipts but were not. As a result, at least $13,520 was received but not deposited, and is missing.

Recorded receipts	$ 171,928
Adjustments posted to customer accounts (labeled as payments received but not posted)	5,500
Total receipts	$ 177,428
Total deposits	163,908
Missing cash receipts	$ 13,520

Water/trash receipts are posted to the computer system in batches, and deposit amounts should agree to batch totals. A detailed comparison of each individual receipt and deposit was performed for 4 months (May, October, and November, 2009, and February, 2010). This detailed review identified significant amounts of cash receipts missing from city deposits. As a result, the remaining 20 months of the audit period were reviewed by comparing total recorded receipts to total deposits to arrive at the above amounts and the amounts reported on the Documentation of Missing Cash Receipts Schedule at the end of this report.

Missing water/trash monies were concealed in several ways:

- Numerous adjustments were posted to customer accounts to reduce the amount owed; however, payments were made by these customers and the monies were not deposited. These adjustments contained explanations in the memo line such as, "payment not posted" identifying that a payment was, in fact, received. Manual receipt slips or billing stubs marked paid were found for many of these adjustments. However, these payments were not posted as a receipt in the utility accounting system and were not deposited.

- Numerous instances were noted where checks were recorded as received in the utility accounting system, but the manually issued receipt slip or billing stub indicated the monies were received in cash and these monies were not deposited into the city's account.

- Numerous instances were noted where checks received were not recorded in the utility system and were substituted into deposits for recorded cash receipts that were not deposited into the city's account. Adjustments were also posted for these payments to reduce the customer's liability.

- Several instances were identified where a customer made multiple payments to their water/trash account and some payments were not posted or deposited, and are missing. As a result, some customers overpaid the city.

Because of the lack of availability of some receipt records, additional cash receipts may be missing that are not reflected in this report. The Documentation of Missing Cash Receipts Schedule at the end of this report provides detail regarding the missing cash receipts.

Property tax receipts

Approximately $2,800 in property tax monies may be missing. City officials indicate the city tax books and tax receipt information disappeared from City Hall shortly after our audit began in September 2010. As a result, detailed receipt information was not available for our review. However, according to city bank deposit records approximately 32 percent less was deposited for property tax receipts in 2009 than in 2010.

		2010	2009
Property taxes charged	$	9,148	9,148
Property tax deposits		7,479	4,602
Difference	$	1,669	4,546
Collection percentage		82%	50%

During our audit, we observed instances where residents brought their paid property tax receipt into City Hall to prove to the new City Clerk property taxes had been paid and were not delinquent. Deposits could not be located for these receipts.

Assuming the 2010 collection percentage of 82 percent is reasonable for the City of Lanagan then an additional $2,877 should have been collected during 2009.

Other receipts

During our detailed review of receipt records for 4 months (May 2009, October 2009, November 2009, and February 2010), we identified some manual receipt slips for cash that should have been deposited in the General Fund and Water Deposit Fund; however, the cash was not deposited.

Month and type of receipt	Receipt slip numbers	Cash received	Cash deposited	Cash shortage
May 2009				
Property tax and dog tag	142091, 198008	$ 63	20	43
October 2009				
Partial water deposit	198119	35	0	35
November 2009				
Water deposit	198112	80	0	80
Total		$ 178	20	158

Since manual receipts and deposit records were only reviewed for 4 months it is likely additional monies are missing.

Overall conclusion

The lack of segregation of duties, inadequate controls, and the absence of proper oversight by the Board of Aldermen, as discussed in the remainder of this report, resulted in the missing cash receipts being undetected. Given the varying methods in which receipts are missing from the city, it is apparent city financial activity was not adequately monitored.

Report No. 2011-12, *Fortieth Judicial Circuit, City of Lanagan Municipal Division*, issued in March 2011 also identified at least $521 missing in municipal court cash receipts between July 1, 2009, and December 31, 2009.

Recommendation

The Board of Aldermen work with law enforcement officials regarding criminal prosecution for the missing cash receipts and take the necessary actions to recover restitution for amounts missing.

Auditee's Response

The Board of Aldermen provided the following response:

We will work with law enforcement officials regarding the criminal prosecution of the individual responsible for the missing cash receipts and we will take any action necessary to recover restitution. We will also consult with our city attorney regarding any civil action.

2. Excess Court Revenues

Procedures are not in place to track tickets issued on state and federal highways and related fines and costs collected to determine the excess revenues to be distributed to the Missouri Department of Revenue (DOR). Additionally, the Chief of Police did not properly report the location of vehicle stops to the Missouri Attorney General.

2.1 Monitoring

Tickets issued on state and federal highways and the related fines and costs collected are not properly tracked to determine the excess revenues to be distributed to the DOR. Section 302.341.2, RSMo, requires municipalities deriving more than 45 percent prior to August, 2009, and more than 35 percent after August, 2009, of their annual general operating revenue from fines and costs for traffic violations occurring on a state or federal highway to turn the excess amount over to the DOR, to be distributed to schools of the county.

The city police department issued 1,163 traffic tickets in 2010 and 541 tickets in 2009. Since the city and the municipal division do not track the amount of fines and costs collected on tickets issued on state and federal highways, we reviewed all 555 tickets issued by the police department between January 1, 2010, and June 30, 2010. This review determined 5 tickets were issued for non-traffic violations, 4 tickets were issued on city streets, the location stop of 3 tickets issued could not be determined, and the remaining 543 tickets (98 percent) were issued on state highway 59 (Main Street) or state highway EE, within the city limits.

Based on city receipt records, 35 percent of the 2010 annual general operating revenue ($117,868) was $41,254. Annual receipts received from the municipal division totaled $76,364 and, based on our review of 2010 tickets, estimated receipts for violations on state and federal highways would be $74,837 (98 percent), resulting in excess monies to be turned over to the DOR of approximately $33,583 ($74,837 less $41,254). In addition, we calculated excess revenues for 2009 to be $2,698. As a result, total excess revenues for 2010 and 2009 are $36,281.

To ensure monies are properly disbursed to the DOR and to comply with state law, the city should establish procedures to track tickets issued on state and federal highways, determine the excess revenue collected, and submit the excess to the DOR.

2.2 Reporting

The city did not properly report the location of vehicle stops to the Missouri Attorney General for the 2010 and 2009 Missouri Vehicle Stops Annual Report prepared by the Chief of Police. A review of the city's submission reported all vehicle stops made by the police department for 2010 and 2009 were on city streets.

The Missouri Attorney General's web site instructions indicate state highway should be reported for the location of vehicle stops on a state highway that runs through a city. In October 2010, audit staff advised the Police Chief of this requirement and he responded that according to Google Maps the road is titled Main Street and therefore, he reported it as a city street. In February 2011, the Police Chief submitted the 2010 data and again reported all vehicle stop locations occurred on a city street.

To ensure vehicle stop locations are accurately reported to the Missouri Attorney General, vehicle stops occurring on a state highway that runs through the city should be reported as occurring on a state highway, not a city street.

Recommendations

The Board of Aldermen

2.1 Properly track collections from fines and court costs for traffic violations on state and federal highways and distribute excess revenues to the DOR. In addition, the Board of Aldermen should pay the DOR $36,281 for 2010 and 2009 excess revenues or review all tickets for 2010 and 2009 to determine the exact amount of excess revenues collected and disburse that amount to the DOR.

2.2 Ensure the Missouri Vehicle Stops Annual Report submissions to the Missouri Attorney General are correctly completed and all traffic stops on state highways are properly reported.

Auditee's Response

The Board of Aldermen provided the following responses:

2.1 The Board will make every effort to abide by state law. The current Board was not aware of this liability and will attempt to remedy the situation.

2.2 All vehicle stops from this point forward will be properly reported.

3. Financial Condition

The City of Lanagan is in poor financial condition and there is no evidence elected officials are providing the guidance and controls necessary to ensure the continuing operations of the city.

The city did not have adequate cash at year end to pay all city liabilities. At December 31, 2010, the cash balance of the General Fund and Water Fund

were $10,172 and $7,501, respectively. Our review indicated the city owed at least $83,994 at December 31, 2010, as follows:

Description		Amount
CPA services	$	1,438
Utility repairs		3,331
Trash services (see MAR finding number 6)		7,000
Insurance		1,935
Water utility supplies		2,529
Engineering services		17,708
Legal services		1,943
Delinquent vehicle lease payments (6 months behind)		2,964
Due to Water Deposit Fund (see MAR finding number 5)		8,865
Department of Revenue (see MAR finding number 2)		36,281
Total	$	83,994

The city routinely receives past due notices from vendors and incurs penalties and finance charges for the late payment of invoices (see MAR finding number 6). At December 31, 2010, the city was six payments behind on the vehicle lease for the police car and negotiated with the lease company to avoid the assessment of late charges. Shutoff notices for utilities have been received from utility companies on several occasions because bills are not paid timely.

In addition, the water system has severely deteriorated and water quality violations have been referred to the Missouri Attorney General by the Missouri Department of Natural Resources (DNR). As a result, court fees and related penalties for violations may be assessed and could be substantial. City officials have not secured funding or developed a plan to make repairs to the water system. Additionally, water rates have not been properly reviewed to ensure rates are sufficient to cover costs and there is a significant amount of water loss monthly without adequate follow-up by city officials (see MAR finding number 5).

Further, city officials continue to increase spending without regard to the poor financial condition of the city. According to the 2011 budget, wages for city and court personnel will increase from approximately $77,500 in 2010 to approximately $118,000 in 2011. Raises were given to most employees and one additional employee was hired. To fund this $40,500 increase in wages, city officials estimated revenues from water/trash services on the 2011 budget would increase; however, water rates have not been increased in several years and the number of water customers did not increase. As a result, it is unclear how city officials determined such an increase in revenue will occur.

Poor management practices exhibited by city officials, numerous internal control weaknesses, and inaccurate accounting records, as well as the

missing cash receipts of at least $13,678 have contributed to the poor financial condition.

It is essential the Board address the situation both in the immediate- and long-term future. To improve the financial condition of the city, the Board should review disbursements and reduce spending as much as possible, evaluate controls and management practices to ensure efficient use of city resources, and attempt to maximize all sources of revenue. In addition, to effectively monitor the available cash and financial condition of each fund, the city needs complete and accurate financial reports.

Recommendation

The Board of Aldermen closely monitor and take the necessary steps to improve the financial condition of the General and Water Funds. The Board should perform adequate short-term and long-term planning that include implementing internal controls and monitoring procedures, accurate accounting records, and proper budgeting procedures. Additionally, the Board should contact creditors and negotiate payment plans to reduce city liabilities, and work with the DNR to repair the deteriorated water system.

Auditee's Response

The Board of Aldermen provided the following response:

We will implement procedures to better monitor the financial condition of the city. Recommendations in this audit report will be taken seriously by the Board and addressed. We have been working toward reducing some of our liabilities, but additional steps will be taken to reduce all liabilities. We are currently working with the DNR to arrive at a remedy to address the city's water system deficiencies.

4. Accounting Controls and Procedures

Numerous weaknesses were identified with accounting controls and procedures. Extremely poor accounting controls and procedures allowed the missing funds identified in MAR finding number 1 to occur and go undetected.

4.1 Segregation of duties

The Board of Aldermen has not established adequate segregation of duties or supervisory review over the accounting functions performed by the City Clerk. Weaknesses identified in the utility, payroll, and property tax systems, and overall receipting and disbursing procedures are significant and demonstrate a lack of proper oversight by the Board.

The City Clerk is responsible for receiving, recording, and depositing monies; reconciling bank accounts; preparing invoices for payment; issuing checks; and posting entries into the accounting system. Additionally, the City Clerk performs all utility billing procedures and payroll related duties. Many of these duties would normally be performed by a City Treasurer and City Collector; however, the city does not have individuals serving in these

positions, and in November 2010, the Board approved City Ordinance No. 10-08 combining the offices of City Clerk and City Tax Collector.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Attorney General's Opinion No. 24, 1955 to Dodds, concluded that in a fourth-class city, the holding of the positions of City Clerk, City Treasurer, and City Collector, or any two of these offices, by the same person at the same time would be incompatible. The current procedures jeopardize the system of independent checks and balances intended by state law. If segregating these duties is not possible, at a minimum, a timely supervisory review by the Board of Aldermen should be performed and documented. Had adequate oversight procedures been in place, some of the missing funds noted in this report may have been prevented.

4.2 Receipting and depositing procedures

The city does not maintain adequate records of receipts, and depositing procedures are poor. As a result, there is no assurance all monies collected were properly handled, recorded, or deposited to city bank accounts.

- Receipt slips are not issued for some monies received. Receipt slips are not always issued for business licenses, fire dues, park fees, cemetery plot sales, and franchise fees received from electric and gas companies. Additionally, water/trash services payments were not always properly or consistently recorded on manual receipt slips or billing stubs.

- Manually issued receipt slips and utility stubs do not always indicate the method of payment, and the city does not reconcile the method of payment recorded on the receipt slips and utility stubs to the composition of receipts recorded in the computerized accounting system or to the deposit.

- Receipt slips are not issued in numerical sequence. Multiple receipt slip books are used to record various types of receipts and the city could not locate all receipt slip books used. Additionally, some receipt slips were not properly voided and retained, and all copies of some receipt slips were missing from the receipt slip books.

- Monies deposited are not reconciled to receipt records. Water/trash monies collected are posted to the computerized utility system and a deposit report is generated daily; however, amounts deposited into the bank account did not always agree with the deposit report. Instances were identified where monies deposited were less than the amount on the deposit report and monies were missing (see MAR finding number 1). Also, instances were noted where monies deposited were more than amounts recorded on the deposit report, and some monies received and deposited were not recorded on the deposit report.

- Monies collected are not always deposited intact or in a timely manner. For example, a check received on May 8, 2009, from an alderwoman for water/trash services was not deposited until May 20, 2009, even though several deposits were made by the city between these dates. A hand written note requesting the check be held was attached to the receipt slip. Several other examples of monies held from deposits were also noted.

- Checks and money orders received are not restrictively endorsed immediately upon receipt. The endorsement is applied when the deposit is prepared or in some instances no endorsement was applied.

- Access to monies received is not properly restricted. While monies are placed in the city safe at night, access is not limited, as several city employees know the combination to the safe and have access.

Poor receipting and depositing procedures resulted in missing funds not being detected timely (see MAR finding number 1). In addition, we identified one instance where the city received a check from the State of Missouri for $516 issued in September 2010 for Peace Officer Standard Training fees and the check was never receipted or deposited by the city. According to state records, the check remains outstanding and the city has not made an effort to request the state reissue the check.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, receipt slips or utility billing stubs should be issued and maintained for all monies received, the numerical sequence of receipt slips should be accounted for properly, the method of payment should be documented, and the composition of receipts should be reconciled to the composition of deposits. Additionally, all receipt slip books should be retained, voided receipt slips should be properly defaced and retained, all monies should be deposited intact and in a timely manner, and checks should be restrictively endorsed immediately upon receipt.

4.3 City licenses and fees

Procedures have not been implemented to properly account for various city licenses and fees. According to city deposit records, approximately $30,000 was deposited related to various city fees during the 2 years ended December 31, 2010.

Business licenses

Documentation of business license fees charged and paid was not adequate. A computerized list of city businesses is printed and when a business pays the license fee, the payment is manually noted on the printout; however, the 2010 printout did not indicate a fee was paid by several businesses and one business was included on the list twice. According to the City Clerk, several businesses on the list are no longer open and the list has not been updated since 2008.

Additionally, the amount charged to at least one vendor is questionable. Three business licenses were issued in 2010 to one local vendor with a $10 fee listed for each license; however, the vendor was charged and paid $160. The City Clerk indicated she believed the additional cost was because the vendor sold alcohol, but this is not clearly documented on the license, in city ordinance, or other city documents.

Pet licenses

Tag numbers issued with pet licenses are not accounted for properly, the license fee charged does not agree to city ordinance, and some fees collected could not be accounted for in the accounting records.

The city tracks the sale of pet license fees collected on a plain piece of paper, listing the pet owner, date of tag purchase, and amount collected. The record is unorganized and in some instances not legible. A review of the 2010 pet license record indicated that tag numbers were not listed, and the numerical sequence was not accounted for properly. Additionally, the amount charged for an animal not neutered was $7.50 instead of $7 as specified in city ordinance. Further, the record indicated $110 was collected for pet licenses in May 2010, but according to city accounting records only $73 was receipted and deposited.

Park fees

Park fee receipt slips do not include the year on the date line, only the month and day, making it difficult to determine the amount of park fees collected in a specific year. Additionally, there are no procedures in place to document the transfer of park fees collected by the park attendant to the City Clerk.

Fire membership dues

No accounting of fire membership dues or insurance reimbursement claims billed or collected is maintained. Varying amounts ranging from $25 to $100 identified as membership dues were collected by the city and deposited in the fire department bank account. The city was unable to provide documentation of fire membership monies received; documentation, such as an ordinance or bylaw, of a basis for charging the dues; or a list of which residents owed the dues. Additionally, amounts billed to insurance companies for responding to a fire were not maintained by the city to ensure all amounts billed were collected.

Cemetery plot fees

City cemetery plot sales records are poorly maintained in a spiral notebook. While official cemetery plot receipt slips are available, they are not used. The date of the last receipt recorded in the receipt slip book was November 2009. Additionally, some individuals appear to have made partial payments on their cemetery plots; however, no payment plan records were provided to document the amount owed, amount paid, and balance due.

To ensure all city fees are accounted for properly, adequate records and procedures should be established to ensure amounts are properly collected, recorded, and deposited.

4.4 Accounting records

Accounting records are not accurately maintained. As a result, reports generated from the accounting system cannot be relied upon by city officials when making decisions.

- Some disbursements are inaccurately classified in the accounting system. For example, accounting records for the year ended December 31, 2009, report wages paid to law enforcement employees totaled $4,803; however, 2009 federal and state wage reports indicate approximately $30,000 was paid to law enforcement officers.

- Some receipts are not consistently classified in the accounting records. For example, various city fees were sometimes recorded as "other revenue" instead of as city fees. In one instance, $160 collected for a licensing fee was recorded as a property tax receipt.

- Transfers between bank accounts were sometimes recorded as a receipt and not properly classified in the accounting records. For example, a check for $710 issued from the Water/Trash Fund account to the General Fund account was incorrectly recorded as a property tax receipt in the accounting system.

- Numerous additional errors, such as check issue dates and deposit dates were posted incorrectly in the accounting records. In one instance, a payroll check was recorded in the accounting records to the wrong payee. In a similar instance, a check for $500 was posted to the accounting records as issued to the Internal Revenue Service; however, the payee on the check was the water supply vendor.

Accurate and complete financial information is necessary to provide the Board with sufficient information to make informed decisions and to provide residents with reliable information about city finances.

4.5 Petty cash fund

A petty cash balance of $805 was removed from the accounting records without documentation of the disposition of the funds. The 2009 computer generated financial statements indicate the city maintained a cash fund of $805 used for small purchases and to make change. During 2009, an adjustment was made in the computerized accounting records to remove the cash balance of $805 at the direction of the Board of Aldermen. To ensure monies are accounted for properly, documentation should be maintained to provide accountability as to the disposition of the $805.

4.6 Bank accounts and transfers

The city has nine checking accounts and three savings accounts, resulting in excessive transfers between accounts and cumbersome recordkeeping. Numerous checks are issued to make transfers from one checking account to another. During our review of transfers between city accounts, we identified several instances where checks were issued from one account and then directly re-deposited into the same account in error, and some transfer checks were deposited into the wrong city account and required another transfer check to correct the error. Also, several deposits were made into the wrong city account requiring transfer checks to be issued from city accounts. Checks totaling approximately $302,000 were issued for transfers between city bank accounts during the 2 years ended December 31, 2010.

To help simplify city records and reduce the number of transfers between bank accounts that must be monitored and controlled, the Board should consider reducing the number of bank accounts.

4.7 Backups

Regular and timely backup copies of computer information are not maintained. The computer system crashed in 2009 and information had to be reentered. Backups are necessary to provide a means for recreating destroyed data. Backup copies should be maintained and stored off-site to provide increased assurance that city computerized records can be recreated.

Recommendations

The Board of Aldermen:

4.1 Consider appointing separate individuals to the position of City Clerk, City Collector, and City Treasurer to adequately segregate duties. If this is not possible, at a minimum, the Board of Aldermen should perform and document reviews of the City Clerk's work.

4.2 Require receipt slips or billing stubs be issued or maintained for all monies received and the numerical sequence of receipt slips be accounted for properly. The method of payment should be documented and the composition of receipts reconciled to the composition of deposits. Additionally, voided receipt slips should be properly defaced and retained, all monies should be deposited intact and in a timely manner, and checks should be restrictively endorsed immediately upon receipt.

4.3 Establish adequate records and procedures to ensure all city fees are properly collected, recorded, and deposited.

4.4 Ensure accounting records are accurately maintained.

4.5 Maintain documentation to provide accountability of the disposition of the petty cash/change fund.

4.6 Consider reducing the number of bank accounts.

4.7 Maintain backups of computer information and store the backups in a secure, offsite location.

Auditee's Response

The Board of Aldermen provided the following responses:

4.1 The Board has attempted to segregate some duties with the addition of another clerical staff person. As a Board, we will request more financial information and provide additional oversight of city operations. We will comply with the Attorney General's opinion.

4.2 These recommendations have been implemented. Receipt records are now agreed to amounts deposited.

4.3 This recommendation has been implemented. Spreadsheets have now been developed for most of the various city licenses and fees. In addition, during 2011 the year was included with the date on receipt slips issued for park fees.

4.4 The current City Clerk balances bank accounts with the city's accounting records monthly. The City Clerk will begin providing bank reconciliations and bank statements along with monthly financial statements to the Board for their review to help ensure the accuracy of these records.

4.5 As the Board now has several new members, we are not responsible for practices of past administrations. The city now maintains a small change fund for utility payments. A petty cash fund is not maintained.

4.6 We agree and will review current city needs and consider reducing the number of bank accounts held by the city.

4.7 This recommendation has been implemented.

5. Water and Trash Services

The city water system is failing and city officials do not have a plan to finance and repair the system. Additionally, significant weaknesses exist in control procedures related to the water system and trash service. As a result of these weaknesses, there is less assurance all utility monies have been accounted for properly, water and trash services have been billed properly, and user charges are set at the appropriate level to cover the cost of providing the related service.

The city provides water and trash services to its residents and maintains approximately 170 utility accounts. According to city records, water and trash sales totaled $97,417 and $102,487, for the years ended December 31, 2010 and 2009, respectively.

5.1 Deterioration of water system

The city water supply infrastructure has deteriorated and was referred to the Missouri Attorney General by the DNR on January 3, 2011, for violations of National Primary Drinking Water Regulations and Missouri Safe Drinking Water Regulations.

City officials entered into a Bilateral Compliance Agreement (BCA) with the DNR on December 20, 2005, and extended in 2007 requiring completion of water system upgrades by 2010. Several conditions required by the BCA have not been fulfilled, and the city has not taken appropriate action to eliminate the violations and comply with the agreement. As a result, formal enforcement action was initiated by the DNR and court fees and related penalties could be substantial.

The city lacks adequate resources required for the upgrades without passing additional costs on to utility customers, and as a result, will need substantial financial help from external sources to keep the water utility system in operation and avoid complete failure. Although a $100,000 bond issue was approved by voters on November 3, 2009, bonds have not been issued and this funding alone will not provide adequate funds to repair or replace the system.

The city has attempted to obtain public assistance grants and/or loans to fund water system upgrades, but lacks complete and accurate financial statements, an audit of financial activities, and a long-term capital improvement plan, all of which are typically required for public funding. City efforts have been unsuccessful and funding for improvements has not been obtained. Additionally, according to minutes of the Board of Aldermen meetings, the Board does not appear to have a clear understanding of how to resolve the issues with the water system. In September 2010, the Board voted unanimously to obtain water from a neighboring city, and then in May 2011, the minutes indicate the Board discussed retaining the current water system.

It is apparent the Board of Aldermen has not adequately addressed the problems with the water system. As a result, the deteriorating system has significantly impacted the city's financial condition. To successfully address water system issues, the Board of Aldermen should prepare short-term and long-term plans that outline the repair/replacement project and funding sources.

5.2 Adjustments

City Clerk duties include all utility billing, receipting, and recording functions, as well as posting adjustments to the utility computer system without obtaining independent approval or adequate documentation to support the reason for the adjustments. During 2010 and 2009, adjustments were made resulting in an overall reduction to utility account balances of approximately $56,800. While some of these adjustments may be legitimate,

numerous adjustments allowed the concealment of missing monies (see MAR finding number 1).

Requiring someone independent of receipting and recording functions to review and approve adjustments, and requiring proper supporting documentation be maintained for such adjustments would help ensure all adjustments are valid. If these procedures had been in place, missing monies may have been identified timely.

5.3 Water loss

Critical information used to monitor the water system distribution efficiency is not always recorded, and the city has not documented efforts to resolve significant water losses. Although the computerized water billing system automatically compares the total water pumped to the total water billed to customers, monthly water system data to perform this calculation is not always recorded or recorded correctly in the water accounting system, and there is no documentation the Board investigates and resolves significant water losses.

Incomplete or inaccurate information was entered into the water accounting system for 7 months during 2010, preventing the calculation of an accurate water loss percentage. During December 2010, reasonably accurate information appeared to have been entered into the water system showing approximately 3 million gallons of water was pumped and approximately 716,000 gallons was billed or used by the city, resulting in a water loss of 76 percent. City officials indicated that because of the serious deterioration of the water system, significant losses, such as the loss calculated in December 2010, are routine. While the city believes most of the monthly water loss represents water lost between the well and customer meters, some of the loss could represent unbilled water usage. As a result, the city is incurring higher costs to operate the system which contributes to the poor financial condition of the city.

To help detect significant water loss and ensure all water use is properly billed, accurate water system information should be obtained and entered into the water system. The Board should review the reconciliation of gallons of water pumped to gallons of water billed monthly and document its efforts to resolve the differences. According to the U.S. Environmental Protection Agency, the water industry goal for unaccounted for water is 10 percent or less. [1]

5.4 Water rates

The city has not performed a review of water rates for several years, and documentation officials provided to support the last rate increase from 2008 was not adequate. Additionally, accounting records are not accurately

[1] http://www.epa.gov/watersense/pubs/utilities.html, Last updated on Monday, October 10, 2011.

maintained to provide the financial data necessary to calculate the cost of operating the water system (see MAR finding number 4). As a result, water rates may not be sufficient to cover the costs of operating the system.

Water fees are user charges which should cover the cost of providing the related services. The city should perform a detailed review of its water costs, including depreciation, and set rates to cover the total costs of operation. Preparing a statement of costs would not only allow the city to determine the rates necessary to support current and future operations, but also provide documentation to customers of the rationale behind the rates. Such rate studies should be performed periodically.

5.5 Refundable water deposits

Refundable water deposit monies are not properly restricted and have been used to pay city expenses. Additionally, some water deposit monies received were deposited into the wrong bank account, some were not posted to the computerized utility accounting system, and some cash received for water deposits could not be traced to a bank deposit and is missing.

New customers are required to pay an $80 refundable deposit before receiving water services. According to the water deposit report for October 31, 2010, the city should be holding at least $14,225 in refundable water deposits; however, the balance of the Water Deposit Fund bank account at this date is only $4,052, a difference of $10,173.

- Restricted water deposit monies totaling $8,865 were transferred from the Water Deposit Fund bank account to the Payroll Fund bank account ($1,246), Water/Trash Fund bank account ($3,254), and General Fund bank account ($4,365) during 2009 and 2008 for payment of city expenses. Board of Aldermen meeting minutes indicate a payment plan of $390 for 24 months was approved in 2009 to repay the water deposit loan with interest, but no payments have been made.

- During 2009 and 2010, refundable water deposits of $1,640 were deposited into the Law Enforcement Training (LET) Fund bank account and only $1,320 was disbursed from this account to correct the error. As a result, $320 is due from the LET Fund bank account to the Water Deposit Fund bank account.

  A limited review of water deposit records revealed that not all payments for refundable water deposits are properly posted to customer accounts and therefore, are not included in the water deposit report total of $14,225 noted above. During July and August 2010, two receipt slips for the $80 cash payment of refundable water deposits were not posted to the utility computer system or reflected in the appropriate customer account. In addition, one of the $80 cash payments could not be traced to a deposit.

Refundable water deposit monies are restricted funds. Borrowing from these funds to pay city expenses is not an appropriate use of these funds, and is not an appropriate way to finance funding shortfalls. To ensure the city is properly holding sufficient water deposits on behalf of customers, the Board should prepare a plan to repay the Water Deposit Fund bank account and prepare a budget that reflects this plan. In addition, to ensure all water deposit monies received from customers are accounted for properly, the Board should review water deposit records to ensure all monies received were deposited and posted to the appropriate customer account, and prepare an accurate list of water deposits held by the city and reconcile the list monthly to monies held in the Water Deposit Fund bank account.

5.6 Delinquent accounts

Penalties are not always properly assessed on delinquent water and trash accounts. City Ordinance No. 24.01 states any payment not received by the 21st day of each following month after water and trash billing is delinquent. A late penalty of 15 percent of the bill is to be added to each delinquent bill; however, we identified some customers with penalties of 5 percent and one with 0.5 percent. In addition, penalties were not charged for some customers with delinquent bills.

Recommendations

The Board of Aldermen:

5.1 Prepare short-term and long-term plans that outline the repair/replacement project and funding sources for addressing all water system deterioration issues.

5.2 Require someone independent of the utility system review and approve all adjustments, and ensure adequate documentation is retained supporting such adjustments.

5.3 Ensure complete and accurate data is entered into the water accounting system to calculate the monthly water loss percentage and document any effort to resolve significant water losses.

5.4 Perform a documented review of water rates periodically to ensure receipts are sufficient to cover all costs of providing these services.

5.5 Develop a plan to repay the Water Deposit Fund bank account, review water deposit records to ensure all monies received were deposited and posted to the appropriate customer account, and prepare an accurate list of water deposits held and reconcile the list monthly to monies in the Water Deposit Fund bank account. Any discrepancies should be investigated and resolved.

5.6 Ensure penalties are assessed on delinquent water and trash accounts in accordance with city ordinance.

Auditee's Response

The Board of Aldermen provided the following responses:

5.1 We understand the implications of the current condition of the city's water system. Past administrations have failed to properly address this area. We will discuss all available options and prepare a plan to address and remedy the problems with the city's water system.

5.2 All future monthly adjustment reports will be provided to the Board by the City Clerk for approval.

5.3 The new City Clerk is now entering all information and she will provide all water system reports to the Board for review and action in the future.

5.4 Once the water system repairs are completed and the city's water system is in compliance, we will review rates.

5.5 The new City Clerk has started reviewing all water deposit information. Once this review is complete and an accurate listing is prepared, we will work to ensure adequate funds are set aside and labeled as customer water deposits.

5.6 The new City Clerk believes part of the problem results from a computer programming issue. She will contact the system programmer to resolve any issues to ensure penalties will be assessed in accordance with city ordinance.

6. City Disbursements

Controls and procedures over city disbursements are in need of significant improvement.

6.1 Trash service

The city failed to solicit bids for trash services, does not have an adequate written agreement with the trash service vendor, and is delinquent in paying for this service.

In April 2007, the city extended an existing 5 year contract for trash services for another 5 years without evidence of bidding. Additionally, the contract on file with the city was not signed by city officials and did not specify the amount to be retained by the city for commissions. Charges for trash services are included on customer water bills, collected by the city, and remitted to the trash service vendor monthly with the exception of a commission retained by the city. The City Clerk indicated the city retained $1 per customer per month for trash collection services; however, the trash service vendor indicated the city was to retain only 50 cents per customer, per month. Without a commission amount specified in the written agreement, it is not clear if the city is withholding the proper amount.

Further, the city does not remit payment monthly to the trash service vendor and does not document calculations of amounts due. During 2010, the city made only 7 monthly payments totaling $9,675 to the trash vendor without evidence of how these amounts were calculated. According to the trash service vendor, the city owes approximately $7,000 as of December 31, 2010.

Soliciting bids periodically for trash services helps ensure the city has made every effort to obtain the lowest and best price for this service, and all interested parties are given an equal opportunity to participate in city business. To ensure amounts paid to the trash service vendor are properly calculated, documentation should be maintained of payment calculations and the written contract should specify the amount of commissions retained by the city.

6.2 Water sales taxes

Procedures are not in place to ensure the amount of quarterly sales tax is properly calculated and remitted to the DOR. For example, the computerized water billing system indicates sales taxes of approximately $400 were charged to customers during October, November, and December 2010; however, the sales tax return completed by the city and submitted to the DOR showed sales tax of approximately $800 was due and paid by the city. Based upon water sales amounts reported on the sales tax return, it appears the city may have over reported the amount of water sold to businesses.

To ensure sales tax amounts are properly charged, collected, and remitted to the DOR, quarterly sales tax returns should be compared to amounts charged and collected per the computerized water billing system and any differences should be investigated.

6.3 Supporting documentation

Adequate supporting documentation was not maintained for many city disbursements. Of 25 disbursements reviewed, we identified 11 without adequate supporting documentation. Additionally, procedures are not in place to document receipt of goods and services and cancel invoices when payment is made.

Our review identified payments to a lumber company ($490), discount store ($1,050), and an individual ($500) without documentation of goods purchased or services rendered. In addition, the city failed to retain the grant application, time reports, documentation of bids received, and invoices paid for disaster clean up expenses funded through federal and state grant monies totaling approximately $55,000. Although we subsequently obtained this information from the state agency administering the federal funds, copies of the documentation should have been retained by the city.

Invoices for pump repair services ($981), fuel ($723), and water products ($500) were not marked paid to prevent duplicate payments and there was no indication the goods or services were received by the city. Numerous other instances were noted where the city failed to retain documentation to support payments, failed to mark invoices paid, and failed to indicate goods and services were received.

To ensure obligations were actually incurred and amounts paid were proper, all disbursements should be supported by paid receipts, itemized vendor invoices, or other detailed documentation with payment information and receipt of goods or services information clearly indicated. Additionally, all documentation related to federal and state grant monies should be retained by the city to document the propriety of related expenses.

6.4 Approval process

The Board of Aldermen does not have adequate controls over the approval process for disbursements. Additionally, the list of bills approved each month is not complete, and a comparison of this list to actual checks written is not performed.

For example, the July 2010 list of bills to be paid totaled $4,704; however, Board meeting minutes indicate the Board approved bills totaling $7,880 at the July 2010 meeting. There is no explanation for the difference. In addition, the monthly list of bills is not always a complete list of all amounts to be paid. For example, in February 2010, two checks totaling $652 issued to the former City Clerk for property tax commissions were not included on a list of bills approved by the Board.

Further, the Board routinely approves a total amount of bills to pay that exceeds the available cash balance. For example, on June 8, 2009, the Board approved payment of bills totaling $28,633 when funds became available; however, according to city records, available cash balances of the General and Water Funds on this date totaled only approximately $6,000, and funds were not available to make these payments for several months. The determination of which city obligations are paid is made by the City Clerk, and no one compares the list of approved disbursements to amounts actually disbursed.

To ensure disbursements are properly approved, the Board of Aldermen should ensure the list of bills to be paid is complete and accurate, ensure adequate funds are available to pay amounts approved, and compare checks written to the list of bills approved for payment.

6.5 Engineering services

The city contracted with an engineering firm in June 2009 and then renegotiated the contract in April 2010 without documentation of the evaluation and consideration of other firms.

Sections 8.289 and 8.291, RSMo, provide guidance on the selection of engineering services.

6.6 Late fees, overdraft fees, and finance charges

Because of the city's poor financial condition, bills are not paid timely and late fees and/or finance charges are often incurred. In addition, city bank accounts have been overdrawn on several occasions incurring overdraft fees.

- Late fees and finance charges totaling $720 were paid in 2010 and 2009 to a credit card company, $326 to the city accountant, and $254 on a tractor loan.

- The bank statement for the General Fund bank account reflected a negative balance five times during 2010 with overdraft charges totaling at least $255.

Several other instances were noted where late fees and finance charges were assessed for untimely payments. To prevent unnecessary fees and finance charges, procedures should be in place to ensure bills are paid timely. Additionally, to prevent bank account overdraft charges, the city should more closely monitor bank account balances.

Recommendations

The Board of Aldermen:

6.1 Solicit bids periodically for trash services, maintain a signed agreement with the trash service vendor detailing city commission amounts, document the calculation of the fees paid, and determine the amount of delinquent charges and remit unpaid amounts to the trash service vendor timely.

6.2 Compare quarterly sales tax returns to amounts charged and collected per the computerized water billing system and investigate any differences.

6.3 Maintain adequate supporting documentation for all disbursements. Such documentation should be clearly marked as paid to avoid duplicate payments and receipt of goods or services should be indicated. In addition, the Board of Aldermen should ensure documentation related to state and federal grant funds is retained by the city.

6.4 Ensure the list of bills to be paid is complete and accurate and adequate funds are available to pay amounts approved, and compare checks written to the list of bills approved for payment.

6.5 Comply with state law regarding the selection of engineering services.

6.6 Implement procedures to ensure bills are paid timely and bank account balances are properly monitored to avoid late fees, finance charges, and bank overdraft fees.

Auditee's Response

The Board of Aldermen provided the following responses:

6.1 We agree and will consider bidding for trash services in the near future. An adequate contract that contains all necessary information and is signed by both parties will be obtained. The city is currently including a partial payment of delinquent amounts owed along with our current payments in an effort to reduce this liability.

6.2 City officials will review the utility accounting system to make sure taxes are properly charged. Sales tax returns will be reviewed for accuracy before filing.

6.3 This recommendation has been implemented. Documentation is now maintained for all city disbursements.

6.4 The list of bills provided to the Board is now accurate and complete. We will ensure adequate funds are available when bills are approved and we will begin comparing checks written to bills approved.

6.5 We will comply with this recommendation.

6.6 We agree and believe bills are now paid in a timely manner. We are also currently working on paying delinquent bills from past administrations.

7. Restricted Funds

Expenses are not properly allocated among city funds, and law enforcement training (LET) fees are not properly restricted to training related expenses.

7.1 Allocation of expenses

No documentation was maintained to support the allocation of expenses among funds.

- It is not clear how payroll related expenses for employees performing multiple functions are allocated among the various city funds. Monies are transferred from the various bank accounts to the Payroll Fund bank account periodically as payroll checks are issued or payroll taxes are paid; however, there is no documentation to support how amounts transferred are calculated. During the years ended December 31, 2010 and 2009, the city transferred monies to the Payroll Fund bank account as follows:

Transferred from		Year Ended December 31, 2010	2009
General Fund Account	$	53,784	41,305
Water Fund Account		29,523	36,579
LET Fund Account		0	1,302
	$	83,307	79,186

In addition, approximately $8,000 was disbursed directly from the General Fund account for payroll related liabilities. It is not clear why some payroll expenses were paid from the Payroll Fund bank account and allocated among other city funds and some were paid directly from the General Fund bank account.

- Expenses (other than payroll) are not properly allocated among the various city funds. Most city disbursements are made from the General Fund bank account, and transfers are made from restricted accounts, such as the Water/Trash Fund bank account, to the General Fund bank account to cover expenses related to the restricted funds. Documentation is not maintained on how transfer amounts are calculated. In addition, based upon the timing and amount of the transfers, it appears some transfers were made to avoid a negative General Fund bank account balance. A total of $113,771 was transferred from restricted city funds to the General Fund bank account during the 2 years ended December 31, 2010.

Proper allocation of expenses, including payroll, is necessary for the city to accurately determine the results of operations of specific activities thus enabling the city to establish the level of taxation and/or user charges necessary to meet all operating costs. Documentation should be maintain to support the allocation of expenses.

7.2 Law Enforcement Training Fund

LET monies are not always used for purposes allowed by state law. During the 2 years ended December 31, 2010, the city disbursed approximately $1,740 for salaries, $270 for uniforms, and $330 for police supplies (gun holster, magazine case, swat knife) from the LET Fund. Section 488.5336, RSMo, requires LET fees to be used only for the training of law enforcement officers.

Recommendations

The Board of Aldermen:

7.1 Properly allocate expenses among city funds and maintain documentation to support the allocation.

7.2 Ensure LET funds are expended in accordance with state law.

Auditee's Response

The Board of Aldermen provided the following responses:

7.1 We will review the allocation of payroll expenses. The City Clerk is currently documenting the allocation of other city expenses.

7.2 We will comply with this recommendation.

8. Property Tax Collections

Numerous concerns were noted with reporting and monitoring procedures of property tax collections. As a result, the Board has little assurance property taxes, which the City Clerk/City Collector has been charged to collect, have been properly recorded and deposited. According to city deposit slips, tax collections totaled $7,479 and $4,602 for 2010 and 2009, respectively.

8.1 Tax books

The Board of Aldermen did not properly protect city records and as a result, the 2009 property tax book and related property tax receipts disappeared from City Hall shortly after our audit began in September 2010.

Property taxes collected and deposited during 2009 are significantly less than amounts typically collected and it appears some property tax monies are missing (see MAR finding number 1). The former Mayor indicated the tax books were at city hall before the audit started but disappeared shortly after the audit began. Although city officials were aware records were missing from city hall, a formal report to local law enforcement was not filed and an investigation was not conducted. City officials incurred additional charges totaling $300 from the county to reprint the tax books.

City officials have a fiduciary duty to protect city records and investigate the circumstances surrounding missing records and report the situation to law enforcement.

8.2 Property tax commissions

The city had no documentation to support the calculation of $802 in property tax commissions paid to the former City Clerk. In addition, there is no city ordinance authorizing these commissions, and payroll taxes were not withheld or paid on the compensation, nor was the amount reported on the former City Clerk's W-2 form. As a result, it is not clear whether or not these payments were appropriate.

To ensure property tax commission payments are proper, the city should adopt an ordinance authorizing the commissions and documentation should be maintained to support the amounts paid. Additionally, Section 105.300, RSMo, defines an appointive officer or employee of a political subdivision as an employee for payroll tax purposes. To comply with state and federal payroll laws, payroll taxes should be withheld and paid on commissions.

8.3 Monthly and annual reports

Monthly and annual reports were not prepared and presented to the Board of Aldermen summarizing the amount of property taxes collected.

Additionally, tax records are not reviewed by someone independent of the tax collection and reporting process.

Section 79.310, RSMo, requires the City Collector to make a detailed report to the Board of Aldermen stating monies collected, the amounts uncollected, and the names of the persons from which amounts are uncollected. Detailed reports, which comply with state law, classified by type of tax and reviewed by the Board of Aldermen would provide greater assurance taxes have been properly collected, abated, or determined delinquent.

8.4 Delinquent taxes

The delinquent tax list is not accurate and included some individuals and amounts as delinquent when the taxes had been paid. Additionally, the current City Clerk/Collector made corrections to the delinquent tax list but did not always obtain proof of payment from taxpayers when removing them from the list and did not obtain approval by the Board of Aldermen.

Section 94.320, RSMo, provides the Board of Aldermen shall require the City Collector, at the first meeting of the Board in April each year, to prepare lists of delinquent taxes for the Board of Aldermen to examine and approve and charge the City Collector with the amount of taxes due. Any changes to the delinquent tax lists should be approved by the Board of Aldermen, and charged to the City Clerk/Collector.

Recommendations

The Board of Aldermen:

8.1 Take steps to investigate missing property tax records.

8.2 Maintain documentation to support payment of commissions on property tax collections, including an ordinance authorizing such compensation, and withhold and pay applicable payroll taxes on commissions.

8.3 Require the City Clerk/Collector to prepare detailed monthly and annual reports as required by state law. The Board should examine the reports for propriety and accuracy.

8.4 Require the City Clerk/Collector to submit a list of all taxes remaining due and uncollected at the first meeting of the Board in April for the Board to review and approve.

Auditee's Response

The Board of Aldermen provided the following responses:

8.1 We will work with law enforcement to recover missing property tax records. A possible civil action will also be considered.

8.2 The city is no longer paying commissions on property taxes collected.

8.3&4 The Board will comply with these recommendations.

9. Payroll Procedures

Controls and procedures related to employee records, employee leave, and payroll taxes and reporting need improvement.

9.1 Personnel records

The city does not maintain personnel files for current city employees, and the current City Clerk could not locate personnel records of past city employees. As a result, pay rates and other personnel information was not adequately documented.

For example, meeting minutes of the Board of Aldermen indicate an employee was hired on January 12, 2010, at $7.50 per hour, but computerized payroll records indicate this employee was paid $10 per hour. The Mayor indicated this employee did not accept employment at $7.50 per hour, and a second offer of $10 per hour was made and accepted. There was no documentation of Board approval of this rate increase.

Personnel files are necessary to document hire/termination dates, pay rates, promotions, or disciplinary actions. Without adequate personnel records, there is less assurance payments to employees are properly authorized.

9.2 Time records

Some employee time records were either lost, misfiled, or not prepared.

Time records are necessary to document hours worked by employees, substantiate payroll disbursements, and provide the city with a method to monitor hours worked and leave taken.

9.3 Employee leave benefits

Documentation of leave benefits accumulated and used, and remaining balances are not properly maintained, and sick leave payments were made to employees without adequate documentation.

Computerized payroll records reflect balances for vacation and sick leave for employees; however, it appears amounts earned and used were not properly posted and reflected in these balances. During 2010, the Police Chief and the former City Clerk were paid $448 and $324, respectively, for sick leave; however, computerized leave records do not reflect adequate unused sick leave balances to warrant these payments. As a result, it is not clear whether or not these payments were appropriate.

Accrued leave represents a potential liability to the city, and balances should be properly maintained and monitored to ensure employees are properly compensated.

9.4 Wage reporting

The city does not have adequate procedures in place to ensure payroll and withholding amounts are properly reported and paid in a timely manner.

Wages totaling at least $3,618 paid to employees in 2009 and $360 in 2010 were not generated through the payroll accounting system and as a result, were not reported on W-2 forms. Additionally, federal and state payroll taxes withheld from these wages and the city share of payroll taxes on these wages were not remitted to the state and federal government. Unpaid payroll taxes for these wages totals approximately $970.

Additionally, the city failed to deposit federal payroll taxes in a timely manner resulting in the assessment and payment of penalties and interest totaling $885 in 2009.

To ensure all employee wages are properly reported and the appropriate taxes are paid, all wages should be paid through the payroll accounting system and the total amount paid should be reconciled to amounts reported on payroll tax forms. Additionally, the timely payment of payroll tax withholdings prevents unnecessary penalties and interest.

Recommendations

The Board of Aldermen:

9.1 Maintain personnel files of all city employees.

9.2 Ensure time records are prepared and retained for all employees.

9.3 Ensure employee leave balances are properly tracked and monitored.

9.4 Ensure compensation amounts reported on W-2 forms are accurate and reconcile these forms to amounts paid to employees. Amended W-2 forms should be filed for payments made in 2010 and 2009 and unpaid payroll taxes remitted to the state and federal government. Additionally, the Board should ensure payroll taxes are paid timely.

Auditee's Response

The Board of Aldermen provided the following responses:

9.1&3 These recommendations have been implemented.

9.2 City employees are now required to submit time sheets. All time sheets are signed and approved, and will be retained.

9.4 We will review 2009 and 2010 payroll records and file corrected W-2 forms and remit taxes as required. Payroll taxes for 2011 are being paid timely.

10. Financial Statements, Budgets, and Audits

The city does not comply with state law regarding financial reporting and budgeting. In addition, the city does not have annual audits.

10.1 Financial statements

The city did not comply with state law regarding publishing financial statements and submitting financial statements to the State Auditor's office. The city failed to publish semi-annual financial statements for the 6 months ended December 31, 2010, and financial statements published for other time periods contained errors and were incomplete. For example, the city published a financial statement for the 6 months ended June 30, 2010, which contained calculation errors and did not include indebtedness of the city. Additionally the city has not submitted annual financial statements to the State Auditor's office since 2007.

Section 79.160, RSMo, requires the Board of Aldermen to prepare and publish semiannually, a full and detailed account of the receipts, disbursements and indebtedness of the city. Further, Section 105.145, RSMo, requires political subdivisions to file annual reports of financial transactions with the State Auditor's office.

10.2 Budgets

City budgets do not comply with state law. The budgets do not include the beginning and estimated ending cash balances, and do not include actual receipts and disbursements for the 2 preceding years. Additionally, the budgets do not include indebtedness.

Further, the city approved deficit budgets for several city funds for 2010 and 2009. The 2010 budget for the General and Fire Funds reflect budgeted deficit fund balances of $27,921 and $18,686, respectively.

Sections 67.010 to 67.080, RSMo, set specific guidelines for the format of the annual operating budget and prohibit deficit budgeting. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations and provides a means to effectively monitor actual costs and receipts. Considering the city's poor financial condition, it is imperative the city prepare a complete and accurate budget and periodically compare actual results to budgeted amounts.

10.3 Annual audits

The city does not obtain an annual audit. While an annual audit is not required by law, an audit of the city's funds would help ensure financial transactions are properly recorded and monies are accounted for properly. Additionally, an audit of the city's water fund may assist the city in obtaining outside funding sources to improve the water system. Further,

considering the significant problems identified in this report, an annual audit of city funds should be considered by the Board of Aldermen.

Recommendations

The Board of Aldermen:

10.1 Ensure complete and accurate financial statements are published and submitted to the State Auditor's office as required by state law.

10.2 Ensure budgets comply with state law.

10.3 Consider obtaining annual audits.

Auditee's Response

The Board of Aldermen provided the following responses:

10.1 The city has now published financial statements for the 6 months ended December 31, 2010. We will ensure financial statements for the 6 months ended June 30, 2011, are published as soon as possible. In the future, complete and accurate financial statements will be published and submitted to the State Auditor as required by law.

10.2 We will approve a budget for 2012 that complies with state law.

10.3 The city has been in contact with a CPA firm to perform an annual audit.

11. Ordinances and Meetings

Improvement is needed with ordinances, and the city did not always ensure compliance with the Sunshine Law.

11.1 Ordinances

Significant problems were noted with procedures for establishing and maintaining ordinance records.

- A complete orderly set of ordinances is not maintained and ordinances are not properly updated. Some ordinances could not be located and some ordinances were not properly signed and dated. In March 2009, the Board of Aldermen approved a code of ordinances for the city; however, according to documentation from the city legal counsel, the approved code book was intended as a preliminary draft and not intended to be a complete set of ordinances for the city. The Board repealed the code of ordinances on February 16, 2011, and adopted only the chapter for traffic code ordinances.

- The city has not adopted ordinances to adequately establish guidelines for operation of the fire department and cemetery. Varying amounts are

collected by the city for fire dues and cemetery plot sales and these fees are not established by ordinance.

- The rate charged to customers for trash pick-up is not set by ordinance.

Since ordinances represent legislation passed by the Board of Aldermen to govern the city and its residents, it is important the ordinances be maintained in a complete, well-organized, and up-to-date manner. In addition, such items as cemetery plot fees, fire dues, and trash rates should be set forth by ordinance to provide residents information about the amount of fees to be collected.

11.2 Meetings

Procedures for complying with the Sunshine Law and maintaining minutes of meetings need improvement.

- Meeting minutes were not always sufficient to demonstrate how some issues discussed in closed meetings were allowable under the Sunshine Law. For example, the resignation of an alderman and an appointment to fill the vacated position was conducted in a closed meeting on June 24, 2009.

- Open meeting minutes do not record a roll call vote of the Board of Aldermen to enter into closed session.

- Some open meeting minutes did not include the time and place of the meeting.

- Meeting minutes were not always prepared and approved in a timely manner. For example, the meeting minutes for February 9, 2010, were not approved by the Board until September 20, 2010.

- Meeting minutes were not always filed in an organized manner. Some minutes were not filed in date order making it difficult to ensure the city had minutes for all Board of Aldermen meetings.

- No records are maintained of meetings held by the park, fire, or cemetery committees.

The Sunshine Law, Chapter 610, RSMo, limits discussions in closed meetings to only those specifically allowed by law; requires governmental bodies to prepare and maintain minutes of open and closed meetings; and requires minutes to include at a minimum the date, time, place, members present, members absent and votes taken, including roll call votes before closing a meeting. Further, to ensure all decisions are properly documented and minutes are properly maintained, meeting minutes should be prepared

for committee meetings and filed with the city, and all minutes should be prepared and approved timely, and filed in an orderly manner.

Recommendations

The Board of Aldermen:

11.1 Maintain a complete updated set of city ordinances in an organized manner and adopt ordinances addressing the operation of the fire department and cemetery, and an ordinance setting the rate for trash pick-up services.

11.2 Limit discussions in closed meetings to only those specifically allowed by law and record roll call votes to enter closed session in open meeting minutes. Additionally, the Board of Aldermen should ensure meeting minutes are properly and timely prepared and approved for all meetings (including committee meetings), and filed in an orderly manner.

Auditee's Response

The Board of Aldermen provided the following responses:

11.1 We are in the process of reviewing city ordinances and have been in contact with a company to codify our ordinances.

11.2 This recommendation will be implemented.

12. Capital Assets

The city does not maintain capital asset inventory records, and documentation was not maintained of the disposition of some city vehicles.

12.1 Asset records

The city does not maintain records for its capital assets including buildings, water system infrastructure, equipment, and other property. Additionally, assets are not tagged for specific identification, and an annual physical inventory is not performed.

Adequate capital asset records are necessary to provide better controls over city property and provide a basis for proper financial reporting. Without these records, the city does not have a reliable record of property owned. Further, city assets should be tagged to document ownership and a physical inventory should be performed periodically and compared to capital asset records to ensure records are kept up to date.

12.2 Vehicles

City officials were not able to provide documentation of the disposition of some city vehicles. City insurance documents indicate the city maintained insurance on seven city vehicles (including emergency response vehicles) in March 2009. As of September 2010, the city insured only three vehicles. According to city officials, the other four vehicles were disposed of; however, the city could provide documentation of the sale of only one of the vehicles. The Mayor indicated two of the remaining vehicles were traded to

a local mechanic for repairs made to a fire department vehicle, but no documentation was maintained to document this disposition. According to the Mayor, the fourth vehicle was sold for $500; however, no documentation of the disposition (such as date sold and name of purchaser) and no deposit of the sale proceeds could be located.

To ensure city vehicles are properly disposed, documentation should be maintained of Board approval to dispose of vehicles, and the method of disposition (sale, trade, etc). Further, the Board should ensure proceeds from the sale of vehicles is properly deposited and recorded in the accounting records.

Recommendations

The Board of Aldermen:

12.1 Ensure property records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location and subsequent disposition. The Board should also properly tag, number, or otherwise identify all applicable city property and conduct and document an annual inventory.

12.2 Maintain documentation to support the disposition of all city assets and follow up to determine the disposition of the $500 vehicle sale proceeds.

Auditee's Response

The Board of Aldermen provided the following responses:

12.1 The City Clerk is currently in the process of preparing a new city asset listing.

12.2 We agree and will follow up on the disposition of these vehicles.

City of Lanagan
Organization and Statistical Information

The City of Lanagan is located in McDonald County. The city was incorporated in 1963 and is currently a fourth-class city. The city employed two full-time employees and three part-time employees on December 31, 2010.

City operations include utility services, police, fire services, recreational services, and the operation of a city cemetery.

Mayor and Board of Aldermen

The city government consists of a Mayor and four-member Board of Aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the Board of Aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at December 31, 2010, are identified below. The Mayor and Board of Aldermen do not receive compensation.

Edna Billups, Mayor
Carol O'Roake, Mayor Protem, North Ward Alderman
Dan Hudgens, North Ward Alderman
Amber Stryffeler, South Ward Alderman
Pat Walker, South Ward Alderman

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

According to city personnel, the city was awarded the following American Recovery and Reinvestment Act of 2009 funding during the 2 years ended December 31, 2010:

A $7,671 Recovery Act: Edward Byrne Memorial Justice Assistance Grant Program Local Law Enforcement Block Grant was awarded by the U.S. Department of Justice to the Missouri Department of Public Safety and was passed through and received by the city in 2009 for the purchase of law enforcement officer safety gear, mobile radios, and radio and emergency lighting equipment for the patrol vehicle. During the years ended December 2010 and 2009, $3,871 and $3,800 was expended, respectively.

Financial Activity

A summary of the city's financial activity for the 2 years ended December 31, 2010 follows:

City of Lanagan
Year Ended December 31, 2010

	General Account	Payroll Account	Cemetery Account	Park Account	Fire Department Account	Water and Trash Account	LET Account	Utility Deposit Account	Total
RECEIPTS									
Property tax	$ 7,479	0	0	0	0	0	0	0	7,479
Sales tax	12,873	0	0	0	0	0	0	0	12,873
Franchise tax	13,603	0	0	0	0	0	0	0	13,603
Motor fuel and vehicle fees	15,725	0	0	0	0	0	0	0	15,725
Water, trash, and penalty	0	0	0	0	0	79,390	160	270	79,820
Court fines and costs	76,364	0	0	0	0	0	1,972	0	78,336
Fees, grants, and other	7,528	0	1,757	1,781	3,975	6	40	1,448	16,535
Interest	21	0	0	0	4	107	0	30	162
Transfers in	56,764	83,307	63	678	0	2,632	0	0	143,444
Total Receipts	190,357	83,307	1,820	2,459	3,979	82,135	2,172	1,748	367,977
DISBURSEMENTS									
Wages and payroll taxes	5,006	81,729	0	0	0	0	0	0	86,735
Insurance	13,185	0	0	0	0			0	13,185
Contract services	25,544	0	6,018	320	0	0	0	0	31,882
Loan and lease agreements	14,974	0	0	0	0	0	0	0	14,974
Tax commission	802	0	0	0	0	0	0	0	802
Membership dues and fees	417	15	0	0	0	15	0	0	447
Training and travel	185	0	0	0	0	0	266	0	451
Office supplies	10,127	0	0	0	0	0	0	0	10,127
Equipment	4,643	0	0	0	0	0	333	0	4,976
Petty cash	183	0	0	0	100	0	0	0	283
Postage	1,088	0	0	0	0	300	0	0	1,388
Fuel	7,582	0	0	0	0	0	0	0	7,582
Repair and maintenance	12,677	0	0	450	0	0	0	0	13,127
Supplies	3,744	0	0	20	0	2,000	0	0	5,764
Utilities	26,951	0	0	0	0	0	0	0	26,951
Other	5,217	0	0	0	500	453	0	543	6,713
Transfers out	56,177	1,959	714	1,732	3,771	78,628	463	0	143,444
Total Disbursements	188,502	83,703	6,732	2,522	4,371	81,396	1,062	543	368,831
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,855	(396)	(4,912)	(63)	(392)	739	1,110	1,205	(854)
CASH, JANUARY 1, 2010	8,317	1,282	13,919	1,214	538	6,762	2,176	3,172	37,380
CASH, DECEMBER 31, 2010	$ 10,172	886	9,007	1,151	146	7,501	3,286	4,377	36,526

Note: The above schedule represents financial transactions occuring in the applicable city bank accounts.

City of Lanagan
Year Ended December 31, 2009

	General Account	Payroll Account	Cemetery Account	Park Account	Fire Department Account	Water and Trash Account	LET Account	Utility Deposit Account	Total
RECEIPTS									
Property tax	$ 4,602	0	0	0	0	0	0	0	4,602
Sales tax	14,509	0	0	0	0	0	0	0	14,509
Franchise tax	13,758	0	0	0	0	0	0	0	13,758
Motor fuel and vehicle fees	15,236	0	0	0	0	0		0	15,236
Water, trash, and penalty	2,631	0	0	120	0	82,041	0	0	84,792
Court fines and costs	31,021	0	0	0	0	0	754	0	31,775
Fees, grants, and other	8,534	0	2,763	8,118	19,099	7,671	1,985	480	48,650
Interest	15	0	0	0	6	143	0	36	200
Transfers in	69,252	79,186	0	2,000	163	6,357	0	1,320	158,278
Total Receipts	159,558	79,186	2,763	10,238	19,268	96,212	2,739	1,836	371,800
DISBURSEMENTS									
Wages and payroll taxes	7,644	77,821	0	0	0	0	440	0	85,905
Insurance	13,353	0	0	0	2,528	0	0	0	15,881
Grant funds	0	0	0	0	0	0	0	0	0
Contract services	17,914	0	3,377	0	0	5,667	0	0	26,958
Loan and lease agreements	9,926	0	0	105	3,324	800	0	0	14,155
Membership dues and fees	275	0	0	0	0	0	0	0	275
Training and travel	0	0	0	0	0	125	0	0	125
Office supplies	4,784	104	19	13	0	583	120	0	5,623
Equipment	6,882	0	0	3,939	325	0	0	0	11,146
Postage	126	0	0	0	0	0	0	0	126
Fuel	5,036	0	0	0	0	284	0	0	5,320
Repair and maintenance	7,960	0	17	5,063	641	2,848	0	0	16,529
Supplies	8,282	0	52	14	0	2,483	0	0	10,831
Utilities	22,480	0	0	0	0	0	0	0	22,480
Other	3,131	660	200	0	1,175	2,007	80	546	7,799
Transfers out	51,747	2,311	570	446	13,509	82,233	3,097	4,365	158,278
Total Disbursements	159,540	80,896	4,235	9,580	21,502	97,030	3,737	4,911	381,431
RECEIPTS OVER (UNDER) DISBURSEMENTS	18	(1,710)	(1,472)	658	(2,234)	(818)	(998)	(3,075)	(9,631)
CASH, JANUARY 1, 2009	8,299	2,992	15,391	556	2,772	7,580	3,174	6,247	47,011
CASH, DECEMBER 31, 2009	$ 8,317	1,282	13,919	1,214	538	6,762	2,176	3,172	37,380

Note: The above schedule represents financial transactions occuring in the applicable city bank accounts.

City of Lanagan
Documentation of Missing Cash Receipts

The following table provides supporting documentation for missing cash receipts discussed in MAR finding number 1.

		Recorded Receipts			Bank Deposits			Differences		Totals		
	Month	Cash	Check/MO	Total	Cash	Check/MO	Total	Cash (short)/long	Check (short)/long	Total (short)/long	Adjustments indicating money received but not recorded	Grand Total (short)/long
2009	January	$ 1,898	6,050	7,948	1,816	5,497	7,313	(82)	(553)	(635)	(52)	(687)
	February	2,512	7,166	9,678	2,062	6,637	8,699	(450)	(529)	(979)	(32)	(1,011)
	March	1,554	6,528	8,082	1,604	6,170	7,774	50	(358)	(308)	(56)	(364)
	April	1,373	6,305	7,678	1,545	5,694	7,239	172	(611)	(439)	0	(439)
	May	1,867	6,060	7,927	1,365	5,983	7,348	(502)	(77)	(579)	(97)	(676)
	June	1,445	4,487	5,932	1,420	4,377	5,797	(25)	(110)	(135)	(51)	(186)
	July	1,986	6,417	8,403	1,208	6,078	7,286	(778)	(339)	(1,117)	(187)	(1,304)
	August	1,881	6,392	8,273	1,259	6,682	7,941	(622)	290	(332)	(148)	(480)
	September	2,508	5,660	8,168	770	5,398	6,168	(1,738)	(262)	(2,000)	0	(2,000)
	October	1,610	6,224	7,834	540	5,731	6,271	(1,070)	(493)	(1,563)	(47)	(1,610)
	November	1,479	5,075	6,554	575	5,118	5,693	(904)	43	(861)	0	(861)
	December	1,332	5,252	6,584	1,332	5,811	7,143	0	559	559	(366)	193
		21,445	71,616	93,061	15,496	69,176	84,672	(5,949)	(2,440)	(8,389)	(1,036)	(9,425)

		Recorded Receipts			Bank Deposits			Differences		Totals		
	Month	Cash	Check/MO	Total	Cash	Check/MO	Total	Cash (short)/long	Check (short)/long	Total (short)/long	Adjustments indicating money received but not recorded	Grand Total (short)/long
2010	January	$ 895	4,444	5,339	895	4,446	5,341	0	2	2	(480)	(478)
	February	2,159	3,873	6,032	1,996	4,674	6,670	(163)	801	638	(737)	(99)
	March	2,478	6,281	8,759	2,027	5,577	7,604	(451)	(704)	(1,155)	(759)	(1,914)
	April	1,323	4,052	5,375	1,709	4,773	6,482	386	721	1,107	(789)	318
	May	1,747	4,533	6,280	1,647	4,987	6,634	(100)	454	354	(368)	(14)
	June	1,150	4,438	5,588	1,195	4,675	5,870	45	237	282	(120)	162
	July	1,570	6,037	7,607	1,347	5,309	6,656	(223)	(728)	(951)	(143)	(1,094)
	August	1,896	5,066	6,962	1,645	5,315	6,960	(251)	249	(2)	(198)	(200)
	September	1,106	4,656	5,762	1,121	5,480	6,601	15	824	839	(73)	766
	October	2,499	5,750	8,249	1,910	5,443	7,353	(589)	(307)	(896)	(415)	(1,311)
	November	1,522	4,151	5,673	1,668	4,344	6,012	146	193	339	0	339
	December	1,792	5,449	7,241	1,784	5,269	7,053	(8)	(180)	(188)	(382)	(570)
		20,137	58,730	78,867	18,944	60,292	79,236	(1,193)	1,562	369	(4,464)	(4,095)
Grand Totals		$ 41,582	130,346	171,928	34,440	129,468	163,908	(7,142)	(878)	(8,020)	(5,500)	(13,520)

* May and November 2009 include $274 and $50, respectively, for manually issued cash receipt slips not posted to the utility computer system.

The following tables represent an example reconciliation of receipts recorded in a batch report to amounts deposited in the city's bank account. The left side of the table compares total recorded receipts to the total deposit and the right side of the table compares recorded cash receipts to cash deposited.

Batch Titled: 2009Nov06-01-peggy

Date	Reconciliation of Total Amounts on Batch Report to Corresponding Deposit	Amount	Reconciliation of Cash Amounts on Batch Report to Corresponding Deposit	Amount
11/6/2009	Total Receipts Recorded in Batch	$ 326.50	Cash Receipts Recorded in Batch	$ 32.88
11/12/2009	Corresponding Deposit	378.23	Cash in Corresponding Deposit	0.00
	Difference (amount deposited appears greater than amount recorded)	51.73	Difference (obvious cash shortage)	(32.88)
	Adjustment for 5 checks included in deposit, but not posted on this batch. Checks were posted on subsequent batch report.	(166.68)	Single receipt posted to batch report as a check, but utility stub indicates payment was made in cash and no check found in deposit records.	(19.76)
			Check recorded on batch report, but not located on city deposit records, may be a cash receipt.	(62.31)
	Total Deposit Shortage	$ (114.95)	Total Estimated Cash Shortage	$ (114.95)

Thomas A. Schweich

Missouri State Auditor

City of Pacific

November 2011

Report No. 2011-104

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Pacific

Legal Services	The city has not obtained proposals for legal services and has not performed a cost analysis to determine if legal services should be performed in-house instead of being contracted. In fiscal year 2011, the city paid approximately $171,000 for contracted City Attorney services.
Property Records	The city did not ensure it obtained the best possible price when it disposed of two police vehicles. The city auctioned one police vehicle for $2,200 and traded another for $9,700 worth of lights and sirens installed on a new vehicle, but it could not provide documentation showing how much the vehicles were worth at the time of disposal. The city also needs to ensure property records contain sufficient detail and city property is tagged and properly identified.
Sewer Rates	The city does not charge enough in sewer fees to cover the cost of operating the sewer system.
Senior Center	The city has not adequately monitored the Senior Center's operations, and it cannot ensure city funds are spent properly, because it has not required supporting documentation of disbursements.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The City of Pacific received the following Federal Stimulus funding: A $93,750 Wastewater and Water Treatment Efficiency Grant, $79,958 of which was received during fiscal year 2011 and expended for a new blower. A $709,891 Highway Planning Construction Grant, $347,640 of which was received during fiscal year 2011 and expended for sidewalk and street light construction.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

City of Pacific
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THOMAS A. SCHWEICH
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Pacific, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Pacific. We have audited certain operations of the city in fulfillment of our duties. The city engaged Tochtrop and Associates, P.C., Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2011. To minimize duplication of effort, we reviewed the report of the CPA firm for the June 30, 2010 audit, since the June 30, 2011, audit had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2011. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.

2. Evaluate the city's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Pacific.

An additional report, 2011-84, Twentieth Judicial Circuit, City of Pacific Municipal Division, was issued in October 2011.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Carl Zilch Jr., CIA
Audit Staff:	Jay Dowell, MBA
	Kenneth Erfurth

1. Legal Services

Legal services are procured without a competitive process, and the city has not performed a cost analysis to determine if outsourcing legal services is cost beneficial. The city paid the City Attorney approximately $171,000 for the year ended June 30, 2011.

1.1 Proposals for legal services

The city has not obtained proposals for legal services. As a result, the city cannot ensure it has the best qualified individual at the lowest and best cost for the position. The city engaged the City Attorney and his law firm based on the type of specialized services needed. The City Attorney is considered a contracted position and paid at an hourly rate. The city has used the same individual as City Attorney since 2002, without periodically soliciting proposals for this position.

While professional services, such as attorneys, may not be subject to standard bidding procedures, the city should solicit proposals for legal services to the extent practical. Soliciting proposals and subjecting such services to a competitive selection process does not preclude the city from selecting the vendor or individual best suited to provide the service required. Such practices help provide a range of possible choices and allow the city to make a better-informed decision to ensure necessary services are obtained from the best-qualified vendor at the lowest and best cost.

1.2 Cost analysis

The city has not performed a cost analysis to determine if legal services should be performed in-house or continue to be outsourced. As a result, the city cannot ensure the services are obtained in the most economical way. All legal services are outsourced including general services provided by the City Attorney.

Recommendations

The City of Pacific Board of Aldermen:

1.1 Periodically solicit proposals for legal services and maintain all related documentation, including reasons for the city's decisions.

1.2 Perform a cost analysis to determine the most cost effective method of obtaining legal services.

Auditee's Response

The Board of Aldermen and the Mayor provided the following written responses:

1.1 The City's ordinances regarding bidding and purchasing Section 105.080, states that the "the competitive bidding requirement of this Article shall not apply to professional services" including in the hiring of "physicians, attorneys, engineers, certified public accountants, planners and auditors." This public policy reflects the importance of trust, reliability and quality as factors as well as cost that preclude effective competitive bidding on price or rates for such services. The City has contracted or been represented by other

counsel during the current City Attorney contract period and has received information regarding the qualifications, performance and cost of other counsel.

1.2 The City routinely reviews its contracting services and makes adjustments where appropriate. Hiring a full-time attorney to replace contracted fees has been determined not to be viable for numerous reasons, including that no one attorney has the experience or competence to provide the services used by the City, such as bond counsel, litigation counsel, general municipal, employment, economic development financing, and otherwise. In addition, the cost of insurance, benefits, payroll taxes, legal libraries, and office space, among other costs, would substantially increase the non- contracted costs if in-house counsel was used, and still not fully eliminate the need for contracted services. This practical assessment is shared by virtually all cities of our size in the entire state, and the City has confirmed that not one of the 91 cities in St. Louis, County, for example, uses a full-time in- house attorney rather than contracting for legal services.

Auditor's Comment

1.1 The State Auditor's office agrees that professional services such as attorney services do not require competitive bidding; however, a periodic review of potential alternative providers for attorney services would ensure the city has contracted with the vendor or individual best suited to provide the service required.

2. Property Records

The city did not ensure the best possible price was obtained when disposing of city vehicles. In addition, various city property records and procedures need improvement.

2.1 Disposal of city property

The city did not ensure the best possible price was obtained when it disposed of two police vehicles. One vehicle was given away in a raffle which raised $2,200, of which $1,100 was given to the senior center. The city gave the other vehicle to a vendor in exchange for the installation of sirens and lights on new police vehicles, invoiced at approximately $9,700. The city could not provide documentation of the value of the vehicles at the time of disposal and therefore, could not document an equitable amount was received.

Disposing of vehicles through a bid process helps ensure the city is receiving the best possible price for the assets sold. If other disposal methods are used, the city should clearly document the estimated value of the vehicles to ensure an equitable amount is received.

2.2 Property records

City property records maintained do not include all necessary information such as date and method of disposal. In addition, city property is not tagged and properly identified.

Adequate city property records and procedures are necessary to secure better internal control over city property, and provide a basis for determining proper insurance coverage. Property control tags should be affixed to all property, including capital assets, to help improve accountability and ensure assets are properly identified as belonging to the city. Property records should also include information such as acquisition/disposition dates.

Recommendations

The City of Pacific Board of Aldermen:

2.1 Ensure dispositions of city property such as vehicles is handled in a manner that ensures the best possible price.

2.2 Ensure property records for city property are maintained and include all pertinent information for each asset, such as cost, acquisition date, and subsequent disposition, if applicable.

Auditee's Response

The Board of Aldermen and the Mayor provided the following written responses:

2.1 The City has on occasion disposed of property by raffle or other means other than bid, that has resulted in increased revenue for the taxpayer. These means are fully compliant with law and no law prohibits these methods. The alternative means such as raffle are open to all in the public, are available for public scrutiny, and the net price resulted in a greater than market value return for the public as well as positive publicity. The City acknowledges that a lower value is possible if minimum dollar amounts are not set, but the City has been aware of market value prior to engaging in these successful property sale methods. Although not required by law, the documentation of property value reviews will be maintained as public record to have duplicative proof of the success of these measures.

2.2 Certain measures, such as use of property control tags, has now been implemented consistent with the Auditor suggestion.

3. Sewer Rates

The sewer rates charged to customers are insufficient to cover sewer operations. As a result, the 2011 budget for the Sewer Fund indicates a deficit of approximately $7,300 and contains a note indicating any deficit in the Sewer Fund would be covered by the Water Fund. The city received a

study of water and sewer rates in August 2011, and the Board of Aldermen was still considering possible action as of August 11, 2011.

Rates for utility services should be set to cover the costs of producing and delivering services (including administrative costs) and maintain reserves adequate to sustain the system. Section 67.042, RSMo, provides that fees may be increased if supported by a statement of the costs necessary to maintain the funding of such service.

Recommendation

The City of Pacific Board of Aldermen review sewer rates periodically to ensure receipts are sufficient to cover all costs of providing this service.

Auditee's Response

The Board of Aldermen and the Mayor provided the following written response:

The City is currently reviewing its recent rate study to determine what action if any is needed regarding utility rates.

4. Senior Center

The city has not received or reviewed invoices and supporting documentation from the Senior Center as required by contract. As a result, the city cannot ensure city funds are spent appropriately. In April 2011, the city entered into a formal written agreement with the Senior Center to collect $1 donations for the center from residents through water bills and to pay a portion of the city recycling rebate (received as part of its recycling contract) to the center. The agreement requires the Senior Center to submit invoices with any necessary supporting documentation for these monies and keep complete and accurate records of expenditures, which are open to the city for inspection. During the year ended June 30, 2011, the city paid $5,000 to the Senior Center under this contract.

A periodic review of the accounting records and invoices with supporting documentation would help ensure the monies are spent for the benefit of senior citizens residing in the city.

Recommendation

The City of Pacific Board of Aldermen should monitor the operations of the Senior Center to ensure city funds are spent appropriately.

Auditee's Response

The Board of Aldermen and the Mayor provided the following written response:

The City agrees that accountability for any City expenditures is essential and has included such accountability and requirements for public uses as a condition of payments to the Senior Center and other private organizations, including non-profit organizations. The City monitors Senior Center activities, has received reports reflected in the minutes, and has also requested that the contract requirement for

documentation be provided so that our monitoring may be available as a public record. Similar accounting and cost requirements are also required of other parties receiving public funds.

City of Pacific
Organization and Statistical Information

The City of Pacific is located in Franklin and St. Louis Counties. The city was incorporated in 1859 and is currently a fourth-class city. The city employed 47 full-time employees and 15 part-time employees on June 30, 2011.

City operations include water, sewer, and law enforcement services; operation and maintenance of city parks; economic development; and street maintenance.

Mayor and Board of Aldermen

The city government consists of a mayor and six-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 4-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at June 30, 2011, are identified below. The Mayor is paid $641 per month and Board of Aldermen members $366 per month. The compensation of these officials is established by ordinance.

Herbert Adams, Mayor
Mike Bates, Alderman
Edward O. Gass, Alderman
Jerry Eversmeyer, Alderman
Brad Reed, Alderman
Walter Arnette, Alderman
Mike Pigg, Alderman

Other Elected Officials

Name and Title	Compensation Paid for the Year Ended June 30, 2011
Matt Mansell, City Marshal	$54,334
Debbie Kelley, Collector	33,500
Ronald F. Reed, Municipal Judge	6,495

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

According to city personnel, the city was awarded the following American Recovery and Reinvestment Act of 2009 funding:

A $93,750 Wastewater and Water Treatment Efficiency Grant was awarded by the Missouri Department of Natural Resources for sewer plant efficiency. During the year ended June 30, 2011, $79,958 was received and expended for a new blower.

A $709,891 Highway Planning and Construction Grant was awarded by the Missouri Department of Transportation for sidewalk and street light construction. During the year ended June 30, 2011, $347,640 was received and expended by the city related to this grant.

Thomas A. Schweich

Missouri State Auditor

REVENUE

Willow Springs Contract License Office

November 2011

Report No. 2011-103

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Willow Springs Contract License Office

Background

The Department of Revenue has appointed 183 contract agents to operate contract license offices. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law which became effective in 2009, the State Auditor may audit contract license offices. This audit is one of the initial 10 contract license offices audited by the State Auditor.

Prepayment Void Transactions

The Willow Springs contract license office did not maintain proper documentation of prepayment void transactions. Prepayment void transactions occur when a transaction is entered into the processing system but is voided before payment is made. Department of Revenue official procedures require license offices to document the reason for any void, obtain the customer's signature acknowledging the void, and have a supervisor and/or manager review and approve the void. The Willow Springs contract license office lacked documentation of customer acknowledgment for 5 of 10 (50 percent) void transactions occurring in a six month period and had no documentation for two other void transactions.

Statutory Compliance

The Willow Springs contract license office is not complying with statutory requirements to inquire whether customers wish to make a $1 donation to the Blindness Education, Screening, and Treatment Program Fund and the Organ Donor Program Fund, and to inform customers of the ability to be included in the organ donor registry and to consent to organ donation. An answer to these questions must be entered into the computer system to complete the transaction, so it appears staff frequently just entered "No."

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Willow Springs contract license office did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Department of Revenue
Willow Springs Contract License Office
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Alana M. Barragán-Scott, Director
Department of Revenue
Jefferson City, Missouri
and
Willow Springs Chamber of Commerce, Contract Agent
Willow Springs Contract License Office
Willow Springs, Missouri

We have audited certain operations maintained and established by the Willow Springs Contract License Office, as provided by Section 136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2011. The objectives of our audit were to:

1. Evaluate the office's internal controls related to the handling of various fee and tax transactions.

2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contract office.

For the areas audited, we identified (1) a deficiency in internal controls and (2) noncompliance with statutory provisions.

The accompanying Management Advisory Report presents our findings arising from our audit of the Willow Springs Contract License Office.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni Crabtree, CPA
In-Charge Auditor:	Katie Twiehaus
Audit Staff:	Corey McComas, M.Acct., CPA

1. Prepayment Void Transactions

The Willow Springs license office needs to improve controls over prepayment void transactions.

A prepayment void transaction occurs when a transaction is entered in the Titling and Registration Intranet Processing System (TRIPS) but is voided before payment is made. Valid reasons for prepayment void transactions include entries that contain an incorrectly spelled name, a transfer on death erroneously left off the title, an incorrect address or date of purchase; and when customers lack sufficient funds to pay the transaction.

The license office did not maintain customer acknowledgment documentation for 5 of 10 (50 percent) void transactions that occurred between February and July 2011. In addition, the license office did not maintain any documentation, such as the reason for the void, customer acknowledgement of the void, and management review of the transaction, for two other void transactions.

Department of Revenue (DOR) official procedures provide that the reason for the void should be documented along with the customer's signature acknowledging the void, and the void transaction be reviewed and approved by a supervisor and/or manager. Obtaining a customer's acknowledgement and documenting the reason for voiding the transaction help ensure the transaction actually was voided, and a review by office management also helps ensure transactions were properly handled and are valid.

Recommendation

The Willow Springs Contract License Office ensure all prepayment void transactions are supported by customer acknowledgment of the void transaction, along with the reason for the void. In addition, office management should review all prepayment void transactions and document its review.

Auditee's Response

The Willow Springs License Office concurs with the State Auditor's recommendation for the deficiency in our internal controls. We are now ensuring all prepayment voids are supported by customer acknowledgement of the voided transaction along with a reason for the void. The office manager is reviewing all prepayment voids daily. This implementation is immediate.

2. Statutory Compliance

The Willow Springs license office does not always inquire if customers want to donate to the Blindness Education, Screening, and Treatment Program Fund and the Organ Donor Program Fund, or inform customers of the ability to be included in the organ donor registry and to consent to organ donation, as required by state law.

During our audit work in the office, we noted that office staff frequently did not ask customers if they wanted to donate to these funds, or inform

customers about organ donation. A Yes or No to the donation questions must be recorded in TRIPS in order to complete the transactions. As a result, staff appear to be automatically entering a No to those questions.

Sections 301.020 and 302.171, RSMo, require personnel to inquire whether customers registering a motor vehicle and applying for a driver's license are interested in making a $1 donation to the Blindness Education, Screening, and Treatment Program Fund and to the Organ Donor Program Fund. In addition, Section 302.171, RSMo, requires personnel to inform customers applying for a driver's license of the ability to be included in the organ donor registry and to consent to organ donation by completing the form on the back of the driver's license.

Recommendation

The Willow Springs Contract License Office ensure office staff inquire of each customer whether the customer is interested in making a $1 donation to the Blindness Education, Screening, and Treatment Program Fund and the Organ Donor Program Fund, and inform customers of the ability to be included in the organ donor registry and to consent to organ donation, as required by state law.

Auditee's Response

The Willow Springs License Office concurs with the State Auditor's recommendation to ensure office staff inquire of each customer whether they are interested in making a $1 donation to the Blindness Education, Screening, and Treatment Program Fund and the Organ Donor Program Fund, and to inform customers of their ability to be included in the Missouri Organ and Tissue Donor Registry. This implementation is immediate.

Department of Revenue
Willow Springs Contract License Office
Organization and Statistical Information

Pursuant to Section 136.030(2), the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 183 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

Starting in January 2009, the DOR began awarding license offices through a competitive bidding process. Effective August 2009, Section 136.055.2, RSMo, requires contract license offices to be awarded through a competitive bidding process. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Contracts for the license offices are typically for one year, with three one-year renewal periods. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell over 500 different types of license plates which can be classified into 6 major categories: passenger, truck, trailer, motorcycle, bus, and dealer. In addition, the contract license offices issue 5 basic types of driver licenses: Intermediate License (GDL), Class F (Operator), Class E (For-Hire), Class A, B, and C (Commercial), and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program or blindness awareness fund, register with the selective services, add endorsements or restrictions to licenses, and an opportunity to register to vote.

The contract agents do not receive compensation from the DOR, but do receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

Agent Fees

Transaction Type	Fee
License renewal	$3.50 one year
	$7.00 two years
Transfer of registration	$3.50
Application or transfer of title	$2.50
Driver, operator or chauffeur license	$2.50 three years or less
	$5.00 exceeding three years
Notice of lien	$2.50

In August 2009, the bid solicitation for the Willow Springs Contract License Office was issued. The office was awarded to the Willow Springs Chamber of Commerce, effective October 22, 2009. At June 30, 2011, the contract

and office managers for the license office were John Bailey and Jane Gibbons, respectively.

For the year ended June 30, 2011, the office collected and remitted to the DOR $636,489, and retained processing fees totaling $37,110. Additionally, as part of the bidding process, the office agreed to return .25 percent of its processing fees to the state. For the year ended June 30, 2011, the office returned processing fees, totaling $93, to the state.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Willow Springs Contract License Office did not receive any federal stimulus monies during the year ended June 30, 2011.

Thomas A. Schweich

Missouri State Auditor

REVENUE

South Fremont (Springfield) Contract License Office

November 2011

Report No. 2011-102

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the South Fremont (Springfield) Contract License Office

Background

The Department of Revenue has appointed 183 contract agents to operate contract license offices. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law which became effective in 2009, the State Auditor may audit contract license offices. This audit is one of the initial 10 contract license offices audited by the State Auditor.

Accounting Controls and Procedures

The South Fremont (Springfield) contract license office needs to improve its accounting controls and procedures. The license office did not always accurately record the method of payment, such as cash or check, and did not reconcile the composition of monies received to deposits, as required by Department of Revenue procedures.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The South Fremont (Springfield) contract license office did not receive any federal stimulus monies during the audited time period.

***The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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South Fremont (Springfield) Contract License Office
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Alana M. Barragán-Scott, Director
Department of Revenue
Jefferson City, Missouri
and
Alternative Opportunities, Inc., Contract Agent
South Fremont (Springfield) Contract License Office
Springfield, Missouri

We have audited certain operations maintained and established by the South Fremont (Springfield) Contract License Office, as provided by Section 136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2011. The objectives of our audit were to:

1. Evaluate the office's internal controls related to the handling of various fee and tax transactions.

2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contract office.

For the areas audited, we identified (1) a deficiency in internal controls and (2) no significant noncompliance with contractual and statutory provisions.

The accompanying Management Advisory Report presents our finding arising from our audit of the South Fremont (Springfield) Contract License Office.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni Crabtree, CPA
In-Charge Auditor:	Katie Twiehaus
Audit Staff:	Corey McComas, M.Acct., CPA
	Kelli Oldham

Department of Revenue
South Fremont (Springfield) Contract License Office
Management Advisory Report - State Auditor's Finding

Accounting Controls and Procedures

The South Fremont license office needs to improve controls and procedures over monies collected. For the year ended June 30, 2011, the office collected and remitted to the Department of Revenue (DOR) approximately $15.4 million.

The license office did not always accurately record the method of payment (cash, check, and credit card) in the accounting records and did not reconcile the composition of monies received to deposits. For example, the composition of deposits did not agree to the composition of receipts recorded for the three deposits made from August 5 to August 8, 2011. A review of these deposits identified transactions marked as paid with cash when actually paid for by check and/or credit card, and checks recorded as credit card charges.

DOR official procedures for license offices provide that the composition of monies received should be reconciled to the accounting records and to deposits. Discrepancies between accounting records and deposits result in less assurance of proper handling.

Recommendation

The South Fremont (Springfield) Contract License Office ensure the correct method of payment is recorded in the accounting records, and the composition of monies received be reconciled to the accounting records and to deposits.

Auditee's Response

We agree with the Auditor's recommendation and have already implemented the procedure.

Department of Revenue
South Fremont (Springfield) Contract License Office
Organization and Statistical Information

Pursuant to Section 136.030(2), the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 183 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

Starting in January 2009, the DOR began awarding license offices through a competitive bidding process. Effective August 2009, Section 136.055.2, RSMo, requires contract license offices to be awarded through a competitive bidding process. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Contracts for the license offices are typically for one year, with three one-year renewal periods. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell over 500 different types of license plates which can be classified into 6 major categories: passenger, truck, trailer, motorcycle, bus, and dealer. In addition, the contract license offices issue 5 basic types of driver licenses: Intermediate License (GDL), Class F (Operator), Class E (For-Hire), Class A, B, and C (Commercial), and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program or blindness awareness fund, register with the selective services, add endorsements or restrictions to licenses, and an opportunity to register to vote.

The contract agents do not receive compensation from the DOR, but do receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

Agent Fees

Transaction Type	Fee
License renewal	$3.50 one year
	$7.00 two years
Transfer of registration	$3.50
Application or transfer of title	$2.50
Driver, operator or chauffeur license	$2.50 three years or less
	$5.00 exceeding three years
Notice of lien	$2.50

In December 2009, the bid solicitation for South Fremont (Springfield) Contract License Office was issued. The office was awarded to Alternative Opportunities, Inc., effective September 9, 2010. At June 30, 2011, the

contract and office managers were Steve Gray and Kelsey Elliott, respectively.

For the year ended June 30, 2011, the office collected and remitted to the DOR $15,399,875, and retained processing fees totaling $620,707. Additionally, as part of the bidding process, the office agreed to return 13.6 percent of its processing fees to the state. For the year ended June 30, 2011, the office returned processing fees, totaling $73,423, to the state.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The South Fremont (Springfield) Contract License Office did not receive any federal stimulus monies during the year ended June 30, 2011.

Thomas A. Schweich

Missouri State Auditor

REVENUE

Raytown Contract License Office

November 2011

Report No. 2011-101

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Raytown Contract License Office

Background

The Department of Revenue has appointed 183 contract agents to operate contract license offices. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law which became effective in 2009, the State Auditor may audit contract license offices. This audit is one of the initial 10 contract license offices audited by the State Auditor.

Prepayment Void Transactions

The Raytown contract license office did not maintain proper documentation of prepayment void transactions. Prepayment void transactions occur when a transaction is entered into the processing system but is voided before payment is made. Department of Revenue official procedures require license offices to document the reason for any void, obtain the customer's signature acknowledging the void, and have a supervisor and/or manager review and approve the void. The Raytown contract license office lacked documentation of manager approval for 16 of 29 (55 percent) void transactions occurring over 3 days in July 2011, did not document the reason for voiding 1 of the 16 transactions, and did not maintain documentation of customer acknowledgment for 1 other voided transaction.

Accounting Controls and Procedures

The Raytown contract license office needs to improve its accounting controls and procedures. The license office did not always accurately record the method of payment, such as cash or check, and did not reconcile the composition of monies received to deposits, as required by Department of Revenue procedures.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Raytown contract license office did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

Department of Revenue
Raytown Contract License Office
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Alana M. Barragán-Scott, Director
Department of Revenue
Jefferson City, Missouri
and
Sharp Services, Contract Agent
Raytown Contract License Office
Raytown, Missouri

We have audited certain operations maintained and established by the Raytown Contract License Office, as provided by Section 136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2011. The objectives of our audit were to:

1. Evaluate the office's internal controls related to the handling of various fee and tax transactions.

2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contract office.

For the areas audited, we identified (1) deficiencies in internal controls and (2) no significant noncompliance with contractual and statutory provisions.

The accompanying Management Advisory Report presents our findings arising from our audit of the Raytown Contract License Office.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni Crabtree, CPA
In-Charge Auditor:	Katie Twiehaus
Audit Staff:	Corey McComas, M.Acct., CPA
	Kelli Oldham

Department of Revenue
Raytown Contract License Office
Management Advisory Report - State Auditor's Findings

1. Prepayment Void Transactions

The Raytown license office needs to improve controls over prepayment void transactions.

A prepayment void transaction occurs when a transaction is entered in the Titling and Registration Intranet Processing System but is voided before payment is made. Valid reasons for prepayment void transactions include entries that contain an incorrectly spelled name, a transfer on death erroneously left off the title, an incorrect address or date of purchase; and when customers lack sufficient funds to pay the transaction.

The license office manager did not document her approval for 16 of 29 (55 percent) void transactions that occurred from July 18 to July 20, 2011. According to the office manager, her policy is to sign each individual void transaction and also sign the void report. Additionally, the license office did not document the reason for voiding the transaction for 1 of the 16 transactions, and did not maintain customer acknowledgment documentation for 1 other void transaction.

Department of Revenue (DOR) official procedures provide that the reason for the void should be documented along with the customer's signature acknowledging the void, and the void transaction be reviewed and approved by a supervisor and/or manager. Obtaining a customer's acknowledgement and documenting the reason for voiding the transaction help ensure the transaction actually was voided, and a review by office management also helps ensure transactions were properly handled and are valid.

Recommendation

The Raytown Contract License Office ensure all prepayment void transactions are supported by customer acknowledgment of the void transaction, along with the reason for the void. In addition, the license office should ensure documentation of the approval of all prepayment void transactions is maintained.

Auditee's Response

I do not agree with the finding, but I will make sure that I follow the correct procedure and will make the adjustments to the way we handle this procedure. I have sent a memo out to my clerks explaining that the signature of the applicant has to be on the application and the reason needs to be noted. Every time a void is made one of the management team will verify the application.

2. Accounting Controls and Procedures

The Raytown license office needs to improve controls and procedures over monies collected. For the year ended June 30, 2011, the office collected and remitted to the Department of Revenue (DOR) almost $16 million.

The license office did not always accurately record the method of payment (cash, check and credit card) in the accounting records and did not reconcile the composition of monies received to deposits. For example, the

composition of deposits did not agree to the composition of receipts recorded for the three deposits made from July 18 to July 20, 2011. A review of these deposits identified transactions marked as paid with cash when actually paid for by check and/or credit card, checks recorded as cash and credit card payments, and credit card payments recorded as cash payments.

DOR official procedures for license offices provide that the composition of monies received should be reconciled to the accounting records and to deposits. Discrepancies between accounting records and deposits result in less assurance of proper handling.

Recommendation

The Raytown Contract License Office ensure the correct method of payment is recorded in the accounting records and the composition of monies received be reconciled to the accounting records and to deposits.

Auditee's Response

I do not agree with the finding, but I will send a letter out to my clerks also on this issue explaining the seriousness of this and to make sure at all cost please validate the checks for checks, cash for cash, and credit card for credit card. We will ask for cash only on the driver records and failure to appear in court for traffic (FACT) violations, if necessary.

Department of Revenue
Raytown Contract License Office
Organization and Statistical Information

Pursuant to Section 136.030(2), the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 183 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

Starting in January 2009, the DOR began awarding license offices through a competitive bidding process. Effective August 2009, Section 136.055.2, RSMo, requires contract license offices to be awarded through a competitive bidding process. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Contracts for the license offices are typically for one year, with three one-year renewal periods. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell over 500 different types of license plates which can be classified into 6 major categories: passenger, truck, trailer, motorcycle, bus, and dealer. In addition, the contract license offices issue 5 basic types of driver licenses: Intermediate License (GDL), Class F (Operator), Class E (For-Hire), Class A, B, and C (Commercial), and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program or blindness awareness fund, register with the selective services, add endorsements or restrictions to licenses, and an opportunity to register to vote.

The contract agents do not receive compensation from the DOR, but do receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

Agent Fees

Transaction Type	Fee
License renewal	$3.50 one year
	$7.00 two years
Transfer of registration	$3.50
Application or transfer of title	$2.50
Driver, operator or chauffeur license	$2.50 three years or less
	$5.00 exceeding three years
Notice of lien	$2.50

In January 2009, the bid solicitation for Raytown Contract License Office was issued. The office was awarded to Sharp Services, effective October 22,

2009. At June 30, 2011, the contract and office managers were Ben Sharp and Doris Young, respectively.

For the year ended June 30, 2011, the office collected and remitted to the DOR $15,959,421 and retained processing fees totaling $567,159. Additionally, as part of the bidding process, the office agreed to return 10 percent of its processing fees to the state during the first year of the contract and 6 percent during the renewal periods. For the year ended June 30, 2011, the office returned processing fees, totaling $41,288 to the state.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Raytown Contract License Office did not receive any federal stimulus monies during the year ended June 30, 2011.

Thomas A. Schweich

Missouri State Auditor

REVENUE

Princeton Contract License Office

November 2011

Report No. 2011-100

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Princeton Contract License Office

Background

The Department of Revenue has appointed 183 contract agents to operate contract license offices. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law which became effective in 2009, the State Auditor may audit contract license offices. This audit is one of the initial 10 contract license offices audited by the State Auditor.

Prepayment Void Transactions

The Princeton contract license office did not maintain proper documentation of prepayment void transactions. Prepayment void transactions occur when a transaction is entered into the processing system but is voided before payment is made. Department of Revenue official procedures require license offices to document the reason for any void, obtain the customer's signature acknowledging the void, and have a supervisor and/or manager review and approve the void. The Princeton contract license office lacked documentation of customer acknowledgment for the 6 void transaction occurring between April and June 2011, did not document manager approval of these transactions, and did not document the reason for voiding 3 of these transactions.

Contract Compliance

The Princeton contract license office is not complying with the agent contract requirement to update inventory records on a daily basis. Inventory records were incorrect for 5 of the 40 items we reviewed, which increases the risk of theft and/or impropriety.

Accounting Controls and Procedures

The Princeton contract license office needs to improve its accounting controls and procedures. The license office did not always accurately record the method of payment, such as cash or check, and did not reconcile the composition of monies received to deposits, as required by Department of Revenue procedures.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Princeton contract license office did not receive any federal stimulus monies during the audited time period.

***The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Alana M. Barragán-Scott, Director
Department of Revenue
Jefferson City, Missouri
and
Donna Place Herdrich, Contract Agent
Princeton Contract License Office
Princeton, Missouri

We have audited certain operations maintained and established by the Princeton Contract License Office, as provided by Section 136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2011. The objectives of our audit were to:

1. Evaluate the office's internal controls related to the handling of various fee and tax transactions.

2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contact office.

For the areas audited, we identified (1) deficiencies in internal controls and (2) noncompliance with a contractual provision.

The accompanying Management Advisory Report presents our findings arising from our audit of the Princeton Contract License Office.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni Crabtree, CPA
In-Charge Auditor:	Katie Twiehaus
Audit Staff:	Corey McComas, M.Acct., CPA

Department of Revenue
Princeton Contract License Office
Management Advisory Report - State Auditor's Findings

1. Prepayment Void Transactions

The Princeton license office needs to improve controls over prepayment void transactions.

A prepayment void transaction occurs when a transaction is entered in the Titling and Registration Intranet Processing System (TRIPS) but is voided before payment is made. Valid reasons for prepayment void transactions include entries that contain an incorrectly spelled name, a transfer on death erroneously left off the title, an incorrect address or date of purchase; and when customers lack sufficient funds to pay the transaction.

The license office did not maintain customer acknowledgment documentation for the six void transactions that occurred in April, May, and June 2011, and did not document the reason for voiding three of these transactions. Additionally, the office manager did not document her approval of these void transactions.

Department of Revenue (DOR) official procedures provide that the reason for the void should be documented along with the customer's signature acknowledging the void, and the void transaction be reviewed and approved by a supervisor and/or manager. Obtaining a customer's acknowledgement and documenting the reason for voiding a transaction helps ensure the transaction actually was voided, and a review by office management also helps ensure transactions were properly handled and are valid.

Recommendation

The Princeton Contract License Office ensure all prepayment void transactions are supported by customer acknowledgment of the void transaction, along with the reason for the void. In addition, office management should review all prepayment void transactions and document its review.

Auditee's Response

The recommendation has been implemented. My office now has a voided transaction file and all voids are stored in this file in order. Each void is signed by the customer, both on the signature line and at the bottom of the form, and the words voided transaction are written across the paperwork.

2. Contract Compliance

The Princeton license office does not always accurately update inventory records on a daily basis, as required by its agent contract with the DOR. According to DOR personnel, the Princeton license office typically has approximately 1,500 inventory items on hand on any given day. The inventory items include items such as license plates, tabs, decals, and permits.

The license office did not properly record the inventory for 5 of 40 (13 percent) items reviewed in June 2011. We observed a personalized license plate which was not recorded in the inventory log. According to the office manager, a personalized license plate is not recorded in the inventory log

until the plate is sold. Additionally, a license plate tab was marked as sold in the log, but was still on hand; a truck plate was shown as sold in TRIPS, but not marked as sold in the log; and a passenger license plate had not been recorded in the log as transferred to another license office. In addition, several license plates were sold out of sequence.

The license office increases the risk of undetected theft and/or impropriety when inventory records are not updated accurately and on a timely basis. In addition, the agent contract requires the license office to maintain up-to-date perpetual inventory records.

Recommendation

The Princeton Contract License Office maintain accurate perpetual inventory records, as required by the agent contract.

Auditee's Response

The recommendation has been implemented. My office now records all inventory in the inventory log, including personalized plates as they arrive in the office. The old DOR policy was to record personalized plates as they were sold but that policy has been changed. All inventory is recorded in the inventory log and the log is kept up to date.

3. Accounting Controls and Procedures

The Princeton license office needs to improve controls and procedures over monies collected. For the year ended June 30, 2011, the office collected and remitted to the DOR approximately $678,000.

The license office did not always accurately record the method of payment (cash, check, and credit card) in the accounting records and did not reconcile the composition of monies received to deposits. For example, the composition of deposits did not agree to the composition of receipts recorded for two of three deposits made from May 17 to May 19, 2011. A review of these deposits identified transactions marked as paid with cash when actually paid for by check, and checks recorded as cash payments.

DOR official procedures for license offices provide that the composition of monies received should be reconciled to the accounting records and to deposits. Discrepancies between accounting records and deposits result in less assurance of proper handling.

Recommendation

The Princeton Contract License Office ensure the correct method of payment is recorded in the accounting records, and the composition of monies received is reconciled to the accounting records and to deposits.

Auditee's Response

The recommendation has been implemented. My office is accurately recording transactions as cash, check, credit card or combination of methods of payment. In the past, customers could write one check for both motor vehicle and driver's transaction and I would divide it between the drawers. In order to keep the composition of the drawers correct, customers

are now required to write separate checks for drivers and motor vehicle transactions.

Department of Revenue
Princeton Contract License Office
Organization and Statistical Information

Pursuant to Section 136.030(2), the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 183 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

Starting in January 2009, the DOR began awarding license offices through a competitive bidding process. Effective August 2009, Section 136.055.2, RSMo, requires contract license offices to be awarded through a competitive bidding process. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Contracts for the license offices are typically for one year, with three one-year renewal periods. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell over 500 different types of license plates which can be classified into 6 major categories: passenger, truck, trailer, motorcycle, bus, and dealer. In addition, the contract license offices issue 5 basic types of driver licenses: Intermediate License (GDL), Class F (Operator), Class E (For-Hire), Class A, B, and C (Commercial), and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program or blindness awareness fund, register with the selective services, add endorsements or restrictions to licenses, and an opportunity to register to vote.

The contract agents do not receive compensation from the DOR, but do receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

Agent Fees

Transaction Type	Fee
License renewal	$3.50 one year
	$7.00 two years
Transfer of registration	$3.50
Application or transfer of title	$2.50
Driver, operator or chauffeur license	$2.50 three years or less
	$5.00 exceeding three years
Notice of lien	$2.50

In July 2009, the bid solicitation for the Princeton Contract License Office was issued. The office was awarded to Donna Place Herdrich, effective

November 19, 2009. At June 30, 2011, the contract/office manager was Donna Herdrich.

For the year ended June 30, 2011, the office collected and remitted to the DOR $678,084, and retained processing fees totaling $24,599. Under the terms of the contract, the office was not required to return a percentage of its processing fees to the state.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Princeton Contract License Office did not receive any federal stimulus monies during the year ended June 30, 2011.

Thomas A. Schweich

Missouri State Auditor

REVENUE

Paris Contract License Office

November 2011

Report No. 2011-99

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Paris Contract License Office

Background

The Department of Revenue has appointed 183 contract agents to operate contract license offices. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law which became effective in 2009, the State Auditor may audit contract license offices. This audit is one of the initial 10 contract license offices audited by the State Auditor.

Prepayment Void Transactions

The Paris contract license office did not maintain proper documentation of prepayment void transactions. Prepayment void transactions occur when a transaction is entered into the processing system but is voided before payment is made. Department of Revenue official procedures require license offices to document the reason for any void, obtain the customer's signature acknowledging the void, and have a supervisor and/or manager review and approve the void. The Paris contract license office lacked any documentation for 5 out of 10 of the void transactions we reviewed and lacked documentation of customer acknowledgment for 1 out of 5 other transactions.

Segregation of Duties

The Paris contract license office does not adequately segregate duties, and there is no documented oversight by the contract agent. The office has 1 employee who is responsible for multiple duties, including receiving monies, depositing receipts, and reconciling the bank account to the accounting records. There is no evidence that the contract agent reviews this work, which increases the risk of loss or misuse.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Paris contract license office did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Alana M. Barragán-Scott, Director
Department of Revenue
Jefferson City, Missouri
and
Christy Barton, Contract Agent
Paris Contract License Office
Paris, Missouri

We have audited certain operations maintained and established by the Paris Contract License Office, as provided by Section136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2011. The objectives of our audit were to:

1. Evaluate the office's internal controls related to the handling of various fee and tax transactions.

2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contract office.

For the areas audited, we identified (1) deficiencies in internal controls and (2) no significant noncompliance with contractual and statutory provisions.

The accompanying Management Advisory Report presents our findings arising from our audit of the Paris Contract License Office.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni Crabtree, CPA
In-Charge Auditor:	Katie Twiehaus
Audit Staff:	Corey McComas, M.Acct., CPA
	Kelli Oldham

Department of Revenue
Paris Contract License Office
Management Advisory Report - State Auditor's Findings

1. Prepayment Void Transactions

The Paris license office needs to improve controls over prepayment void transactions.

A prepayment void transaction occurs when a transaction is entered in the Titling and Registration Intranet Processing System (TRIPS) but is voided before payment is made. Valid reasons for prepayment void transactions include entries that contain an incorrectly spelled name, a transfer on death erroneously left off the title, an incorrect address or date of purchase; and when customers lack sufficient funds to pay the transaction.

The license office did not maintain any documentation for 5 of 10 (50 percent) void transactions that occurred during the months of April, May, and June 2011. Additionally, the office did not maintain customer acknowledgment documentation for 1 of 5 other void transactions.

Department of Revenue (DOR) official procedures provide that the reason for the void should be documented along with the customer's signature acknowledging the void, and the void transaction be reviewed and approved by a supervisor and/or manager. Obtaining appropriate documentation including a customer's acknowledgement helps ensure the transaction actually was voided, and a review by office management also helps ensure transactions were properly handled and are valid.

Recommendation

The Paris Contract License Office ensure all prepayment void transactions are supported by customer acknowledgment of the void transaction, along with the reason for the void. In addition, office management should review all prepayment void transactions and document its review.

Auditee's Response

I have reviewed your finding and agree with your recommendation. Per your recommendation, employees will ensure that all prepayment void transactions are supported by a customer acknowledgement of the voided transactions with their signature or initials, and a reason will be documented on the voided transaction. To ensure proper oversight, the contracted agent will review and initial daily void reports in an effort to strengthen internal controls and ensure employee compliance.

2. Segregation of Duties

The Paris license office does not have adequate segregation of duties and there is no documented oversight by the contract agent.

The office has one employee who is responsible for the operation and management of the office, including receiving monies, recording receipts and transactions in TRIPS, depositing receipts, reconciling the bank account to the accounting records, and maintaining the inventory, such as license plates and tabs. Although DOR personnel periodically review and evaluate the contract office procedures and records, there is no evidence the contract

agent provides adequate supervision or review of the work performed by the employee.

To reduce the risk of loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, the contract agent should review the work performed and investigate any unusual transactions.

Recommendation

The Paris Contract License Office ensure timely supervision or independent review of the work performed by the office employee and investigate unusual items and variances.

Auditee's Response

I have reviewed your finding and agree with your recommendation. Per your recommendation to segregate duties, the contracted agent will reconcile bank statements monthly, review daily transactions weekly to safeguard against possible loss or misuse of funds, and will oversee daily inventory and general operations. In order to document the agent's oversight, I will initial all appropriate documents as needed.

Department of Revenue
Paris Contract License Office
Organization and Statistical Information

Pursuant to Section 136.030(2), the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 183 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

Starting in January 2009, the DOR began awarding license offices through a competitive bidding process. Effective August 2009, Section 136.055.2, RSMo, requires contract license offices to be awarded through a competitive bidding process. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Contracts for the license offices are typically for one year, with three one-year renewal periods. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell over 500 different types of license plates which can be classified into six major categories: passenger, truck, trailer, motorcycle, bus, and dealer. In addition, the contract license offices issue 5 basic types of driver licenses: Intermediate License (GDL), Class F (Operator), Class E (For-Hire), Class A, B, and C (Commercial), and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program or blindness awareness fund, register with the selective services, add endorsements or restrictions to licenses, and an opportunity to register to vote.

The contract agents do not receive compensation from the DOR, but do receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

Agent Fees

Transaction Type	Fee
License renewal	$3.50 one year
	$7.00 two years
Transfer of registration	$3.50
Application or transfer of title	$2.50
Driver, operator or chauffeur license	$2.50 three years or less
	$5.00 exceeding three years
Notice of lien	$2.50

In August 2009, the bid solicitation for the Paris Contract License Office was issued. The office was awarded to Christy Barton, effective

November 19, 2009. At June 30, 2011, the contract and office managers were Christy Barton and Toni Barton, respectively.

For the year ended June 30, 2011, the office collected and remitted to the DOR $755,889, and retained processing fees totaling $33,197. Under the terms of the contract, the office was not required to return a percentage of its processing fees to the state.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Paris Contract License Office did not receive any federal stimulus monies during the year ended June 30, 2011.

Thomas A. Schweich

Missouri State Auditor

REVENUE

Kansas City-Fletcher Daniels Building Contract License Office

November 2011

Report No. 2011-98

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Kansas City-Fletcher Daniels Building Contract License Office

Background

The Department of Revenue has appointed 183 contract agents to operate contract license offices. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law which became effective in 2009, the State Auditor may audit contract license offices. This audit is one of the initial 10 contract license offices audited by the State Auditor.

Prepayment Void Transactions

The Kansas City-Fletcher Daniels Building contract license office did not maintain proper documentation of prepayment void transactions. Prepayment void transactions occur when a transaction is entered into the processing system but is voided before payment is made. Department of Revenue official procedures require license offices to document the reason for any void, obtain the customer's signature acknowledging the void, and have a supervisor and/or manager review and approve the void. The Kansas City-Fletcher Daniels Building contract license office did not maintain any documentation for 9 of 29 (31 percent) void transactions occurring between August 25 and August 29, 2011, making it difficult to ensure these transactions were voided for a valid reason and properly handled.

Accounting Controls and Procedures

The Kansas City-Fletcher Daniels Building contract license office needs to improve its accounting controls and procedures. The license office did not always accurately record the method of payment, such as cash or check, and did not reconcile the composition of monies received to deposits, as required by Department of Revenue procedures.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Kansas City-Fletcher Daniels Building contract license office did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Kansas City-Fletcher Daniels Building Contract License Office
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Alana M. Barragán-Scott, Director
Department of Revenue
Jefferson City, Missouri
and
DTC-DMV, Inc., Contract Agent
Kansas City-Fletcher Daniels Building Contract License Office
Kansas City, Missouri

We have audited certain operations maintained and established by the Kansas City-Fletcher Daniels Building Contract License Office, as provided by Section 136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2011. The objectives of our audit were to:

1. Evaluate the office's internal controls related to the handling of various fee and tax transactions.

2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contract office.

For the areas audited, we identified (1) deficiencies in internal controls and (2) no significant noncompliance with contractual and statutory provisions.

The accompanying Management Advisory Report presents our findings arising from our audit of the Kansas City-Fletcher Daniels Building Contract License Office.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni Crabtree, CPA
In-Charge Auditor:	Katie Twiehaus
Audit Staff:	Corey McComas, M.Acct., CPA
	Kelli Oldham

1. Prepayment Void Transactions

The Kansas City-Fletcher Daniels Building license office needs to improve controls over prepayment void transactions.

A prepayment void transaction occurs when a transaction is entered in the Titling and Registration Intranet Processing System but is voided before payment is made. Valid reasons for prepayment void transactions include entries that contain an incorrectly spelled name, a transfer on death erroneously left off the title, an incorrect address or date of purchase; and when customer lack sufficient funds to pay the transaction.

The license office did not maintain any documentation, such as the reason for the void, customer acknowledgment of the void, and management review of the transaction, for 9 of 29 (31 percent) void transactions that occurred from August 25 to August 29, 2011. As a result, there is little assurance that these transactions were voided for a valid reason and properly handled.

Department of Revenue (DOR) official procedures provide that the reason for the void should be documented along with the customer's signature acknowledging the void, if necessary, and the void transaction be reviewed and approved by a supervisor and/or manager. Obtaining appropriate documentation including a customer's acknowledgement and documenting the reason for voiding the transaction help ensure the transaction actually was voided, and a review by office management also helps ensure transactions were properly handled and are valid.

Recommendation

The Kansas City-Fletcher Daniels Building Contract License Office ensure all prepayment void transactions are supported by customer acknowledgment of the void transaction, along with the reason for the void. In addition, office management should review all prepayment void transactions and document its review.

Auditee's Response

The manager does and did document the voided transaction summary in front of the auditor the date of the audit. On a daily basis, the manager verifies each voided transaction. On the transaction report, the manager notes if the transaction was reran. The manager double checks all voided transactions to make sure there is no fraud in the office.

2. Accounting Controls and Procedures

The Kansas City-Fletcher Daniels Building license office needs to improve controls and procedures over monies collected. For the year ended June 30, 2011, the office collected and remitted to the DOR approximately $7.6 million.

The license office did not always accurately record the method of payment (cash, check, and credit card) in the accounting records and did not reconcile the composition of monies received to deposits. For example, the

composition of deposits did not agree to the composition of receipts recorded for the three deposits made from August 25 to August 29, 2011. A review of these deposits identified transactions marked as paid with cash when actually paid for by check, checks recorded as cash payments, and credit card charges recorded as cash and/or check.

DOR official procedures for license offices provide that the composition of monies received should be reconciled to the accounting records and to deposits. Discrepancies between accounting records and deposits result in less assurance of proper handling.

Recommendation

The Kansas City-Fletcher Daniels Building Contract License Office ensure the correct method of payment is recorded in the accounting records, and the composition of monies received be reconciled to the accounting records and to deposits.

Auditee's Response

The method of payment will never add up correctly. The driving records and failure to appear in court for traffic (FACT) violation receipts cannot be processed in the system.

Department of Revenue
Kansas City-Fletcher Daniels Building Contract License Office
Organization and Statistical Information

Pursuant to Section 136.030(2), the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 183 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

Starting in January 2009, the DOR began awarding license offices through a competitive bidding process. Effective August 2009, Section 136.055.2, RSMo, requires contract license offices to be awarded through a competitive bidding process. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Contracts for the license offices are typically for one year, with three one-year renewal periods. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell over 500 different types of license plates which can be classified into 6 major categories: passenger, truck, trailer, motorcycle, bus, and dealer. In addition, the contract license offices issue 5 basic types of driver licenses: Intermediate License (GDL), Class F (Operator), Class E (For-Hire), Class A, B, and C (Commercial), and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program or blindness awareness fund, register with the selective services, add endorsements or restrictions to licenses, and an opportunity to register to vote.

The contract agents do not receive compensation from the DOR, but do receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

Agent Fees

Transaction Type	Fee
License renewal	$3.50 one year
	$7.00 two years
Transfer of registration	$3.50
Application or transfer of title	$2.50
Driver, operator or chauffeur license	$2.50 three years or less
	$5.00 exceeding three years
Notice of lien	$2.50

In April 2009, the bid solicitation for the Kansas City-Fletcher Daniels Building Contract License Office was issued. The office was awarded to the

DTC-DMV, Inc., effective August 13, 2009. At June 30, 2011, the contract and office managers were Julie Shippy and Jennifer Rodriguez, respectively.

For the year ended June 30, 2011, the office collected and remitted to the DOR $7,584,582, and retained processing fees totaling $350,804. Under the terms of the contract, the office was not required to return a percentage of its processing fees to the state.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Kansas City-Fletcher Daniels Building Contract License Office did not receive any federal stimulus monies during the year ended June 30, 2011.

Thomas A. Schweich

Missouri State Auditor

REVENUE

Imperial Contract License Office

November 2011

Report No. 2011-97

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Imperial Contract License Office

Background

The Department of Revenue has appointed 183 contract agents to operate contract license offices. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law which became effective in 2009, the State Auditor may audit contract license offices. This audit is one of the initial 10 contract license offices audited by the State Auditor.

Accounting Controls and Procedures

The Imperial contract license office needs to improve its accounting controls and procedures. The license office did not always accurately record the method of payment, such as cash or check, and did not reconcile the composition of monies received to deposits, as required by Department of Revenue procedures.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Imperial contract license office did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Alana M. Barragán-Scott, Director
Department of Revenue
Jefferson City, Missouri
and
Paul R. Schmidt, Sr., Contract Agent
Imperial Contract License Office
Imperial, Missouri

We have audited certain operations maintained and established by the Imperial Contract License Office, as provided by Section 136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2011. The objectives of our audit were to:

1. Evaluate the office's internal controls related to the handling of various fee and tax transactions.

2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contract office.

For the areas audited, we identified (1) a deficiency in internal controls and (2) no significant noncompliance with contractual and statutory provisions.

The accompanying Management Advisory Report presents our finding arising from our audit of the Imperial Contract License Office.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni Crabtree, CPA
In-Charge Auditor:	Katie Twiehaus
Audit Staff:	Corey McComas, M.Acct., CPA
	Kelli Oldham

Department of Revenue
Imperial Contract License Office
Management Advisory Report - State Auditor's Finding

Accounting Controls and Procedures

The Imperial license office needs to improve controls and procedures over monies collected. For the year ended June 30, 2011, the office collected and remitted to the Department of Revenue (DOR) approximately $7.8 million.

The license office did not always accurately record the method of payment (cash, check, and credit card) in the accounting records and did not reconcile the composition of monies received to deposits. For example, the composition of deposits did not agree to the composition of receipts recorded for the three deposits made from August 12 to August 15, 2011. A review of these deposits identified transactions marked as paid with cash when actually paid for by check and/or credit card, and checks recorded as cash payments.

DOR official procedures for license offices provide that the composition of monies received should be reconciled to the accounting records and to deposits. Discrepancies between accounting records and deposits result in less assurance of proper handling.

Recommendation

The Imperial Contract License Office ensure the correct method of payment is recorded in the accounting records, and the composition of monies received be reconciled to the accounting records and to deposits.

Auditee's Response

Frequently as my clerks are working on the counter the type of payment will be changed by the customer. They may present a credit card which is not able to be processed or after reflecting on the fee of $1 or 2.75 percent decide to use another payment. I believe that the clerks on my counter are moving one step too far before actually having the payment in hand. If this occurs the clerk would need to process a manual void in order to complete the transaction with the proper payment, this would involve voiding inventory that was to be issued, stopping the transaction on the computer system and adjusting the accounting report manually to correctly reflect the proper form of payment collecting. I have had clerks that have asked me about this and frankly have made this error while working the counter myself. My response to the clerks and my own action has been to allow the transaction to stand and as long as the overall drawer was in balance take no further action. I was not aware and was not made aware by the Department of Revenue (DOR) that it was critical that the accounting report be reconciled regarding the number of checks/credit cards or the amount of checks/cash/credit cards.

After speaking with my clerks regarding this matter and my wife, who often handles the deposits and preparation of the shipmen/accounting report, discrepancies were found regarding the identification of transactions as check/cash/credit card by our field representative from DOR. A recommendation was made by her to note the audit copy kept in the office that the correct form of payment was not recorded and what form of payment was received. After reviewing the audit copies and accounting reports it does not appear that that was adequately communicated with my

staff, nor was it followed up on after the recommendation was made by myself.

In conclusion, we had only been using the check/cash/credit card designation for the purposes of reconciling a possible incorrect or missing payment and did not understand the gravity of its accuracy for final accounting by the State. After reading the State Auditor's finding I have sent a memo to each of the clerks in my office and are making certain that each clerk pays attention to this detail on each transaction, allowing each transaction sufficient time to be processed reflecting the correct payment. I will also inquire with our field representative as to how the DOR wishes us to inform them of corrections on her next visit which should be the last week of October.

Department of Revenue
Imperial Contract License Office
Organization and Statistical Information

Pursuant to Section 136.030(2), the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 183 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

Starting in January 2009, the DOR began awarding license offices through a competitive bidding process. Effective August 2009, Section 136.055.2, RSMo, requires contract license offices to be awarded through a competitive bidding process. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Contracts for the license offices are typically for one year, with three one-year renewal periods. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell over 500 different types of license plates which can be classified into 6 major categories: passenger, truck, trailer, motorcycle, bus, and dealer. In addition, the contract license offices issue 5 basic types of driver licenses: Intermediate License (GDL), Class F (Operator), Class E (For-Hire), Class A, B, and C (Commercial), and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program or blindness awareness fund, register with the selective services, add endorsements or restrictions to licenses, and an opportunity to register to vote.

The contract agents do not receive compensation from the DOR, but do receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

Agent Fees

Transaction Type	Fee
License renewal	$3.50 one year
	$7.00 two years
Transfer of registration	$3.50
Application or transfer of title	$2.50
Driver, operator or chauffeur license	$2.50 three years or less
	$5.00 exceeding three years
Notice of lien	$2.50

In March 2009, the bid solicitation for the Imperial Contract License Office was issued. The office was awarded to Paul R. Schmidt, Sr., effective

September 3, 2009. At June 30, 2011, the contract/office manager for the license office was Paul R. Schmidt, Sr.

For the year ended June 30, 2011, the office collected and remitted to the DOR $7,780,550, and retained processing fees totaling $289,318. Additionally, as part of the bidding process, the office agreed to return 5 percent of its processing fees to the state. For the year ended June 30, 2011, the office returned processing fees, totaling $14,466, to the state.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Imperial Contract License Office did not receive any federal stimulus monies during the year ended June 30, 2011.

Thomas A. Schweich

Missouri State Auditor

REVENUE

Downtown (St. Louis) Contract License Office

November 2011

Report No. 2011-96

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Downtown (St. Louis) Contract License Office

Background	The Department of Revenue has appointed 183 contract agents to operate contract license offices. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law which became effective in 2009, the State Auditor may audit contract license offices. This audit is one of the initial 10 contract license offices audited by the State Auditor.
Prepayment Void Transactions	The Downtown (St. Louis) contract license office did not maintain proper documentation of prepayment void transactions. Prepayment void transactions occur when a transaction is entered into the processing system but is voided before payment is made. Department of Revenue official procedures require license offices to document the reason for any void, obtain the customer's signature acknowledging the void, and have a supervisor and/or manager review and approve the void. The Downtown (St. Louis) contract license office lacked documentation of customer acknowledgment for 6 of 22 (27 percent) void transactions occurring between June 21 and June 22, 2011, and did not document the reason for voiding two other transactions.
Statutory Compliance	The Downtown (St. Louis) contract license office is not complying with statutory requirements to inquire whether customers wish to make a $1 donation to the Blindness Education, Screening, and Treatment Program Fund and the Organ Donor Program Fund, and to inform customers of the ability to be included in the organ donor registry and to consent to organ donation. An answer to these questions must be entered into the computer system to complete the transaction, so it appears staff frequently just entered "No." The Downtown (St. Louis) contract license office's donor registry enrollment average for the year ending June 30, 2011, was only 28 percent, compared to a statewide average of 37 percent.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The Downtown (St. Louis) contract license office did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Department of Revenue
Downtown (St. Louis) Contract License Office
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Alana M. Barragán-Scott, Director
Department of Revenue
Jefferson City, Missouri
and
City of St. Louis, Collector of Revenue, Contract Agent
Downtown (St. Louis) Contract License Office
St. Louis, Missouri

We have audited certain operations maintained and established by the Downtown (St. Louis) Contract License Office, as provided by Section 136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2011. The objectives of our audit were to:

1. Evaluate the office's internal controls related to the handling of various fee and tax transactions.

2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contract office.

For the areas audited, we identified (1) a deficiency in internal controls and (2) noncompliance with statutory provisions.

The accompanying Management Advisory Report presents our findings arising from our audit of the Downtown (St. Louis) Contract License Office.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni Crabtree, CPA
In-Charge Auditor:	Katie Twiehaus
Audit Staff:	Corey McComas, M.Acct., CPA

Department of Revenue
Downtown (St. Louis) Contract License Office
Management Advisory Report - State Auditor's Findings

1. Prepayment Void Transactions

The Downtown license office needs to improve controls over prepayment void transactions.

A prepayment void transaction occurs when a transaction is entered in the Titling and Registration Intranet Processing System (TRIPS) but is voided before payment is made. Valid reasons for prepayment void transactions include entries that contain an incorrectly spelled name, a transfer on death erroneously left off the title, an incorrect address or date of purchase; and when customers lack sufficient funds to pay the transaction.

The license office did not maintain customer acknowledgment documentation for 6 of 22 (27 percent) void transactions that occurred from June 21 to June 22, 2011. In addition, the reason for voiding the transaction was not documented for two other transactions.

Department of Revenue (DOR) official procedures provide that the reason for the void should be documented along with the customer's signature acknowledging the void, and the void transaction be reviewed and approved by a supervisor and/or manager. Obtaining a customer's acknowledgement and documenting the reason for voiding the transaction helps ensure the transaction actually was voided and was for a valid reason.

Recommendation

The Downtown (St. Louis) Contract License Office ensure all prepayment void transactions are supported by customer acknowledgement of the void transaction, along with the reason for the void.

Auditee's Response

On the dates June 21 and June 22, 2011 for the audit copies that were reviewed, we did not keep accurate records on prepayment voids. On October 12, 2010, we hired a new supervisor with 15 years of fee office experience and one of the first things she did was implement new procedures on how we handle and keep and all prepayment voids. They are being kept in a separate folder and are signed by customers and herself with an explanation for the voided transaction.

2. Statutory Compliance

The Downtown license office does not always inquire if customers want to donate to the Blindness Education, Screening, and Treatment Program Fund and the Organ Donor Program Fund, or inform customers of the ability to be included in the organ donor registry and to consent to organ donation, as required by state law.

During our audit work in the office, we noted that office staff frequently did not ask customers if they wanted to donate to these funds, or inform customers about organ donation. A Yes or No to the donation questions must be recorded in TRIPS in order to complete the transactions. As a result, staff appear to be automatically entering a No to these questions. According to the state Donor Registry System, the enrollment average for

the Downtown license office was 28 percent of transactions for the year ended June 30, 2011. The state-wide average for license offices was 37 percent.

Sections 301.020 and 302.171, RSMo, require personnel to inquire whether customers registering a motor vehicle and applying for a driver's license are interested in making a $1 donation to the Blindness Education, Screening, and Treatment Program Fund and to the Organ Donor Program Fund. In addition, Section 302.171, RSMo, requires personnel to inform customers applying for a driver's license of the ability to be included in the organ donor registry and to consent to organ donation by completing the form on the back of the driver's license.

Recommendation

The Downtown (St. Louis) Contract License Office ensure office staff inquire of each customer whether the customer is interested in making a $1 donation to the Blindness, Education, Screening and Treatment Program Fund and the Organ Donor Program Fund, and inform customers of the ability to be included in the organ donor registry and to consent to organ donation, as required by state law.

Auditee's Response

We have a number of homeless people that rely on a voucher program that come in with no money to even pay for the transactions themselves. So, we may not ask every customer for a donation because they are paying with a voucher that we cannot change because it has been approved for a certain dollar amount. I have spoke to all clerks and have asked them to ask questions where applicable for all donations.

Department of Revenue
Downtown (St. Louis) Contract License Office
Organization and Statistical Information

Pursuant to Section 136.030(2), the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 183 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

Starting in January 2009, the DOR began awarding license offices through a competitive bidding process. Effective August 2009, Section 136.055.2, RSMo, requires contract license offices to be awarded through a competitive bidding process. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Contracts for the license offices are typically for one year, with three one-year renewal periods. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell over 500 different types of license plates which can be classified into 6 major categories: passenger, truck, trailer, motorcycle, bus, and dealer. In addition, the contract license offices issue 5 basic types of driver licenses: Intermediate License (GDL), Class F (Operator), Class E (For-Hire), Class A, B, and C (Commercial), and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program or blindness awareness fund, register with the selective services, add endorsements or restrictions to licenses, and an opportunity to register to vote.

The contract agents do not receive compensation from the DOR, but do receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

Agent Fees

Transaction Type	Fee
License renewal	$3.50 one year
	$7.00 two years
Transfer of registration	$3.50
Application or transfer of title	$2.50
Driver, operator or chauffeur license	$2.50 three years or less
	$5.00 exceeding three years
Notice of lien	$2.50

In April 2009, the bid solicitation for the Downtown (St. Louis) License Office was issued. The office was awarded to City of St. Louis, Collector of Revenue, effective December 9, 2009. At June 30, 2011, the contract and

office managers were Gregory Daly (Collector of Revenue) and Thomas Vollmer, respectively. The clerk supervisor was Rita Lahr.

For the year ended June 30, 2011, the office collected and remitted to the DOR $8,338,515, and retained processing fees totaling $279,890. The retained fees are used to pay the office expenses, with any excess fees remitted to the Collector's Office. Under the terms of the contract, the office was not required to return a percentage of its processing fees to the state.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Downtown (St. Louis) Contract License Office did not receive any federal stimulus monies during the year ended June 30, 2011.

Thomas A. Schweich

Missouri State Auditor

REVENUE

Columbia Contract License Office

November 2011

Report No. 2011-95

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Columbia Contract License Office

Background

The Department of Revenue has appointed 183 contract agents to operate contract license offices. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law which became effective in 2009, the State Auditor may audit contract license offices. This audit is one of the initial 10 contract license offices audited by the State Auditor.

Prepayment Void Transactions

The Columbia contract license office did not maintain proper documentation of prepayment void transactions. Prepayment void transactions occur when a transaction is entered into the processing system but is voided before payment is made. Department of Revenue official procedures require license offices to document the reason for any void, obtain the customer's signature acknowledging the void, and have a supervisor and/or manager review and approve the void. For the 29 void transactions that occurred over a 3-day period, the Columbia contract license office lacked documentation of customer acknowledgment for 83 percent and lacked documentation of manager approval for 21 percent.

Contract Compliance

The agent contract provides that if there is a shortage in the daily balance, the contract agent must make up the difference, but, if there is an overage in the daily balance, the amount of the overage must be deposited in the Department of Revenue bank account. Instead of depositing overages as required, the Columbia contract license office retained overages to cover future shortages.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Columbia contract license office did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Alana M. Barragán-Scott, Director
Department of Revenue
Jefferson City, Missouri
and
Columbia Licensing Services, LLC, Contract Agent
Columbia Contract License Office
Columbia, Missouri

We have audited certain operations maintained and established by the Columbia Contract License Office, as provided by Section 136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2011. The objectives of our audit were to:

1. Evaluate the office's internal controls related to the handling of various fee and tax transactions.

2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contract office.

For the areas audited, we identified (1) a deficiency in internal controls and (2) noncompliance with a contractual provision.

The accompanying Management Advisory Report presents our findings arising from our audit of the Columbia Contract License Office.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni Crabtree, CPA
In-Charge Auditor:	Katie Twiehaus
Audit Staff:	Corey McComas, M.Acct., CPA
	Kelli Oldham

1. Prepayment Void Transactions

The Columbia license office needs to improve controls over prepayment void transactions.

A prepayment void transaction occurs when a transaction is entered in the Titling and Registration Intranet Processing System but is voided before payment is made. Valid reasons for prepayment void transactions include entries that contain an incorrectly spelled name, a transfer on death erroneously left off the title, an incorrect address or date of purchase; and when customers lack sufficient funds to pay the transaction.

The license office did not maintain customer acknowledgment documentation for 24 of 29 (83 percent) void transactions that occurred from June 6 to June 8, 2011. Additionally, the office manager did not document approval for 6 (21 percent) of the 29 transactions. According to the office manager, she performs a daily review of prepayment void transactions, but does not always document her review.

Department of Revenue (DOR) official procedures provide that the reason for the void should be documented along with the customer's signature acknowledging the void, and the void transaction be reviewed and approved by a supervisor and/or manager. Obtaining a customer's acknowledgement helps ensure the transaction actually was voided, and a review by office management also helps ensure transactions were properly handled and are valid.

Recommendation

The Columbia Contract License Office ensure all prepayment void transactions are supported by customer acknowledgment of the void transaction, along with the reason for the void. In addition, the license office should ensure documentation of the approval of all prepayment void transactions is maintained.

Auditee's Response

It has always been our practice for clerks to explain to customers why a transaction is being voided. Additionally, it has always been our practice for an office manager to review all prepayment void transactions to ensure that they were handled appropriately. In order to document these procedures and to implement your recommendation, we are now requiring the signature of any customer or representative for whom we need to issue a prepayment void on their transaction. We are also requiring that the manager reviewing the void transaction initial their review. Many prepayment void transactions are the result of a customer not realizing that payment would be required and not having any means to pay for the service. For example, many customers are unaware that there is a fee associated with issuing a new title or with transferring license plates from one vehicle to another. As an additional step and in order to minimize prepayment void transactions, we are requiring our clerks to politely inquire of all customers what means of payment they wish to use prior to processing their

transaction. In that manner, it is hoped that we can both improve customer service and minimize void transactions. We recognize that some prepayment voids are unavoidable, however, we will endeavor to do what we can in order to keep these void transactions to as small a number as possible.

2. Contract Compliance

The Columbia license office does not deposit overages of revenue collected in the DOR bank account, as required by its agent contract with the DOR.

The office policy, when the daily revenue accounting reports indicate total collections are less than the actual monies collected (overage), is to place the excess money in a specific box in the office. Then, if an accounting report indicates total collections are greater than the actual monies collected (shortage), monies from the box are used to cover the difference.

The agent contract provides that if the daily balance reflects a shortage, the agent should pay the difference prior to the deposit. However, if the daily balance reflects an overage, the amount of the overage should be deposited in the DOR bank account.

Recommendation

The Columbia Contract License Office comply with contractual provisions requiring any overages of daily funds to be deposited in the DOR bank account.

Auditee's Response

We take very seriously our responsibility for accurate accounting-for the customer, for the state, and for our own office. There are times when our receipts may vary slightly from what they should be and that variance is typically very minor-frequently just a few cents. We have always understood that any significant overage would belong to the state and that all shortages, no matter how small or large, would always be ours. We have never had any significant overages, although admittedly we have had overages of less than a dollar on numerous occasions. In terms of shortages, last calendar year we absorbed $289.50, and this calendar year to date we have absorbed $287.51 in shortages. In order to completely account for all funds, no matter how small, this office will ensure that all overages, regardless of amount, will be deposited into the state account. We will continue to absorb all shortages and report accordingly.

Department of Revenue
Columbia Contract License Office
Organization and Statistical Information

Pursuant to Section 136.030(2), the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 183 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

Starting in January 2009, the DOR began awarding license offices through a competitive bidding process. Effective August 2009, Section 136.055.2, RSMo, requires contract license offices to be awarded through a competitive bidding process. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Contracts for the license offices are typically for one year, with three one-year renewal periods. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell over 500 different types of license plates which can be classified into 6 major categories: passenger, truck, trailer, motorcycle, bus, and dealer. In addition, the contract license offices issue 5 basic types of driver licenses: Intermediate License (GDL), Class F (Operator), Class E (For-Hire), Class A, B, and C (Commercial), and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program or blindness awareness fund, register with the selective services, add endorsements or restrictions to licenses, and an opportunity to register to vote.

The contract agents do not receive compensation from the DOR, but do receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

Agent Fees

Transaction Type	Fee
License renewal	$3.50 one year
	$7.00 two years
Transfer of registration	$3.50
Application or transfer of title	$2.50
Driver, operator or chauffeur license	$2.50 three years or less
	$5.00 exceeding three years
Notice of lien	$2.50

In January 2009, the bid solicitation for the Columbia Contract License Office was issued. The office was awarded to the Columbia Licensing

Services, LLC, effective April 24, 2009. At June 30, 2011, the contract and office managers were Patricia Wilson and Diana Thomas, respectively.

For the year ended June 30, 2011, the office collected and remitted to the DOR $18,660,289, and retained processing fees totaling $703,218. Additionally, as part of the bidding process, the office agreed to return one percent of its processing fees to the state. For the year ended June 30, 2011, the office returned processing fees, totaling $7,032, to the state.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Columbia Contract License Office did not receive any federal stimulus monies during the year ended June 30, 2011.

Thomas A. Schweich

Missouri State Auditor

REVENUE

Aurora Contract License Office

November 2011

Report No. 2011-94

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Aurora Contract License Office

Background

The Department of Revenue has appointed 183 contract agents to operate contract license offices. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law which became effective in 2009, the State Auditor may audit contract license offices. This audit is one of the initial 10 contract license offices audited by the State Auditor.

Accounting Controls and Procedures

The Aurora contract license office needs to improve its accounting controls and procedures. The license office did not always accurately record the method of payment, such as cash or check, and did not reconcile the composition of monies received to deposits, as required by Department of Revenue procedures.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Aurora contract license office did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Alana M. Barragán-Scott, Director
Department of Revenue
Jefferson City, Missouri
and
Denise Blauvelt, Contract Agent
Aurora Contract License Office
Aurora, Missouri

We have audited certain operations maintained and established by the Aurora Contract License Office, as provided by Section 136.055, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2011. The objectives of our audit were to:

1. Evaluate the office's internal controls related to the handling of various fee and tax transactions.

2. Evaluate the office's compliance with certain contractual and statutory provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Department of Revenue's management and was not subjected to the procedures applied in our audit of the contract office.

For the areas audited, we identified (1) a deficiency in internal controls and (2) no significant noncompliance with contractual and statutory provisions.

The accompanying Management Advisory Report presents our finding arising from our audit of the Aurora Contract License Office.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni Crabtree, CPA
In-Charge Auditor:	Katie Twiehaus
Audit Staff:	Kelli Oldham

Department of Revenue
Aurora Contract License Office
Management Advisory Report - State Auditor's Finding

Accounting Controls and Procedures

The Aurora license office needs to improve controls and procedures over monies collected. For the year ended June 30, 2011, the office collected and remitted to the Department of Revenue (DOR) approximately $1.7 million.

The license office did not always accurately record the method of payment (cash, check and credit card) in the accounting records and did not reconcile the composition of monies received to deposits. For example, the composition of deposits did not agree to the composition of receipts recorded for the three deposits made from June 29 to July 5, 2011. A review of these deposits identified transactions marked as paid with cash when actually paid for by check and/or credit card, and checks recorded as cash payments.

DOR official procedures for license offices provide that the composition of monies received should be reconciled to the accounting records and to deposits. Discrepancies between accounting records and deposits result in less assurance of proper handling.

Recommendation

The Aurora Contract License Office ensure the correct method of payment is recorded in the accounting records and the composition of monies received be reconciled to the accounting records and to deposits.

Auditee's Response

The Aurora License Office has already implemented the procedure that the clerk writes down if she enters a check as cash or vice versa, and the amount of said check or cash. This information will be kept with the clerk's daily reports.

Department of Revenue
Aurora Contract License Office
Organization and Statistical Information

Pursuant to Section 136.030(2), the Department of Revenue (DOR) has the authority and responsibility for the collection of motor vehicle registration fees, driver license fees, motor vehicle sales and use tax, and all other taxes. Pursuant to Section 136.055, RSMo, the director of the DOR has appointed 183 contract agents to operate contract license offices. This section also provides that the state auditor may audit the contract license offices. The DOR, License Office Bureau, under the management of the Motor Vehicle and Driver Licensing Division, is responsible for administering contract license offices throughout the state.

Starting in January 2009, the DOR began awarding license offices through a competitive bidding process. Effective August 2009, Section 136.055.2, RSMo, requires contract license offices to be awarded through a competitive bidding process. This bidding process must give priority to organizations and entities that are exempt from taxation (not-for-profit) under the Internal Revenue Code, and political subdivisions such as municipalities, counties, and fire protection districts. Contracts for the license offices are typically for one year, with three one-year renewal periods. The contract may be canceled at the discretion of the DOR.

The contract license offices issue titles for all Missouri motor vehicles, trailers, and marine craft; and issue and sell over 500 different types of license plates which can be classified into 6 major categories: passenger, truck, trailer, motorcycle, bus, and dealer. In addition, the contract license offices issue 5 basic types of driver licenses: Intermediate License (GDL), Class F (Operator), Class E (For-Hire), Class A, B, and C (Commercial), and Class M (Motorcycle). The licensing process also includes allowing customers to contribute to the organ donor program or blindness awareness fund, register with the selective services, add endorsements or restrictions to licenses, and an opportunity to register to vote.

The contract agents do not receive compensation from the DOR, but do receive the following fees, allowed by Section 136.055.1, RSMo, from customers for each type of transaction processed by the office.

Agent Fees

Transaction Type	Fee
License renewal	$3.50 one year
	$7.00 two years
Transfer of registration	$3.50
Application or transfer of title	$2.50
Driver, operator or chauffeur license	$2.50 three years or less
	$5.00 exceeding three years
Notice of lien	$2.50

In May 2009, the bid solicitation for the Aurora Contract License Office was issued. The office was awarded to the Denise Blauvelt, effective October 15, 2009. At June 30, 2011, the contract and office managers were

Denise Blauvelt and Amy High, respectively. Ashley Bowling was appointed office manager in July 2011.

For the year ended June 30, 2011, the office collected and remitted to the DOR $1,707,093, and retained processing fees totaling $84,824. Additionally, as part of the bidding process, the office agreed to return 1 percent of its processing fees to the state during the first year of the contract and 1.1 percent, 1.2 percent, and 1.3 percent during the first, second, and third renewal period, respectively. For the year ended June 30, 2011, the office returned processing fees, totaling $907, to the state.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Aurora Contract License Office did not receive any federal stimulus monies during the year ended June 30, 2011.

Thomas A. Schweich

Missouri State Auditor

Phelps County

November 2011

Report No. 2011-93

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Phelps County

Unemployment Fund	The balance of the county Unemployment Fund is large enough to cover 5 years of expected unemployment claims. Keeping a large balance in this fund prevents these monies from being used for other purposes. In addition, because some of the monies in this fund come from restricted funds, the county should properly document the basis for administrative transfers from this fund to the General Revenue Fund.
Sheriff's Controls and Procedures	As noted in prior audits, the Sheriff's accounting controls and procedures need improvement. Jail commissary monies of approximately $32,000 are missing, and the failure to segregate duties, reconcile liabilities to cash balances, timely transmit receipts to the County Treasurer, and conduct adequate supervisory reviews allowed the missing funds to go undetected.
Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney's accounting controls and procedures need improvement. Accounting duties are not adequately segregated, the bad check clerk makes adjusting entries to the accounting system without documented supervisory approval, and, as noted in prior audit reports, receipting and depositing procedures need improvement.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.* However, the audit revealed serious shortcomings within the Sherriff's Department.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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American Recovery and Reinvestment Act 2009 (Federal Stimulus)

Phelps County received the following Federal Stimulus monies:

A $528,202 Homelessness Prevention and Rapid Re-housing Program grant, of which $79,059 was spent in 2009, $418,770 in 2010, and $30,373 is expected to be spent in 2011.

A $77,164 Recovery Act-Edward Byrne Memorial Justice Assistance Grant, of which $66,107 was spent on crime control and prevention in 2010 and the remaining $11,057 is expected to be spent in 2011.

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THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Phelps County

We have audited certain operations of Phelps County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones & Associates, P.C., Certified Public Accountants, was engaged to audit the financial statements of Phelps County for the 2 years ended December 31, 2010. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2010. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Phelps County.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Terese Summers, MSAS, CPA
	Mariam Ahmedbani

1. Unemployment Fund

The balance of the county Unemployment Fund has increased signficantly over the past several years. In addition, the county makes annual administrative transfers from the Unemployement Fund to the General Revenue Fund but has not prepared any documentation to show that amounts transferred represent actual or estimated unemployment-related expenses incurred in the General Revenue Fund. Because the county transfers monies to the Unemployment Fund from various restricted-use funds, it is important that administrative transfers to the General Revenue Fund represent actual costs incurred.

As allowed by law, the county has elected to not pay quarterly unemployment contributions to the Missouri Department of Labor and Industrial Relations (DLIR) and instead is responsible for the payment of unemployment claims as they occur. Although there are no statutory or regulatory requirements to establish such a fund, the county has voluntarily elected to set monies aside in the Unemployment Fund to pay unemployment claims.

Annually, the county contacts the DLIR and obtains the rates which would be paid if the county was making quarterly unemployment contributions. The county computes the amounts which would be paid in quarterly unemployment contributions and transfers these amounts to the Unemployment Fund. The transfers are made from all county funds from which employees are paid, including the restricted-use Special Road and Bridge, Assessment, Health Department, and Law Enforcement Sales Tax Funds. The county uses this fund to reimburse the DLIR for any unemployment benefits paid to eligible former county employees.

Increasing fund balance

The balance of the Unemployment Fund has increased significantly over the past 4 years:

		2010	2009	2008	2007
Beginning balance, January 1	$	222,193	190,624	150,282	101,430
Transfers in from various funds		69,930	87,288	69,499	69,362
Claims paid		(24,676)	(45,720)	(19,158)	(10,510)
Administrative transfers out		(10,000)	(10,000)	(10,000)	(10,000)
Ending balance, December 31	$	257,447	222,193	190,624	150,282

While the county budgeted $55,000 in unemployment claims for 2011, the county expects the balance of the fund to increase to $270,000 at the end of 2011. However, unemployment claims averaged about $25,000 annually from 2007 to 2010. Even if annual claims increase to $55,000, the expected balance of the fund at the end of 2011 would be sufficient to pay expected claims expenses for up to 5 years.

Administrative transfers

Since 1997, the county has transferred monies from the Unemployment Fund to the General Revenue Fund to cover administrative costs incurred in the General Revenue Fund. The amount transferred annually has been $10,000 since 2000 (as approved in the annual budgets); however, no calculation is performed to support the amount transferred. The County Clerk indicated a calculation was prepared many years ago, but the county has no documentation to support the $10,000 annual transfer.

While it is commendable for the county to set aside monies for the payment of unemployment claims, maintaining large balances in the Unemployment Fund does not allow these funds to be used for other purposes. In addition, the county transfers funds restricted for various purposes, such as road and bridge, assessment, health department, and law enforcement, to the Unemployment Fund. To ensure these restricted funds are used properly, administrative transfers from the Unemployment Fund should approximate administrative costs incurred in the General Revenue Fund.

Recommendation

The County Commission and County Clerk review the Unemployment Fund balance and determine methods to reduce the balance in the fund. In addition, calculations of the costs associated with the administrative functions related to the handling of the Unemployment Fund should be prepared to support administrative transfers from the Unemployment Fund.

Auditee's Response

The County Commission provided the following written response:

The balance of the Unemployment Fund has increased in recent years due to nearly doubling employee payroll when the new jail opened. The County Commission will review this matter during the 2012 budget process and either cease contributions to the fund as necessary to reduce the balance, or return a portion of the funds proportionately to the contributing funds. The administrative transfers to the General Revenue Fund have been made for many years. During the 2012 budget process, the County Commission will review this practice and either tie the transfer directly to expenses, or assess a percentage, such as that allowed for road & bridge administration in the future.

2. Sheriff's Controls and Procedures

As similarly noted in prior audits, the Sheriff's accounting controls and procedures need improvement. Due to inadequate supervisory review, lack of segregation of duties, no reconciliation between liabilities and cash balances, and inadequate implementation of prior findings, missing jail commissary monies of approximately $32,000 were not detected on a timely basis. The Sheriff's office discovered the missing monies in March 2011, and the employment of the Jail Administrative Assistant was terminated. The Missouri State Highway Patrol is conducting a criminal investigation of this matter.

The Sheriff's department maintains three bank accounts and received fees, seized monies, and commissary proceeds totaling approximately $370,000 and $297,000 for the years ended December 31, 2010 and 2009, respectively.

2.1 Segregation of duties

Accounting duties are not adequately segregated, and adequate supervisory reviews of the accounting records are not performed. Prior to March 2011, the Jail Administrative Assistant was primarily responsible for receiving, recording, and depositing commissary monies, preparing and signing checks, and reconciling the commissary bank account.

The Sheriff's Administrative Assistant assumed responsibility for both the fee account and commissary account in March 2011, and performs most of the accounting duties with very little supervisory review of her work. There are quarterly independent reviews of the fee account bank reconciliations and receipts and deposits. There are periodic (not regular) independent reviews of commissary receipts and deposits, but no reviews of the commissary account bank reconciliations.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are safeguarded. Internal controls would be improved by segregating accounting duties among available employees or by implementing monthly documented independent or supervisory reviews of the accounting records.

2.2 Liabilities

Procedures do not exist to identify month-end liabilities and reconcile liabilities to cash balances for the commissary account. Sheriff's personnel indicated they were unaware the commissary computer system was capable of producing liabilities lists; however, upon our request, the Sheriff's office generated a liabilities list as of December 31, 2010. The total of this list was approximately $48,625 and the cash balance was $16,493. Therefore, liabilities exceeded the commissary account cash balance by approximately $32,000, which was caused by the missing commissary monies described above. Had proper reconciliations of liabilities and cash balances been performed, the missing monies could have been prevented or detected more timely.

Identification and reconciliation of month-end liabilities is necessary to ensure the accounting records are in balance and sufficient funds are available for payment of all liabilities.

2.3 Outstanding checks

Procedures have not been established to investigate and resolve outstanding checks in a timely manner. At December 31, 2010, approximately $2,100 in checks dating back to 2008 were outstanding in the fee account. Many of the checks were small; however, there was one larger check totaling $2,024 issued in December 2008 which was still outstanding.

Proper follow-up procedures are necessary to prevent the accumulation of old outstanding checks and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law. Old outstanding checks should be voided and reissued to those payees who can be readily located, and amounts remaining unclaimed should be disposed of in accordance with state law.

2.4 Monthly transmittals

The Sheriff does not transmit commissary profits to the County Treasurer on a timely basis. In 2010, only one transmittal totaling $14,885 for commissary profits was turned over to the County Treasurer. Section 50.370, RSMo, requires every county official who receives fees for official services to pay such monies monthly to the County Treasurer.

Recommendations

The Sheriff:

2.1 Segregate accounting duties to the extent possible, or at a minimum, ensure independent or supervisory reviews of the accounting records are performed and documented on a monthly or more frequent basis.

2.2 Prepare monthly lists of liabilities for the commissary account and reconcile the lists to the bank account balance.

2.3 Establish procedures to routinely follow up and reissue old outstanding checks and dispose of unclaimed monies in accordance with state law.

2.4 Transmit commissary profits monthly to the County Treasurer.

Auditee's Response

The Sheriff provided the following written response:

2.1 Accounting duties are segregated to the fullest possible extent. Upon the auditor's suggestion, independent reviews of receipts, deposits, and bank reconciliations are now performed monthly instead of quarterly.

2.2 From this point forward, a monthly listing of liabilities for the commissary account will be prepared each month and reconciled to the bank balance.

2.3 Outstanding checks related to the fee account are now followed up on, voided, and reissued if necessary. Since March 2011, old outstanding checks on the commissary account have been voided, reissued, or added back to the account. There is an ongoing process of closing out old inmate accounts and turning the related funds over to the State Unclaimed Property Section.

2.4 Commissary profits since March 2011 are being turned over as required and in a timely manner. Past amounts will be turned over upon receipt of funds deposited into the commissary account that cover the missing money.

Although the issues brought to light by this audit primarily address the administration prior to me taking office, we believe we have adequately addressed the auditor's recommendations which illustrates this department's willingness to meet all guidelines related to adequate controls and procedures.

In a further effort to implement stricter internal controls, a kiosk has been installed in the jail lobby to allow visitors/family to deposit monies directly into the inmates' account thereby reducing the need for employees to handle money. This process will also include armored car service. Additionally, a booking kiosk will be installed and jail staff will deposit the inmates' money directly into the kiosk. All transactions will be recorded via video monitoring.

3. Prosecuting Attorney's Controls and Procedures

The Prosecuting Attorney's accounting controls and procedures need improvement. The Prosecuting Attorney's office deposited and disbursed approximately $285,000 and $314,000 in 2010 and 2009, respectively, in bad check fees and court-ordered restitution. In addition, the office reported over $56,000 in 2010 of delinquent taxes collected for the Missouri Department of Revenue (DOR).

3.1 Segregation of duties

Accounting duties are not adequately segregated, and adequate supervisory reviews of accounting records are not performed and documented. The bad check clerk is primarily responsible for receiving, recording, and depositing monies; and preparing checks. Office personnel indicated some of the accounting records are reviewed by other individuals, but there are no documented supervisory reviews of the accounting records.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are safeguarded. Internal controls would be improved by segregating accounting duties among available employees or by implementing documented independent or supervisory reviews of the accounting records.

3.2 Receipts and deposits

As noted in prior audits, receipting and depositing procedures continue to need improvement.

- Receipts are not deposited timely and money orders and cashier checks are not restrictively endorsed immediately upon receipt. Deposits in 2010 were generally made every 2 weeks. While the current Prosecuting Attorney implemented weekly deposits in 2011,

more frequent deposits appear necessary since monies are generally received daily and deposits average between $2,500 and $5,000.

- The numerical sequence of computer-generated receipt slips is not accounted for properly. Our review noted several receipt slip numbers were skipped and not issued, mainly due to adjusting entries in the computer system. A list of these adjustments is not prepared, making it difficult to ensure all receipt slip numbers are accounted for adequately.

- Receipts are not reconciled to deposits. Manual prenumbered receipt slips are prepared by the receptionist when payments are received at the reception window, and these monies are transmitted to the bad check clerk for deposit. The bad check clerk issues computer-generated receipt slips for mail receipts and prepares all bank deposits. There are no documented reconciliations between receipt slips and deposits, making it difficult to trace specific receipts to deposits.

- For delinquent taxes collected, receipt slips are not prepared and the monies are not turned over to the DOR on a timely basis. These monies are not deposited into the Prosecuting Attorney's bank account and are transmitted to the DOR approximately once a month.

The weaknesses in procedures noted above provide less assurance that receipts are adequately safeguarded and properly recorded and deposited.

3.3 Accounting adjustments

The bad check clerk makes adjusting entries to the computerized accounting system without documented supervisory approval. Our review noted adjustments to increase receipts were posted to the system. While the system has the capability to print all adjusting entries, there are no procedures to require supervisory approval of the adjustments. Lack of supervisory approval of adjusting entries increases the possibility of improper recording and handling of receipts.

Recommendations

The Prosecuting Attorney:

3.1 Segregate accounting duties to the extent possible, or at a minimum, ensure independent or supervisory reviews of the accounting records are performed and documented.

3.2 Restrictively endorse checks and money orders immediately upon receipt, deposit all monies intact and in a timely manner, account for the numerical sequence of receipt slips, and reconcile receipt slips issued to deposits. In addition, receipt slips should be issued

for delinquent tax receipts and monies transmitted to the DOR on a timely basis.

3.3 Require supervisory review and approval for all accounting adjustments and retain adequate documentation to support adjustments.

Auditee's Response

The Prosecuting Attorney provided the following written response:

3.1 As of January 1, 2011, I or the office manager have signed all checks issued, after verifying them against a printed spreadsheet from the computer system. We have now implemented the office manager verifying reconciliations of the account. Our receptionist has always prepared receipts for any payments being made in person, but we now also have receipts issued by the receptionist for all payments received, whether by mail or in person. Any adjustments made by the bad check clerk are also approved by the office manager and initialed accordingly.

3.2 As stated above, receipts have been issued by the receptionist for any payments made in person since January 1, 2011. We have now taken the additional step of having the receptionist issue receipts for all payments received. Those payments are immediately restrictively endorsed and given, along with the receipt, to the bad check clerk. Due to the size of our office staff, it is not practical to make deposits more than weekly, but we do endeavor to make additional deposits when a substantial payment is received. We are also now transmitting DOR payments twice a month. If the amount of those payments should increase, we will begin to submit them weekly.

3.3 Although adjustments and the corresponding documentation were reviewed by the office manager after I took office, those adjustments and attachments are now initialed as well. The documentation is retained indefinitely.

Phelps County
Organization and Statistical Information

Phelps County is a county-organized, third-class county. The county seat is Rolla.

Phelps County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 167 full-time employees and 33 part-time employees on December 31, 2010.

In addition, county operations include the Senate Bill 40 Board**.**

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2011	2010
Randy Verkamp, Presiding Commissioner	$	37,640
Charles (Bud) Dean, Associate Commissioner		35,640
Larry J. Stratman, Associate Commissioner		35,640
Robin Kordes, Recorder of Deeds		54,000
Carol Bennett, County Clerk		54,000
Courtney M. George, Prosecuting Attorney		96,000
Richard Lisenbe, Sheriff		62,400
Carol Green, County Treasurer		54,000
Larry Swinfard, County Coroner		19,200
Kathleen S. Oliver, Public Administrator		54,000
Davis R. Haas, County Collector (1), year ended February 28,	61,780	
Kevin D. Rasmussen, County Assessor, year ended August 31, (2)		60,400
Louis Gilbert, County Surveyor (3)		

(1) Includes $5,567 of commissions earned for collecting city property taxes.

(2) Includes $4,375 of annual compensation for E911 addressing services.

(3) Compensation on a fee basis.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

According to county personnel, the county was awarded the following American Recovery and Reinvestment Act of 2009 funding during the 2 years ended December 31, 2010:

- A Homelessness Prevention and Rapid Re-housing Program grant was awarded by the U.S. Department of Housing and Urban Development to the Missouri Department of Social Services and $528,202 was passed through to Phelps County. The county spent $418,770 and $79,059 in 2010 and 2009, respectively, on this program which provides homelessness prevention assistance to households that would otherwise become homeless and rapid re-housing assistance to persons who are homeless. The remaining $30,373 is planned to be spent in 2011.

- A Recovery Act - Edward Byrne Memorial Justice Assistance Grant was awarded by the U.S. Department of Justice to the Missouri Department of Public Safety and $77,164 was passed through to Phelps County. The county spent $66,107 during 2010 on crime control and prevention and to improve the criminal justice system. The remaining $11,057 is planned to be spent in 2011.

Thomas A. Schweich

Missouri State Auditor

Village of Rayville

November 2011

Report No. 2011-92

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Village of Rayville

Accounting Controls and Procedures

The village has not set up separate funds for the cleanliness user (trash) fees or the motor vehicle-related monies. Separate funds would help determine if fees charged are sufficient without being excessive and ensure restricted funds are spent only on allowable expenses. Also, monthly receipt and disbursements ledgers are prepared from the monthly bank statement rather than actual receipts and disbursements made during the month.

Monthly bank reconciliations are inadequate; the village does not keep a running cash balance, so it does not know what balance to reconcile to when preparing the bank reconciliation.

The duties of the Village Collector are not adequately segregated, and the Board of Trustees does not provide adequate supervision or review, making it difficult to ensure all transactions are accounted for properly and assets are protected.

The Board does not always approve payments before they are made. During October, November, and December 2010, the village disbursed $4,682 (21 percent of its annual disbursements), but the Board did not meet during this time, so Board approval was not obtained.

Village officials are not bonded. State law requires at least $1,000 in bond coverage for the village collector, and all personnel with access to village assets should be bonded to protect the village from losses.

Meetings, Minutes, and Ordinances

Formal meeting minutes were not maintained for the July, August, and September 2010 Board meetings. The Chairman indicated the July 2010 meeting was null and void due to an error in voting; however, such action would not make a meeting null and void. State law requires complete and accurate meeting minutes be maintained.

In April 2009, August 2010, and January 2011, closed meetings were held, but there is no documentation a vote to go into a closed meeting was taken, as required by state law. Also, it appears topics beyond those allowed by the Sunshine Law were discussed during closed meetings.

Village ordinances are not complete, well-organized, and up-to-date. For example, one ordinance says the fiscal year ends on August 31, but financial statements and budgets are prepared on a calendar year; the ordinance granting the Chairman powers to act as Chief of Police was not in the ordinance book; and several ordinances refer to the "city" and "Mayor" rather than the "village" and "Chairman."

Trustee Campbell voted to appoint his wife Village Clerk in April 2011. Although this is an unpaid position, the Missouri Constitution requires any public official who names or appoints to public office or employment any relative within four degrees of consanguinity to forfeit his office.

Police Vehicle	The village needs to decide whether or not to keep its police vehicle. The vehicle was purchased in November 2007, with plans to hire a police officer but a police officer was not hired. The vehicle has a flat tire, it has not been started since 2009, its keys are missing, and the village could not determine how many miles it had been driven.
Budgets	Budgets did not contain all elements required by state law, and meeting minutes did not document approval of the budget. A complete and well-planned budget is a useful tool for setting funding expectations, monitoring costs, and keeping the public informed about village operations and current finances.
Contracts	The village did not have current formal written agreements with its trash collection vendor or the Richmond Rural Fire Protection Association, which provides fire protection services to the village. State law requires all contracts of political subdivisions be in writing.

In the areas audited, the overall performance of this entity was **Poor**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The Village of Rayville did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Village of Rayville
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THOMAS A. SCHWEICH
Missouri State Auditor

To the Chairman and Members of the Board of Trustees
Village of Rayville, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Village of Rayville. We have audited certain operations of the village in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2010. The objectives of our audit were to:

1. Evaluate the village's internal controls over significant management and financial functions.

2. Evaluate the village's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the village, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the village's management and was not subjected to the procedures applied in our audit of the village.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Village of Rayville.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Randall Gordon, M.Acct., CPA, CGAP
In-Charge Auditor:	Rex Murdock, M.S.Acct.

1. Accounting Controls and Procedures

Accounting controls and procedures utilized by the village need improvement.

1.1 Fund accounting

The village does not have an adequate and complete financial accounting system. The following concerns were noted:

- Monthly receipt and disbursement ledgers are prepared from the monthly bank statement rather than actual receipts and disbursements made during the month.

  Fund ledgers and summary reports showing receipt sources and disbursement types should be prepared for each fund on a monthly basis and should be used for comparison to budgeted amounts and overall review of village operations. Complete, organized, and timely accounting records are necessary to provide accurate and timely financial information to village officials upon which effective management decisions may be made.

- The village has not established a separate fund or separate accounting for its cleanliness user (trash) fees. In addition, the village does not have documentation to justify the trash fee assessed to ensure the fee is sufficient to cover the costs of the trash operations, but is not excessive. A fund ledger is not maintained to track the operations of the village's cleanliness financial activities. All cleanliness user fees are accounted for in the General Revenue Fund ledgers and presented in the General Revenue Fund on the financial statements. During the year ended December 31, 2010, the village received $10,995 and disbursed $8,866 in cleanliness user fees.

  A Cleanliness User Fees Fund would help the village track the cost of providing trash services to the residents and help ensure a fee could be developed to recoup all costs of operation, without being excessive. Without proper allocations of expenses and recognition of all receipts and disbursements, operations cannot be properly measured and evaluated to ensure funding levels are met.

- The village has not established a separate fund or separate accounting for motor vehicle-related monies received from the state, and does not monitor the use of these funds to ensure compliance with state law. During the year ended December 31, 2010, the village received motor-vehicle monies of $7,805, and made motor-vehicle disbursements of $3,466.

Article IV, Section 30, Missouri Constitution, requires motor-vehicle related revenues apportioned by the state of Missouri be expended on street-related purposes including construction, maintenance, repair, policing, signing, lighting, and cleaning of roads and streets.

1.2 Bank reconciliations

Monthly bank reconciliations are not adequate. The village does not maintain a running cash balance, so the village does not know the applicable balance to reconcile to when preparing the reconciliation. The village bank reconciliation only includes a list of outstanding checks in the monthly fund ledgers. However, this was not always properly indicated and our review of 2 months identified outstanding checks that were not indicated on the fund ledger. Also, deposits in transit were identified that were not indicated on the fund ledger.

Preparation of monthly bank reconciliations and maintaining records of cash balances is necessary to ensure the bank account is in agreement with the accounting records and to detect and correct errors.

1.3 Segregation of duties

The duties of the Village Collector are not adequately segregated, and the Board of Trustees does not provide adequate supervision or review of the work performed by the Village Collector. The Village Collector is responsible for receipting and disbursing monies, performing bank reconciliations, and preparing financial reports. The bank statements are provided to the Board for review; however there is no documentation of Board review.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory or independent reviews of the records should be performed and documented.

1.4 Disbursements

Disbursements are not always approved by the Board before payment is made. Board meetings were not held during October, November, or December 2010. The village disbursed $4,682 during those 3 months or approximately 21 percent of the disbursements made during the year ended December 31, 2010, without the approval of the Board. During this period, some checks were signed by the Collector or the Village Clerk, and approved by only one board member.

Disbursements should be reviewed and approved by the Board of Trustees before payment is made to ensure all disbursements represent valid operating costs. To adequately document Board review and approval, a complete list of all bills (including each check number) to be paid should be prepared and included with the meeting minutes. The list should be signed after review by the Collector and the Chairman of the Board of Trustees to

provide an independent attestation that the disbursements are a correct record of the village's financial obligations.

1.5 Bonds

Village officials are not bonded. Section 80.250, RSMo, requires bond coverage of at least $1,000 for the village collector. Failure to properly bond all persons with access to assets exposes the village to risk of loss.

Recommendations

The Board of Trustees:

1.1 Ensure a complete financial accounting system is established. Funds should be established for the village's cleanliness user fees and motor vehicle receipts. Summaries should be prepared documenting monthly receipts sources and disbursements types. In addition, the Board of Trustees should document how village cleanliness user fees were determined and ensure the fees are sufficient to cover costs without being excessive.

1.2 Ensure complete bank reconciliations are performed, and account balances are maintained in the check book register.

1.3 Segregate accounting duties to the extent possible. If proper segregation of duties cannot be achieved, an independent review of the work performed is necessary.

1.4 Review and approve all disbursements, and ensure the review and approval is documented.

1.5 Obtain bond coverage for all officials with access to village assets.

Auditee's Response

The Board of Trustees provided the following written responses:

1.1 It was recommended that the Village establish accounting procedures that ensure the monies received are maintained in separate accounts. The Village hired a new Collector to establish a separate fund accounting system and keep track of the separate funds. The Board will review the funds and accounts at regular meetings. The Board will also determine the appropriate amount of fees charged for trash service when the next budget is approved.

1.2 It was recommended that the Village ensure that proper bank reconciliations are completed. The Village Collector will ensure that the bank reconciliation will be prepared using Quickbooks, and upon completion the bank reconciliation will be presented to the Board.

1.3 It was recommended that an independent review of the reconciliations be done. The Village will have a Board Trustee or someone else review the bank reconciliation to ensure accuracy.

1.4 It was recommended that all disbursements of Village funds be approved. The Board will document approval of all disbursements.

1.5 It was recommended that the Village obtain bond coverage for all officials. The Village has contacted an Insurance Company to provide bond coverage.

2. Meetings, Minutes, and Ordinances

Procedures for conducting and documenting meetings need improvement, village ordinances are not up to date, and an issue of nepotism occurred.

2.1 Minutes

Formal minutes were not maintained for the July, August, and September 2010 meetings. We determined meetings were held during these months as financial records indicate payments were made to trustees for attending meetings. The Chairman indicated the July 2010 meeting was null and void because during the meeting he believed he could only vote in case of a tie, which was later determined to be incorrect. However, such action would not make a meeting null and void, and minutes of the meeting should have been prepared and maintained. Notes from the August meeting were obtained from a Board Trustee, and no minutes were kept for the September meeting, although a former Board Trustee indicated a meeting was held.

Section 610.020, RSMo, requires complete and accurate meeting minutes be maintained to retain a record of business conducted and to provide an official record of board actions and decisions.

2.2 Closed meetings

Three closed meetings were held without a vote to close the meeting. These closed meetings were held in April 2009, August 2010, and January 2011. Additionally, minutes maintained for the closed meetings indicated topics discussed (for example, having an opening prayer at each future meeting) did not appear to be allowable by state law.

Section 610.022, RSMo, requires that before any meeting may be closed, the question of holding the closed meeting and the reason for the closed meeting, including reference to a specific section of the law, shall be voted on at an open session. In addition, this law provides that the board shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, record, or vote. Section 610.021, RSMo, list the topics which may be discussed in closed session.

2.3 Ordinances

Ordinances of the village are not complete, well organized, and up to date. In addition, the following concerns were noted:

- Ordinance number 22.010 refers to the village fiscal year as ending on August 31, however financial statements and budgets are prepared for a calendar year.

- Ordinance Number 707 which grants the Chairman powers to act as the Chief of Police if a police officer is not on the payroll was not contained in the village ordinance book.

- Numerous ordinances indicate city and Mayor instead of indicating village and Chairman.

Since ordinances represent legislation which has been passed by the Board of Trustees to govern the village and its residents, it is important that village ordinances be maintained in a complete and up-to-date manner.

2.4 Nepotism

According to Board minutes, in April 2011, Trustee Campbell voted to appoint his wife as the Village Clerk. Although the Village Clerk is currently an unpaid position, the appointment is nepotism.

Article VII, Section 6, Missouri Constitution, provides that any public official who names or appoints to public office or employment any relative within the fourth degree shall forfeit his office. Because of the serious consequences which result by appointing a relative, the Board should ensure its members abstain from any decision to appoint a relative and ensure that action is fully documented in the meeting minutes. Discussions and decisions concerning situations where potential nepotism or conflicts of interest exist should be completely documented so the public has assurance no village official has benefited improperly.

Recommendations

The Board of Trustees:

2.1 Ensure meeting minutes are maintained as required by state law.

2.2 Ensure the vote to close a session is documented in open minutes, along with the reason for closing the session. In addition, the Board of Trustees should ensure only allowable subjects are discussed in closed sessions.

2.3 Ensure ordinances are maintained in a complete, and up to date manner.

2.4 Ensure Board trustees abstain from voting when a relative's appointment is involved, and consult legal counsel regarding the nepotism issue.

Auditee's Response

The Board of Trustees provided the following written responses:

2.1 It was recommended that the Village strive to ensure better public meeting records are maintained. The Village hired a Collector to maintain better record keeping and minutes.

2.2 It was recommended that the Village strictly adhere to the legal requirements of the closed session meetings and that only allowable subjects are discussed in those closed meetings. The Village agreed and retained an Attorney to ensure compliance with closed minutes.

2.3 It was recommended that the Village ensure that all ordinances are maintained up to date and complete. The Village has updated the ordinance correcting the fiscal year end, and is working on updating all other ordinances which are found to be out of date or no longer necessary.

2.4 It was recommended that the Village ensure that the State Constitutional mandates concerning nepotism are known and followed by members of the Board of Aldermen. While the Board understands the inherent consequences that nepotism and its related distrust of governmental bodies for insider dealings, it also is faced with being a small community where a majority of its citizens are interrelated to one another. In order to ensure public confidence with future appointments to vacancies, the board will ensure that all discussions concerning situations where potential nepotism or conflicts of interest exist will be completely documented to establish that no public office holder has improperly benefited from an appointment.

3. Police Vehicle

The village has not determined a plan for the use of a police vehicle. In November 2007, the village purchased a police vehicle and equipment for the vehicle for approximately $7,000. At the time of purchase, the village planned to hire a police officer to enforce village ordinances; however, a police officer was not hired. The police vehicle is currently located outside the village hall, with a flat tire, and according to the current Chairman, has not been started since early 2009. Village officials were not able to locate the keys to the police vehicle. The village did not maintain vehicle logs and could not determine the number of miles the police vehicle had been driven. Discussions have been held about potentially selling the police vehicle, or placing the police vehicle in operation; however, no decision has been made.

A decision needs to be made regarding the police vehicle. Items to consider include the costs to maintain and operate the vehicle, cost/benefit of a police officer, and financial condition of the village.

Recommendation

The Board of Trustees should make a decision regarding the police vehicle.

Auditee's Response

The Board of Trustees provided the following written response:

It was recommended that the Village determine the future use of the police car that is not currently being used. The Board will take this recommendation into consideration.

4. Budgets

While budgets are prepared, they do not contain all elements required by state law, and the adoption of budgets is not documented. The following concerns were noted for the 2011, 2010, and the 2009 budgets:

- Budgets did not contain a budget message.
- Budgets did not contain the actual receipts and disbursements for the 2 preceding budget years.
- Budgets did not separate the General Revenue Fund and the Fire Fund.
- Budgets did not include a summary which included the beginning available cash balance, and estimated ending cash balance by fund.
- The meeting minutes did not document the approval of the budget. The Village Collector indicated she prepared the 2011 budget once she learned of our audit, which occurred after the beginning of the year. The Board did not review and approve the 2011 budget, and minutes do not indicate the approval of the 2010 budget.

Section 67.010, RSMo, requires the preparation of an annual budget which shall present a complete financial plan for the ensuing budget year. Sections 67.010 to 67.080, RSMo, set specific guidelines for the format, approval, and amendment of the annual budget. A complete budget should include separate receipt and disbursement estimations by fund, the beginning available resources, and a reasonable estimate of the ending available resources. The budget should also include a budget message and comparisons of actual receipts and disbursements for the 2 preceding years. In addition, Section 67.030, RSMo, requires the budget be approved prior to the beginning of the fiscal year.

A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific funding expectations for the village's operations, and a means to effectively monitor actual costs by periodically comparing budgeted to

actual disbursements. It will also assist in informing the public about the village's operations and current finances.

Recommendation

The Board of Trustees prepare annual budgets which contain all information required by state law, and approve and document its approval of budgets prior to the beginning of the fiscal year.

Auditee's Response

The Board of Trustees provided the following written response:

It was recommended that the Village maintain proper annual budgets in order to ensure adequate funding of Village projects. The Village will ensure final budgets are in compliance with state law, and will be approved before the beginning of the new year.

5. Contracts

The village does not have current formal written agreements with the company providing trash collection services and the Richmond Rural Fire Protection Association for fire protection services. During the year ended December 31, 2010, the village disbursed $8,866 to the trash collection vendor. During the year ended December 31, 2010, the village disbursed $2,690 for fire protection services.

Section 432.070, RSMo, required contracts of political subdivisions be in writing. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to provide protection to both parties.

Recommendation

The Board of Trustees obtain formal written agreements that specify the services to be rendered and the manner and amount of compensation to be paid.

Auditee's Response

The Board of Trustees provided the following written response:

It was recommended that the Village obtain and retain formal agreements that will specify the services to be rendered and the compensation to be paid. The Village will work to obtain a contract with the trash company and consider a new contract for fire protection.

Village of Rayville
Organization and Statistical Information

The Village of Rayville is located in Ray County. The village was incorporated in 1903. The village had two part-time volunteers on December 31, 2010.

Village operations include trash collection, providing street lights, maintenance of the village park, and fire protection.

Board of Trustees

The village government consists of a five-member board of trustees. The members are elected for 2-year terms. The Chairman is appointed by the board from the members. The Board of Trustees at December 31, 2010 are identified below. The Chairman is paid $10 per meeting and other trustees are paid $5 per meeting.

Robert Campbell, Chairman
Art Morrill
Betty Mitchell
James Ketchum
Richard Wyse

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Village of Rayville did not receive any federal stimulus monies during the year ended December 31, 2010.

Financial Activity

A summary of the village's financial activity for the year ended December 31, 2010, follows:

Village of Rayville
Year Ended December 31, 2010

	General Revenue Fund	Fire Fund	Total
RECEIPTS			
Property tax	$ 4,907	524	5,431
Motor fuel and vehicle fees	7,805	0	7,805
Franchise tax	4,779	0	4,779
Cleanliness user fees	10,995	0	10,995
Charges for services	95	0	95
Interest	26	0	26
Other	30	0	30
Total Receipts	28,637	524	29,161
DISBURSEMENTS			
General government	7,125	0	7,125
Fire protection	0	2,690	2,690
Streets and roads	3,466	0	3,466
Trash collection	8,866	0	8,866
Total Disbursements	19,457	2,690	22,147
			0
RECEIPTS OVER (UNDER) DISBURSEMENTS	9,180	(2,166)	7,014
CASH, JANUARY 1, 2010	(1,918)	7,932	6,014
CASH, DECEMBER 31, 2010	$ 7,262	5,766	13,028

Thomas A. Schweich

Missouri State Auditor

Dunklin County

October 2011

Report No. 2011-91

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Dunklin County

Emergency Cash Withdrawal	The Presiding Commissioner withdrew $50,000 cash after a severe ice storm left the area without electrical service for several days. Although he obtained approval from the Associate Commissioners, this withdrawal resulted in taxpayer monies not being properly secured or disbursed, and authorization for the withdrawal was not documented. The Collector-Treasurer was not notified of the transaction, the Presiding Commissioner was not bonded, and there was inadequate support for the use of the monies.
One-Time Salary Payments	Instead of making cost of living adjustments, the county made one-time payments to employees based on year-end funds available, which may have violated the Missouri Constitution. In addition, these payments violated state statutes requiring all elected officials salary increases to be the same percentage and the prosecuting attorney's compensation to be equal to an associate circuit judge.
Sheriff Accounting Controls	The Sheriff's office does not adequately pursue collection of delinquent court-ordered board bills (prisoner housing costs). As of March 2011, the county is owed over $375,000 and some bills date as far back as 2003. There are many old inmate commissary accounts and the Sheriff should attempt to return these monies to the former inmates and dispose of any remaining monies in accordance with state law. The Sheriff's office does not reconcile a list of liabilities to the remaining cash balance in the Sheriff's fee account at the end of each month.
Property Tax and County Collector-Treasurer Procedures	The County Collector-Treasurer does not complete annual settlements of property taxes promptly and accurately, as is required by state law. The County Collector-Treasurer does not reconcile a list of liabilities to the bank account balance each month, and the amount by which the bank account exceeds liabilities has grown by almost $10,000 since 2007. The County Clerk does not maintain an adequate account book, and neither the County Clerk nor the County Commission verifies the accuracy of the County Collector-Treasurer's monthly settlements. We had similar findings in our prior audit report (2007-40).
Prosecuting Attorney Accounting Controls and Procedures	The Prosecuting Attorney does not reconcile a list of liabilities to the bank account balance each month, and the account contains nearly $37,000 of unidentified monies. The Prosecuting Attorney does not routinely follow-up on outstanding checks, and $7,764 had been outstanding in the bad check and restitution account for over one year, with some dating back to 2003. We had similar findings in our prior audit report.
Lease Revenue	Although state law requires contracts of political subdivisions be in writing, the county was unable to produce any current lease agreements with the county's tenants and could not provide any documentation to show the county is charging an appropriate amount for rent on these properties.
Capital Assets	As noted in our prior audit report, the county does not adequately protect its capital assets. The County Clerk lacks procedures to identify property purchased and disposed of during the year, and assets susceptible to theft are not always tagged for identification or included on the inventory list.

Additional Comments

Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.* However, the audit revealed several shortcomings in the office of the Collector-Treasurer.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

During the two years ended December 31, 2010, the county was awarded:

A $208,261 Recovery Act: Assistance to Rural Law Enforcement to Combat Crime and Drugs: Enhancing Rural Corrections, Detention and Jail Operations grant. In 2010, $84,279 was received and expended to hire three additional full-time correction officers. The county is not required to maintain these positions after the grant period ends on July 31, 2011.

The Dunklin County Senate Bill 40 Board received a $51,318 Medicaid Federal Medical Assistance Percentage grant which it used for general operations.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Dunklin County
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THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Dunklin County

We have audited certain operations of Dunklin County in fulfillment of our duties under Section 29.230, RSMo. In addition, Devereux and Krauss, LLP, Certified Public Accountants, has been engaged to audit the financial statements of Dunklin County for the 2 years ended December 31, 2010. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2010. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Dunklin County.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast CPA, CGFM, CIA
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1. Emergency Cash Withdrawal

A $50,000 emergency cash withdrawal authorized by the County Commission resulted in taxpayer monies not being properly secured or disbursed appropriately. In addition, the authorization for this withdrawal was not documented, resulting in a violation of the Sunshine Law.

On January 27 and 28, 2009, the county experienced a severe ice storm which left the entire area without electrical service for several days. The Presiding Commissioner called each of the Associate Commissioners and was authorized by them to make an emergency bank withdrawal of $50,000 in cash on January 29, 2009. The Presiding Commissioner, who was an authorized signatory on the bank account but was not bonded, obtained the cash from the bank on Friday, January 30, 2009, and kept it at his personal residence. The County Commission did not document these telephone conversations in the commission meeting minutes or notify the County Collector-Treasurer of the transaction. The Presiding Commissioner indicated the monies were to be used to provide employees the opportunity to cash personal checks and for the county to make emergency purchases as needed. However, it is unclear why employees would need to cash personal checks or why the county would have to make emergency purchases in cash instead of through the normal disbursement process.

The Presiding Commissioner made several purchases, totaling $1,265, for generators, fuel, and other miscellaneous items; however, he did not submit any invoices to the County Clerk to support the purchases. In addition, the Presiding Commissioner indicated he cashed several personal checks for employees; however, a list of those checks was not prepared or recorded on the related deposit slip. The County Clerk deposited the remaining balance of the cash and personal checks, totaling $48,735, on Monday, February 2, 2009. We obtained the bank backup for this deposit and determined it included seven personal employee checks totaling $2,335, and cash totaling $46,400.

To reduce the risk of misuse or fraud from occurring, all disbursements should be made by check through the county's disbursement system, contain the required signatures (including the Collector-Treasurer's signature), and be supported by adequate documentation. While it is the County Commission's duty to authorize disbursements, commissioners do not have the statutory authority to make disbursements. Section 54.140, RSMo, provides that it shall be the duty of the county treasurer to pay out the revenues on warrants issued by the commission. Further, all county receipts/monies should be maintained in a secure location and all unusual disbursements should be documented in the county commission meeting minutes. Section 610.020, RSMo, provides that governing bodies of all political subdivisions are required to conduct business in regular open meetings. Any time a quorum of board members meets in person or by

phone and transacts public business, it is subject to the Sunshine Law, including the requirement to keep minutes of such meetings.

When the current Collector-Treasurer took office in April 2009, she removed the other authorized signatures from the bank accounts and she is now the only authorized signatory for disbursements.

Recommendation

The County Commission should ensure all disbursements are reasonable, made through the county's disbursement system, and supported by adequate documentation. In addition, the County Commission should ensure all county monies are properly secured and all unusual disbursements are properly documented in meeting minutes.

Auditee's Response

The County Commission provided the following written response:

An ice storm on January 27 and 28, 2009 resulted in our County being declared a Federal Disaster Area. Dunklin County was shut down with estimates on getting power restored at a week to three weeks. The County's monthly payroll was direct deposited into employees' accounts on January 29, 2009. There was not one bank open in the Kennett area on that day for the employees to make withdrawals. The stores that were open would only take cash due to the lack of electricity. The Commission decided to obtain enough cash to allow 100 employees to cash up to a $500 check with the Commissioners. Special arrangements were made with their bank to make the withdrawal. The Commissioners were available at the Emergency Operations Center at City Hall to cash employees' checks. The money was kept with the Presiding Commissioner at all times and stored in a safe at his house overnight. The money was also used to purchase two generators and a gas can from Wal-Mart. The Wal-Mart Store was only taking cash at the time. The generators were loaned to two cities in the County during the ice storm. They are presently stored at the Dunklin County Justice Center and were inspected by the State Auditor's Office during their audit.

The Commissioners did fail to document the authorization in their minutes once business resumed. The Commissioners disagree with the Auditor's Office opinion that the monies were not secure and that they were disbursed inappropriately.

Auditor's Comment

We understand this was an emergency situation and extraordinary measures were required; however, adequate controls should not be compromised. The County Treasurer is the bonded custodian of county monies, monies should be kept in a secure location, and supporting documentation retained.

2. One-Time Salary Payments

The county made one-time payments in lieu of permanent cost of living adjustments (COLAs) to employees and elected officials which may be in conflict with the Missouri Constitution. These payments totaled $52,813, $96,021, and $114,000 for 2011, 2010, and 2009, respectively.

The following table shows the one-time payment amounts the county paid to each full-time employee, part-time employee, and elected official:

	2011	2010	2009
Full-time employees	$ 650	1,250	1,500
Part-time employees	250	500	750
Elected officials	650	1,250	0

The payments were prorated if the employee or official had not worked a full year for the county. The payments were not based on additional duties performed or performance appraisals. In addition, the payments were not considered raises or added to the base compensation of employees. The County Commission indicated COLAs were handled in this manner to be fiscally responsible by not permanently increasing employee salaries and waiting until each budget year had ended to determine how much the county could afford to pay each employee. These payments were made in January of each year based on the prior year's fiscal outcome.

However, awarding additional pay to employees and officials on a discretionary basis appears to conflict with Article III, Section 39, Missouri Constitution, which prohibits granting any extra compensation, fee, or allowance to employees for services already rendered. In addition, Section 50.333.12, RSMo, allows a COLA that is the same percentage for all county officials; however, since most county officials' salaries are not the same, the one-time payment amounts would constitute different percentages of the elected officials' salaries and could be a violation of state law. Further, the COLA received by the Prosecuting Attorney appears to conflict with Section 56.265.1, RSMo, which states a full-time prosecuting attorney's compensation should be equal to an associate circuit judge. When we brought this to the attention of the Prosecuting Attorney, he stated it was an oversight and he would pay back the one-time payments he received. To pay back the overpayment, from May through December 2011, $237.50 will be deducted from the Prosecuting Attorney's paycheck each month.

Recommendation

The County Commission discontinue one-time payments in lieu of COLA salary increases to employees and ensure employee compensation is in compliance with state law.

Auditee's Response

The County Commission provided the following written response:

In efforts to keep the County's budget balanced, the Commissioners wait until the County's financial year is completed and base one-time COLA

raises on the outcome. The raise is given the following year. This prevents the County from deficit spending due to giving too large of a COLA increase. The Commission will ask the Prosecuting Attorney if there is a way to continue this procedure and be in compliance with the State Law.

The Prosecuting Attorney provided the following written response:

At the time the one time salary payment was received, I made inquiry of the Commission and the County Clerk about it and was advised that since the Prosecuting Attorney salary was set by statute, not the Salary Commission, it would have to be deducted for the remaining paychecks for the year. I did not follow up on this, believing that such deductions were being taken, but apparently they were not. I have communicated with the County Clerk's Office regarding this and have been assured that they will be recovered by amortized deductions for the rest of this year.

3. Sheriff Accounting Controls

The Sheriff's accounting controls and procedures for pursuing collection of inmate board bills, disbursing inmate monies, and preparing month-end liabilities are not adequate.

3.1 Inmate board bills

The Sheriff's office does not adequately pursue collection of board bills or notify the Associate Circuit Court of delinquent accounts. The Associate Circuit Judge orders some inmates to pay their accumulated board bills (i.e., housing costs) as a condition of their release. The Associate Circuit Court notifies the Sheriff's office, and the office either gives the bill to the inmate at the time of release or later mails it to the inmate. However, Sheriff's office personnel indicated due to a lack of time, they do not review inmate balances to determine nonpayment. As a result, as of March 31, 2011, outstanding court ordered inmate board bills totaled $375,551. No payments have been made on 334 of these cases, totaling $254,173, and some cases date back to 2003. New board bills assessed to inmates during the 2 years ended December 31, 2010, totaled $80,782, of which only $2,473 has been collected, resulting in an outstanding balance of $78,309 as of March 31, 2011.

When we brought this to the attention of the Associate Circuit Judge, he indicated he would work with the Sheriff to assist in the collection of past due accounts if the Sheriff notified the court of delinquent accounts. To maximize revenues, the Sheriff should pursue collections of these court ordered costs.

3.2 Inmate commissary balances

The Sheriff's office does not make adequate efforts to review the status of old inmate commissary accounts. As of December 31, 2010, 634 inmates had inactive accounts totaling approximately $5,449. These inmates were released from the county justice center, but the balance of their commissary account was not claimed. In addition, there were 712 inmate accounts

totaling $7,156 that were listed as "active". Because the justice center averages approximately 90 inmates a month, it appears the current status of inmates is not updated timely.

Follow up on inactive accounts is necessary to ensure monies are appropriately disbursed to the former inmates or as otherwise provided by state law. An attempt should be made to locate former inmates with commissary account balances. In addition, prior to disbursing any monies, the Sheriff should review outstanding board bill costs due and apply those monies to the balance owed. If the inmate cannot be located, or the check to the former inmate is not cashed, the Sheriff should dispose of the monies according to state law. Routine procedures should be established to update inmate status in a timely manner to expedite disbursement of the inmate monies.

3.3 Liabilities

The Sheriff's office does not prepare a list of liabilities at the end of the month and reconcile the list to the remaining cash balance for the Sheriff's fee account. As a result, the Sheriff's office is unable to agree the reconciled cash balance to the related liabilities.

Our review of the Sheriff's fee account identified liabilities totaling $13,078 at December 31, 2010, which consisted of civil fee receipts, concealed weapon permits, and Sheriff fees. The reconciled bank balance of $17,161 exceeded identified liabilities by $4,083.

To ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available for the payment of all amounts due, liabilities should be identified monthly and reconciled to cash balances. Prompt follow up on discrepancies is necessary to identify and resolve errors and ensure monies are properly disbursed.

Recommendations

The Sheriff:

3.1 Adequately pursue court-ordered charges billed to former inmates. If payments are not made timely, the Sheriff should notify the Associate Circuit Judge. In addition, the Sheriff should work with the court to determine the amounts which are uncollectible.

3.2 Attempt to resolve unclaimed balances of closed inmate accounts and establish routine procedures to review and update the status of active inmates no longer held at the justice center. In addition, the Sheriff should review inmate records for outstanding court ordered costs and apply any remaining commissary monies to reduce the balance owed.

3.3 Prepare monthly lists of liabilities, reconcile the lists to the reconciled bank balance, and investigate any differences. After sufficient efforts are made to resolve discrepancies, any remaining unidentified monies should be disposed of in accordance with state law.

Auditee's Response

The Sheriff provided the following written responses:

3.1 We have begun going through our list of inmates alphabetically and have sent past due notices. In addition, a list of the inmates' names, case numbers, and the letters are sent to the Associate Circuit Judge if no response is received by the Sheriff's office by the date indicated on the letter.

3.2 The cost of refunding inmate balances is greater than the remaining balance in many cases, and therefore, the amount is retained and applies as a credit if the inmate returns. In addition, we have applied several balances to the outstanding board bills.

3.3 We have started investigating the difference, but have not yet been able to determine what it relates to. If we cannot determine it, we will discuss with the Prosecuting Attorney how to dispose of it.

4. Property Tax and Collector-Treasurer Controls and Procedures

The County Collector-Treasurer's accounting and reporting procedures are not sufficient and do not provide adequate assurance that all property tax receipts and disbursements are accounted for properly. In addition, the County Clerk does not maintain an adequate account book or other records summarizing all property tax transactions each month. The County Collector-Treasurer's office processed collections totaling approximately $33 million for the 2 years ended February 28, 2011.

4.1 Annual settlements

As of the completion of our fieldwork on May 5, 2011, the County Collector-Treasurer had not prepared annual settlements of property taxes since taking office in April 2009. The County Clerk had partially completed the annual settlements for the years February 28 (29), 2008, 2009, and 2010. However, our review of the February 28, 2010, annual settlement noted several problems, including activity not included, and unidentified differences between charges and credits. The County Clerk later indicated the annual settlements for 2008, 2009, 2010, and 2011 were completed on May 31, 2011. We obtained copies of the 2011 and 2010 settlements and noted significant differences. By not preparing timely and accurate annual settlements, the County Collector-Treasurer has not provided the County Commission or the taxpayers with a complete accounting of property tax transactions.

Section 139.160, RSMo, requires the County Collector-Treasurer to annually settle with the County Commission the accounts of all monies received from taxes and other sources. To help ensure the validity of tax book charges, collections, and credits, and for the County Clerk and County Commission to properly verify these amounts, it is imperative the County Collector-Treasurer file annual settlements on a timely basis.

4.2 Liabilities

The Collector-Treasurer's office does not prepare a list of liabilities at the end of the month and reconcile the list to the cash balance. As a result, the County Collector-Treasurer's office is unable to agree reconciled cash balances to related liabilities. Based on a review of the County Collector-Treasurer's records, we identified liabilities totaling $906,507 at February 28, 2011, which consisted of February tax collections, undistributed surtax, protested taxes, and interest. The reconciled bank balance of $952,895 exceeded identified liabilities by $46,388. Our prior audit of the County Collector-Treasurer noted the reconciled bank balance exceeded identified liabilities by $36,592 at February 28, 2007. The County Collector-Treasurer could not determine the reasons for the fluctuation between identified liabilities and the reconciled bank balances.

To ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available for the payment of all amounts due, liabilities should be identified monthly and reconciled to cash balances. Prompt follow up on discrepancies is necessary to identify and resolve errors.

4.3 Account book

The County Clerk does not maintain an adequate account book or other records summarizing all property tax transactions each month. The County Clerk maintains spreadsheets which include beginning tax book totals, monthly collections, and monthly totals for additions and abatements, but does not include protested taxes or delinquent balances. In addition, the County Clerk and County Commission do not perform procedures to verify the accuracy of the County Collector-Treasurer's monthly settlements.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records which summarize all tax charges and credits should be maintained by the County Clerk. Such records could be used by the County Clerk and the County Commission to verify the County Collector-Treasurer's monthly and annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

Similar conditions previously reported

Similar conditions were noted in our prior audit report.

Recommendations

4.1 The County Collector-Treasurer prepare and file annual settlements as required by state law.

4.2 The County Collector-Treasurer prepare monthly lists of liabilities, reconcile the lists to the reconciled bank balance, and investigate any unreconciled differences. After sufficient efforts are made to resolve discrepancies, any remaining unidentified monies should be disposed of in accordance with state law.

4.3 The County Clerk maintain an account book of all property tax transactions with the County Collector-Treasurer. Additionally, the County Commission and County Clerk should perform a thorough review of the County Collector-Treasurer's monthly and annual settlements.

Auditee's Response

The County Collector provided the following written responses:

4.1 I have completed the annual settlements and submitted them to the County Commission. I will prepare annual settlements timely in the future.

4.2 I have begun completing a listing of open liabilities each month. I am currently researching the unreconciled balance and will disburse it accordingly to the tax entities or the state.

The County Clerk provided the following response:

4.3 We will start working on getting the report as recommended and prepare reports of all property transactions monthly on the collector's property collections. And go back to March 2011 and work forward to the present.

The County Commission provided the following response:

4.3 The Commission will work with the County Clerk to obtain an account book from the County Collector-Treasurer.

5. Prosecuting Attorney Accounting Controls and Procedures

Improvement is needed over various accounting controls and procedures in the Prosecuting Attorney's office. The Prosecuting Attorney's office collected bad check restitution and fees and court-ordered restitution totaling approximately $315,000 and $432,000 during the years ended December 31, 2010 and 2009, respectively.

5.1 Liabilities

The Prosecuting Attorney's office does not prepare a list of liabilities at the end of the month and compare it to the remaining cash balance. As a result, the Prosecuting Attorney's office is unable to agree the reconciled cash balances to the related liabilities. Office personnel indicated amounts collected are normally disbursed to victims in the week following receipt and county fees are disbursed at the end of each month. Our review of the Prosecuting Attorney's records identified liabilities totaling $15,255 at March 31, 2011, which consisted of bad check receipts, restitution collections, and interest. The reconciled bank balance of $52,233 exceeded identified liabilities by $36,978. Our prior audit of the Prosecuting Attorney noted the reconciled bank balance exceeded identified liabilities by $7,863 at April 24, 2007. The Prosecuting Attorney indicated his employees have identified approximately $4,000 which was erroneously deposited into this account several years ago. However, approximately $33,000 remains unidentified.

To ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available for the payment of all amounts due, liabilities should be identified monthly and reconciled to cash balances. Prompt follow up on discrepancies is necessary to identify and resolve errors and ensure monies are properly disbursed to individuals and/or entities for which the monies were collected.

5.2 Outstanding checks

The Prosecuting Attorney has not established procedures to routinely follow up on outstanding checks. As a result, at December 31, 2010, 119 checks totaling $7,764 had been outstanding in the bad check and restitution account for over a year, with some dating back to 2003.

Follow up on outstanding checks is necessary to ensure monies are appropriately disbursed to the payees or as otherwise provided by state law.

Similar conditions previously reported

Similar conditions were noted in our prior audit report.

Recommendations

The Prosecuting Attorney:

5.1 Prepare monthly lists of liabilities, reconcile the lists to the reconciled bank balance, and investigate any unreconciled differences. After sufficient efforts are made to resolve discrepancies, any remaining unidentified monies should be disposed of in accordance with state law.

5.2 Routinely follow up on outstanding checks. Old outstanding checks should be voided and reissued to payees who can be readily located.

If the payees cannot be located, the amount should be disbursed in accordance with state law.

Auditee's Response

The Prosecuting Attorney provided the following written responses:

5.1 The recommendations have already been implemented. We are working with a representative from Karpel (the computer program designer) to identify the source of the unidentified funds in the restitution account. There was a program error that has allowed these funds to accumulate without identification of the payee to whom they are due. As indicated at the time the funds were discovered, the program is designed to automatically create checks for payment of funds received each week, and it is still under review by Karpel employees to determine how these funds were not paid out and to whom they are owed.

There are funds which have been carried for over five years which will be turned over to unclaimed property as soon as the unidentified funds that are under review have been cleared. The remaining recommendations have been implemented.

5.2 The Prosecuting Attorney's office has implemented procedures to make sure that old outstanding items are followed and, if no contact can be made with the payee within six months, the funds will be turned over to the County Treasurer for payment to the State Treasurer as unclaimed property.

6. Lease Revenue

The County Clerk could not locate current lease agreements for any lessees of county owned property nor has the county done anything to determine if lease rates are appropriate. The county receives lease revenue from one individual who leases farmland and six entities that lease office space in the county annex building and Justice Center. The county is responsible for paying all insurance and utility costs, except phone service. The county received lease revenue totaling $42,252 and $55,577 in 2010 and 2009, respectively.

The County Clerk indicated the county has not maintained active lease agreements with any of the current lessees, and she was only able to locate two lease agreements, both of which had expired (one in 2007 and one in 2009). The County Commission indicated the lease charges cover the costs to maintain the offices and these prices are what the market would bear. However, the county has no documentation to support these statements.

Formal written agreements are necessary to document each party's duties and responsibilities and to prevent misunderstandings. Also, Section 432.070, RSMo, requires contracts for political subdivisions to be in

writing. In addition, to ensure property leases are advantageous for the county or represent fair market value, the county should establish procedures to determine the monthly lease amounts and maintain the related documentation.

Recommendation

The County Commission obtain written agreements with all entities leasing office space or farmland to ensure the rights and responsibilities of all parties are specifically outlined. In addition, the County Commission should conduct a formal cost study to ensure the amount of the monthly lease charges is sufficient.

Auditee's Response

The County Commission provided the following written response:

The Commission has obtained written agreements with all entities leasing office space and farmland as of this date.

7. Capital Assets

The County Clerk does not have procedures in place to identify property purchases and dispositions throughout the year. Tags identifying property items as county property are not always assigned and affixed to the items at the time of purchase. The county has also not established a minimum amount or equipment classifications to be included on property records. At the beginning of January 2011, county-owned property was valued at approximately $790,000 on the county insurance policy.

Based on prior audit recommendations, the county began inventorying capital assets during the last quarter of 2010. During our review of the county's capital asset records for 2010, annual inventory count sheets of several officials indicated items were not tagged and various property was not included on the sheets. In addition, although the county includes many small dollar items such as tires, storage cases, signs, and a portable welder on the property list, the determination of which items should be tracked is not consistent. For example, the Sheriff's office purchased two notebook computers at a cost of $850 each; however, only one was tagged and recorded on the inventory list. The county's information technology employee stated the second notebook computer was located at his residence, which he uses to access the Sheriff's computer system after hours.

Section 49.093, RSMo, requires counties to account for personal property costing $1,000 or more, assigns responsibilities to each county department officer, and describes details to be provided in the inventory records. In addition, it is the county's informal capital asset policy to include some items under $1,000 on the list. Adequate county property records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. These records should be updated for any property additions and approved dispositions as they occur. Physical inventories, proper tagging of

county property items, and periodic comparisons of inventories to overall county property records are necessary to evaluate the accuracy of the records, and deter and detect theft.

Similar condition previously reported

A similar condition was noted in our prior audit report.

Recommendation

The County Commission and County Clerk work with other county officials to ensure complete and accurate inventory records are maintained and annual physical inventories are conducted, and implement procedures for tracking and tagging capital asset purchases throughout the year. In addition, the County Commission should establish a minimum amount for items to be included on the list.

Auditee's Response

The County Commission provided the following written response:

The Commission has set an inventory minimum of $1,000. The Commission will work with the County Officials to maintain accurate inventory records.

The County Clerk provided the following written response:

The County Asset book, listing of owned property, has been updated and completed and number tags in place. As new items are purchased, the Asset book will be updated when items are run through for payment.

Dunklin County
Organization and Statistical Information

Dunklin County is a township-organized, third-class county. The county seat is Kennett.

Dunklin County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 81 full-time employees and 20 part-time employees on December 31, 2010. The townships maintain approximately 790 miles of county roads.

In addition, county operations include the Senate Bill 40 Board and the 911 Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2011	2010
Don Collins, Presiding Commissioner	$	31,630
Jeanie Moore Herbst, Associate Commissioner		29,630
Patrick McHaney, Associate Commissioner		29,630
Susan Luce, Recorder of Deeds		44,250
Carol Hinesly, County Clerk		44,250
Stephen Sokoloff, Prosecuting Attorney		110,615
Robert Holder, Sheriff		49,250
Jack Adkins, County Coroner		16,250
Shawnee Trowbridge, Public Administrator		44,250
Kathy Rasberry, County Collector-Treasurer (1), year ended March 31, 2011	50,985	
Karen Vandiver, County Assessor, year ended August 31, 2010		43,417

(1) Includes $7,335 of commissions earned for collecting drainage property taxes.

Financing Arrangements

The county entered into a lease agreement with UMB Bank (the trustee) on December 1, 2004. The terms of the agreement call for the trustee to provide funding for the costs of acquiring, constructing, furnishing, and equipping the justice center and for the county to lease the justice center from the trustee for lease payments equal to the amount due to retire the trustee's indebtedness. Certificate of Participation bonds totaling $9,260,000 were issued by the trustee, on December 1, 2004, on behalf of the county.

Construction was completed in 2006 and the lease is scheduled to be paid off in 2024. The remaining principal and interest due at December 31, 2010, was $10,002,545. The lease payments are anticipated to be paid with revenue generated from the county's law enforcement sales tax passed in August 2003.

The county entered into a lease agreement valued at $1,250,000 with Kennett National Bank (the bank) on March 1, 2006. The terms of the agreement call for the bank to provide funding for the remainder of the costs of acquiring, constructing, furnishing, and equipping the justice center and for the county to lease the justice center from the bank for lease payments. Construction was essentially completed during 2006 and the lease is scheduled to be paid off in 2021. The remaining principal and interest due at December 31, 2010, was $1,011,114. The lease is anticipated to be paid with revenue generated from the county's law enforcement sales tax passed in August 2003.

The county entered into an interest-free loan agreement with the Missouri Department of Natural Resources on August 17, 2006, valued at $22,531. The proceeds were used to implement Energy Conservation Measures. The county used the funds to replace the windows in the courthouse annex. Repayment began in February 2008, and the loan is scheduled to be paid off in August 2018. The remaining principal due at December 31, 2010, was $16,171.

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

According to county personnel, the county was awarded the following American Recovery and Reinvestment Act of 2009 funding during the 2 years ended December 31, 2010:

A $208,261 Recovery Act: Assistance to Rural Law Enforcement to Combat Crime and Drugs: Enhancing Rural Corrections, Detention and Jail Operations grant was awarded by the U.S. Department of Justice for the support of jail operations. This grant, which runs from August 1, 2009, through July 31, 2011, has been used to hire and retain three new additional full-time correctional officers. These positions are not required to be maintained after the end of the grant period. During the year ended December 31, 2010, $84,279 was expended and received by the Sheriff's office related to this grant. No grant monies were expended or received during the year ended December 31, 2009.

The Dunklin County Senate Bill 40 Board received $51,318 under Title V, Section 5001 under Division B of the Recovery Act which provided additional federal funding in the Medicaid Federal Medical Assistance Percentage (FMAP). The grant was awarded by the U.S. Department of Health and Human Services and passed through by the Missouri Department of Social Services. The payments were made for Medicaid expenditures reported between October 1, 2008, and December 31, 2010. For the years

ended December 31, 2010 and 2009, $51,318 was received by the Senate Bill 40 Board. This money is being used for general operations; therefore, related expenditures have not been tracked separately.

Thomas A. Schweich

Missouri State Auditor

City of Howardville

October 2011

Report No. 2011-90

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Howardville

Building Lease	The city leases the Public Safety and Service Building from the non-profit Howardville Development Corporation (HDC). At the time the city entered into the lease, the HDC Board of Directors consisted of the then mayor and two aldermen, and these individuals continue to serve on the HDC Board. Since the inception of the lease in 2006, the city has paid approximately $10,000 to the HDC for building operation and maintenance and there is no evidence any of these monies have been used for this purpose. Under the terms of the lease, the HDC is responsible for insurance on the building and is responsible for maintenance and utilities to the extent the HDC has funds available. The city has paid all insurance, maintenance, and utilities since April 2008, and the HDC has not provided financial information, as required, to enable the city to determine if HDC funds are available. The city deeded the land on which this building is located to the HDC for $10 and, even though the city will pay the full cost of the building, the city does not get ownership of the building at the end of the lease. In addition, the lease agreement does not contain a clause to allow the city to cancel the lease, which may violate state law prohibiting long-term debt without voter approval.
Accounting Controls and Procedures	Accounting duties are not adequately segregated, and accountability over city receipts and deposits is inadequate. The city does not always abide by its dual signature requirement on city checks, and formal bank reconciliations are not performed. Several checks were filled out and signed but not distributed or processed by the bank, some voided checks were still on hand and only marked "void" in pencil, and the city does not account for the numerical sequence of checks. The city did not properly retain some records, and officials authorized to sign checks were not bonded, exposing the city to risk of loss.
Accounting Records and Financial Reporting	Some accounting records are not accurate and are not reviewed by the Board of Aldermen or other city employees. The city does not prepare budgets for any city funds, publish semi-annual financial statements, submit annual financial reports to the State Auditor's office, or obtain annual audits of its sewer system, all of which are required by state law.
Payroll and Related Matters	Timesheets were not always signed by employees or reviewed or signed by supervisors. The city does not maintain records of vacation and sick time earned and taken, and it appears the former city clerk was paid for unused leave which did not comply with city policies. Personnel files are not maintained or are incomplete for some employees. The city classifies some maintenance workers as independent contractors rather than employees, but it does not maintain adequate justification for this classification. The city advanced former Alderwoman Johnson her October 2009 compensation resulting in her being overpaid $75.
Disbursement and Related Matters	The city did not solicit and/or advertise for bids, as required by its procurement policy, and disbursed monies to charitable organizations without receiving adequate documentation of the services provided. The city has no written agreement with its bank and has not solicited proposals for banking services. The city does not always prepare or retain monthly disbursement lists, and for 60 percent of the disbursements reviewed the city could not locate invoices or other supporting documentation. The city paid invoices without requiring proof

	of receipt of goods or services, did not mark invoices as paid, and paid over $300 in interest and fees because a payment was late.
Sewer and Sanitation Services	The city has no written agreement with the public water supply district regarding the collection of sewer and sanitation fees. The city does not maintain separate accounting records for each individual sewer and sanitation customer and does not have procedures to bill delinquent accounts, assess delinquent penalties, or shutoff service for nonpayment.
Restricted Monies	Monies restricted for certain use, including motor-vehicle, law enforcement training, and State Emergency Management Agency monies, were deposited in the General Fund and not tracked separately. Therefore, the city could not determine the amount of monies in the General Fund required by law to be restricted for specific purposes. In December 2009, the city transferred over $10,000 in sewer fees to the General Fund to cover general operating costs, but sewer fees are restricted for operation of the sewer system and cannot be used for general city operations.
Meeting Minutes and Ordinances	Meeting minutes were not maintained in an orderly manner or a centralized location and could not be readily located. Open meeting minutes do not document the reason for closing a meeting, the law allowing the meeting to be closed, or evidence of votes taken. Ordinances are not complete, up-to-date and maintained in an organized manner, and the city has not adopted ordinances establishing the compensation for city officials and employees.
Capital Assets and Vehicle Use	The city does not maintain records for its capital assets, did not carry insurance on some city assets, does not tag assets for identification, and does not conduct annual physical inventories of its assets. The city does not maintain fuel and usage logs for its two city-owned vehicles and does not reconcile fuel use to fuel purchases to ensure the vehicles and city-purchased fuel are used appropriately.

In the areas audited, the overall performance of this entity was **Poor**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The City of Howardville did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Howardville
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Management Advisory Report - State Auditor's Findings

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THOMAS A. SCHWEICH
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Howardville, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Howardville. We have audited certain operations of the city in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2011. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.

2. Evaluate the city's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our finding(s) arising from our audit of the City of Howardville.

An additional report, No. 2011-39, *Thirty-Fourth Judicial Circuit, City of Howardville Municipal Division* was issued in August 2011.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Heather R. Stiles, MBA, CPA
Audit Staff:	Janielle Robinett

1. Building Lease

Significant concerns were noted regarding the lease of the Public Safety and Service Building, which currently houses all city offices. The Public Safety and Service Building was constructed in 2005 and is owned by the Howardville Development Corporation (HDC). The HDC was organized as a nonprofit corporation in June 2003, primarily for the purpose of improving conditions of public facilities of Howardville; however, as of August 30, 2011, the HDC had not participated in any other projects. In 2004 and 2005, the HDC secured financing for the building, consisting of $172,000 in grants and $51,600 in loans from the United States Department of Agriculture (USDA), Rural Development. The city owned the land on which the building is located, and in March 2005, the city deeded the land to the HDC for $10.

In August 2005, the city entered into a 25-year lease agreement with the HDC. The lease agreement is structured to ensure lease payments are sufficient to repay amounts borrowed from the USDA and additional amounts to cover building operation and maintenance costs. The city makes monthly payments of $500, or $6,000 annually, which consist of $3,612 in loan payments to the USDA, $720 to two reserve accounts held by the HDC as required by loan provisions, and the remainder ($1,668) to the HDC for building operation and maintenance and other HDC operating costs.

The HDC Board of Directors consists of Clennon Farr, the former Mayor, and Tommie Fountain and Mary Johnson, two former Aldermen, who held their city offices and positions on the HDC Board when the HDC was organized, the building lease was executed, and the city moved into the building. These three individuals served as the president, vice-president, and secretary of the HDC while also serving the city in their elected positions.

1.1 Building operating costs

Since the inception of the lease in 2006, the city has paid approximately $10,000 to the HDC for building operation and maintenance, and there is no evidence any of these monies have been used for the intended purpose. The lease agreement requires the HDC to provide property insurance coverage on the building; however, the city provides all insurance coverage for the building. Additionally, the lease indicates the HDC is responsible for maintaining the premises and providing utilities to the extent funds are available in the HDC Operations and Maintenance Account. According to city personnel, all utilities and building maintenance and repair costs have been paid by the city since April 2008.

In addition, the city has not obtained financial information from the HDC, even though the lease agreement allows for the city to request and receive HDC financial statements. City personnel indicated requests for such information were made but the requested information was not provided.

To ensure the HDC is meeting its financial obligations to the city, the city should require the HDC submit periodic financial information. HDC financial information would allow the city to determine if funds are available in the HDC Operations and Maintenance Account to pay for building operating and utility costs and appropriate funds have been set aside in the reserve accounts required by the loan agreement.

1.2 Building ownership

The lease agreement does not provide for transfer of ownership of the building to the city upon payoff of the loan. The lease agreement requires the city to pay all loan principal and interest; however, the building will remain the property of HDC. As a result, the city will have used public funds of approximately $90,000 to fully pay for this asset but will have failed to obtain ownership. Typically, a municipality entering into a lease associated with financing a purchase would obtain ownership when all payments under the lease are complete.

1.3 Nonappropriation clause

The lease agreement does not contain a "walk away" or nonappropriation clause which would allow the city to cancel its lease with the HDC. As a result, the city may have incurred long-term debt without voter approval.

Article VI, Section 26(a), Missouri Constitution, requires a public vote before cities may become indebted in an amount exceeding in any year the income and revenue provided for such year plus any unencumbered balances from previous years. Since this issue was not put to a public vote, it appears the Board of Aldermen may have exceeded its authority when it entered into the lease agreement with the HDC.

Recommendations

The City of Howardville Board of Aldermen:

1.1 Request and obtain financial information from the HDC and ensure the HDC provides insurance on the building, pays building utility and maintenance costs, and sets aside the required loan reserve amounts as required by the lease agreement.

1.2 Work with the HDC to amend the lease agreement to provide the city with ownership interest upon the payoff of the building loan.

1.3 Work with the HDC to amend the lease agreement to provide for a nonappropriation cancellation clause.

Auditee's Response

The Board of Aldermen provided the following written response:

We agree with these recommendations and will work with the HDC to determine whether the HDC should be responsible for the payment of certain costs related to the city hall building, as well as obtaining periodic financial information from the HDC. We will also work with the HDC to

ensure the city will obtain ownership of the building and to add a nonappropriation clause to the lease.

2. Accounting Controls and Procedures

Accounting controls and procedures utilized by the city need improvement.

2.1 Segregation of duties

The Board of Aldermen has not established adequate segregation of duties or supervisory review over the accounting functions performed by the City Clerk. The City Clerk is responsible for most record keeping duties including duties which would normally be performed by a city treasurer. These duties include receiving, recording, and depositing monies; preparing invoices for payment; preparing checks; and performing bank reconciliations. Additionally, the City Clerk provides one of the two required signatures on checks.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Attorney General's Opinion No. 24, 1955 to Dodds, concluded that in a fourth-class city, the holding of the positions of the city clerk, city treasurer, and city collector, or any two of these offices, by the same person at the same time would be incompatible. The current procedures jeopardize the system of independent checks and balances intended by state law. If proper segregation of duties is not possible, a timely supervisory review of the work performed is necessary.

2.2 Receipt and deposit procedures

Accountability over city receipts and deposits is inadequate.

- Receipt slips are not issued timely for some monies received. In addition, receipts are not always deposited intact in a timely manner. For example, five property tax distributions received from the County Collector totaling $5,519 for the months of August to December 2010, were not recorded or deposited until December 14, 2010.

- Receipt slips are sometimes used as notations to support payments made to vendors. As a result, the city does not account for the numerical sequence of receipt slips.

- While the method of payment received is generally documented on receipt slips, the composition (total cash and checks) recorded on receipt slips is not reconciled to the composition of bank deposits.

- The original copy of voided receipt slips is not always retained.

- Checks are not always restrictively endorsed immediately upon receipt.

Without proper receipt procedures, there is little assurance all receipts are properly recorded and deposited.

2.3 Dual signatures

The city issued several checks with only one signature of either the Mayor or former City Clerk although dual signatures are required by the banking agreement. Dual signatures help provide assurance that checks represent payment for legitimate city disbursements.

2.4 Bank reconciliations

Formal bank reconciliations are not performed. The city has four checking accounts which totaled approximately $225,000 at June 30, 2011. In addition, some receipts are not recorded at all in the check register and some disbursements are not recorded accurately in the check register. As a result, accurate cash balances are not maintained by the city.

The city has contracted with a CPA firm to prepare certain accounting records, and the CPA firm indicated it performs monthly bank reconciliations; however, these reconciliations are not provided to the city, and our review noted certain errors on the CPA's bank reconciliations (See MAR finding number 3).

Maintaining accurate book balances and recording receipts and disbursements promptly to the check register or other control ledger are necessary to allow proper reconciliation between book and bank balances. Complete and accurate bank reconciliations are necessary to ensure accounting records are in agreement with the bank, and errors or discrepancies are detected and corrected timely.

2.5 Voided checks

Our review noted ten city checks totaling $2,633 filled out and signed by the former City Clerk but not distributed or processed by the bank, and three checks totaling $791 canceled only by "VOID" written in pencil. It is unclear whether the city made appropriate adjustments to the accounting records to indicate whether these checks were voided or considered outstanding checks, or if there is some plausible explanation for these checks to be on hand.

To ensure accounting records are accurate and to reduce the risk of unauthorized transactions, the city should ensure all voided checks are properly defaced and maintained, and the accounting records are properly adjusted.

2.6 Numerical sequence of checks

The city does not always issue checks in numerical sequence and does not account for their numerical sequence. For example, the city issued check numbers 7571 through 7573 prior to issuing check numbers 7532 to 7570. To account for all disbursements, the numerical sequence of checks issued should be accounted for properly and any skipped checks should be voided.

2.7 Record retention

Some city records were not properly retained. The city could not provide original invoices or other supporting documentation for several city disbursements (see MAR finding number 5). In addition, some deposit slip copies were not retained, and several monthly bank statements could not be located. Proper record retention is necessary to ensure the propriety of all financial transactions.

2.8 Bonding

The Mayor and Alderman serving as Mayor Pro Tem are authorized to sign checks but are not bonded. Failure to properly bond individuals who have access to funds exposes the city to risk of loss.

Recommendations

The City of Howardville Board of Aldermen:

2.1 Segregate the City Clerk's accounting duties and consider appointing a city treasurer. If proper segregation of duties cannot be achieved, timely independent reviews of the accounting records should be performed and documented.

2.2 Ensure official pre-numbered receipt slips are issued timely for all monies received in numerical sequence, monies are deposited in a timely manner, checks and money orders are restrictively endorsed immediately upon receipt, and the composition of receipts is reconciled to the composition of bank deposits. Additionally, the city should retain the original copies of voided receipt slips.

2.3 Ensure dual signatures are on all checks.

2.4 Maintain accurate cash balances in the check registers or on a cash control ledger, and ensure monthly bank reconciliations are prepared for all city accounts.

2.5 Establish procedures to properly deface and retain all voided checks. The city should investigate the un-negotiated checks and dispose of or void as appropriate.

2.6 Issue checks in numerical sequence and account for the numerical sequence of checks.

2.7 Ensure city records are properly retained.

2.8 Maintain bond coverage for all officials with access to city assets.

Auditee's Response

The Board of Aldermen provided the following written response:

We agree with these recommendations. We will consider appointing a city treasurer to provide proper segregation of duties and monthly bank

reconciliations. Receipt and deposit recommendations have already been implemented, and all applicable records are now being maintained. Checks are now issued in numerical sequence, require two signatures, and are properly voided when necessary. We will follow up on the 10 checks filled out but not distributed. We will consider bonding all city officials who are authorized to sign checks.

3. Accounting Records and Financial Reporting

Significant improvement is needed in the preparation of accounting records and financial reporting practices.

3.1 Accounting records

Some accounting records maintained by the city accountant are not accurate. In addition, the accounting records are not reviewed by the Board of Aldermen or other city employees for errors or omissions. The city contracts with an accountant to maintain the city general ledger and to prepare monthly and annual financial statements. At the end of each month, the City Clerk submits copies of all checks issued, receipt slips issued, and bank statements received to the accountant for preparation of the general ledgers and financial statements.

Our review noted errors on the December 31, 2010, balance sheet prepared by the accountant. The balance sheet included the following over (under) statements of various city bank accounts:

General Fund Account[1]	$ (3,632)
Special Account[2]	5,546
CDBG Account	44
Municipal Court Account	(3,469)
Savings Account[2]	5,424
Sewer Account	(14,195)
DNR Grant Account[3]	(172,000)

[1] The outstanding check list included $1,616 in checks which cleared in 2009 and seven voided checks totaling $2,016.
[2] These accounts were closed in July 2010.
[3] This account was opened in December 2010, but was not included on the balance sheet.

The city does not maintain any records summarizing receipt slips and checks issued or any account balance information beyond copies of bank statements. City employees and officials rely on the accountant to prepare accurate financial statements but have no procedures to reconcile the statements to receipts and disbursements processed by the city.

Accurate financial information is necessary to provide the Board of Aldermen with sufficient information to make informed decisions and to provide residents with reliable information about city finances.

3.2 Budgets

The city does not prepare annual budgets for any of the city funds. Section 67.080, RSMo, provides that no expenditure of public monies shall be made unless it is authorized in a budget. Additionally, Section 67.010, RSMo, requires the preparation of an annual budget which shall represent a complete financial plan for the ensuing budget year and also sets specific guidelines for the format.

A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations and provide a means to effectively monitor actual costs by periodically comparing budgeted to actual disbursements. The budget should also include a budget message and comparison of actual receipts and disbursements for the 2 preceding years.

3.3 Published financial statements

The city does not publish semiannual financial statements in accordance with state law. Section 79.160, RSMo, requires the Board of Aldermen to prepare and publish semiannually, a full and detailed account of the receipts, disbursements, and indebtedness of the city.

3.4 Financial reporting

The city does not submit annual financial reports to the State Auditor's office. Section 105.145, RSMo, requires each political subdivisions to file annual reports of its financial transactions. In addition, 15 CSR 40-3.030 requires the annual financial report to be filed within 4 months after the end of the political subdivision's fiscal year if an unaudited financial report is filed and within 6 months after the end of the political subdivision's fiscal year if an audit report prepared by a certified public accountant is filed.

3.5 Audits

The city has not obtained annual audits of its sewer system as required by state law. Section 250.150, RSMo, requires the city obtain annual audits of the sewer system and the cost be paid from revenues received from the system.

Recommendations

The City of Howardville Board of Aldermen:

3.1 Adopt procedures to review and ensure the accuracy of the financial records prepared by the accountant.

3.2 Prepare annual budgets which include all information required by state law.

3.3 Publish semiannual financial statements as required by state law.

3.4 Submit an annual financial report to the State Auditor's office as required by state law.

3.5 Obtain annual audits of the sewer system as required by state law.

Auditee's Response

The Board of Aldermen provided the following written response:

We agree with these recommendations and plan to implement them. We will consider appointing a city treasurer to prepare the required accounting records. If a treasurer cannot be appointed, we will work with the accounting firm to ensure accurate records are prepared. We are already working on a city budget.

4. Payroll and Related Matters

Several concerns were noted regarding payroll policies and procedures.

4.1 Timesheets

Timesheets were not signed by some employees and were not always reviewed or signed by a supervisor to ensure their accuracy. In addition, some time records were not accurate or complete. For example, some timesheets included the time the employees checked in but not when they checked out.

The lack of adequate review procedures increases the potential for errors to go undetected. Time records are necessary to document hours worked, substantiate payroll disbursements, and provide the city with a method to monitor hours worked and leave taken. In addition, timesheets should be signed by the employee and the employee's supervisor to indicate their agreement to the actual time reported each week and to ensure the accuracy of time worked and leave taken.

4.2 Leave records

Records of vacation and sick leave earned and used are not maintained for city employees, and the former city clerk received payments for unused leave which were not adequately documented and do not appear to comply with city leave policies. The former city clerk was paid for 2 weeks of vacation in 2009. The city could not locate any leave records to support this payment, and the city leave policy does not address whether leave earned can be paid out. City policy states employees earn 1 week of vacation per year and 1 day of sick leave per month of employment with the city.

Adequate leave records and strict compliance with leave policies are necessary to ensure employees are treated equitably and are properly compensated.

4.3 Personnel files

Personnel files are not maintained for some city employees and some personnel files were incomplete. Some files did not contain documentation

of the authorization for the hiring of the employee, the pay rate at which the employee was hired, and any subsequent changes in pay rate. Personnel files for all employees are necessary to provide documentation of personnel actions and to provide readily accessible work histories.

4.4 Employment classification

The city did not adequately document why some maintenance workers are classified as independent contractors instead of city employees. In addition, the city failed to withhold and report payroll and income taxes on payments to these maintenance workers and compensation paid to the Board of Aldermen. These payments were reported by the city to the Internal Revenue Service (IRS) on 1099 forms.

The city considers individuals hired for maintenance purposes to be independent contractors; however, these individuals submit weekly timesheets, are paid weekly, and utilize equipment owned by the city, so it appears these individuals should be considered city employees. In addition, city officials indicated these maintenance workers do not own or work for companies that are in the business of providing maintenance services.

Section 105.300, RSMo, defines an elected or appointed officer or employee of a political subdivision as an employee for Social Security and Medicare tax purposes. For employees, the IRS requires employers to report compensation on W-2 forms and withhold and remit income and payroll taxes. Similarly, Chapter 143, RSMo, includes requirements for reporting wages and withholding state income taxes. State and federal laws require employers to pay the employer's share of Social Security and Medicare on the compensation paid to employees.

4.5 Advance

In September 2009, the city advanced former Alderwoman Johnson her monthly compensation for October 2009, without documentation of board approval. She also received her regular compensation in October 2009. As a result, she was overpaid $75. There is no record Alderwoman Johnson repaid the advance to the city, or that the city withheld this amount from future payments. The city did not enter into a written agreement with the Alderwoman for the repayment of this advance.

Loans or advances of public funds are prohibited by Article VI, Section 23, Missouri Constitution, which states no city shall lend its credit or grant public money or thing of value to or in aid of any individual.

Recommendations

The City of Howardville Board of Aldermen:

4.1 Ensure timesheets are prepared by all employees, properly signed and approved, and reviewed for accuracy.

4.2 Ensure adequate leave records are maintained for all employees and are periodically reviewed to ensure compliance with city leave policies. In addition, leave payments should not be made unless allowed by city policy.

4.3 Ensure complete personnel files are maintained for all employees.

4.4 Ensure all persons hired by the city are clearly documented as employees or contract employees in compliance with IRS rules and regulations. In addition, the Board should ensure all compensation paid to board members and all employees is subject to income and payroll taxes and properly reported on W-2 forms.

4.5 Discontinue the practice of making pay advances to employees or officials and require repayment of the advance made to the Alderwoman.

Auditee's Response

The Board of Aldermen provided the following written response:

We agree with these recommendations and plan to implement them.

5. Disbursements and Related Matters

Concerns were noted related to bidding, approval of payments, and other items related to city disbursements.

5.1 Bidding

Although the city has a procurement policy which requires city officials to solicit bids for all items or services when possible and advertise for bids for items or services costing more than $5,000, the city did not solicit bids, advertise for bids, retain sufficient bid documentation, or document sole source procurement for most purchases.

In addition to complying with the city ordinance, competitive bidding helps ensure all parties are given an equal opportunity to participate in city business. Complete documentation of all bids and proposals received and reasons why a bid or proposal was selected helps ensure the city pays a reasonable amount for all major purchases.

5.2 Donations

In September 2009, the city disbursed $300 to a local non-profit organization and $300 to a local church as donations for volunteer services provided to the city during an ice storm. While the board approved these payments, the city had no documentation of the services provided by these organizations. These disbursements were from federal monies received from the State Emergency Management Agency (SEMA).

Donations of public funds are prohibited by Article VI, Section 25, Missouri Constitution. To ensure city funds are spent properly, all payments for

services should be supported by original invoices or other documentation of services provided to the city.

5.3 Banking services

The city has not solicited proposals from various banking institutions for the deposit of city monies and does not have a written agreement with its depository bank. The city was charged account maintenance fees totaling $1,700 during the year ended June 30, 2011. Periodically soliciting proposals for banking services helps ensure banking services received, as well as the costs for these services, are reasonable and competitive. Further, written contracts are necessary to document all related fees for services and to prevent misunderstandings. Section 432.070, RSMo, requires contracts of political subdivisions to be in writing.

5.4 Approval process and missing invoices

Monthly disbursement lists are not always prepared and are not retained with meeting minutes or compared to supporting invoices. City procedures require the City Clerk to prepare a list of disbursements and present the list and supporting invoices at the monthly meetings for board approval. Lists for several months during 2010 could not be located. While meeting minutes include a statement that disbursements are approved, disbursement lists are not included with meeting minutes to document specific disbursements approved by the Board of Aldermen.

For 32 of 53 disbursements reviewed (60 percent), the city was unable to locate invoices or other supporting documentation. These 32 disbursements were for various supplies and services totaling approximately $17,500. By not comparing the disbursement lists to invoices, there is less assurance the city has retained adequate supporting documentation for each disbursement.

A complete and accurate list of disbursements approved by the board and retained with meeting minutes, along with invoices or other supporting documentation, reduces the possibility of unauthorized payments and helps ensure disbursements represent appropriate uses of public funds.

5.5 Receipt of goods or services

The city does not require documentation of receipt of goods or services prior to payment of invoices. In addition, our review noted several invoices were not marked paid or otherwise canceled upon payment. Canceling invoices and other supporting documentation reduces the likelihood of duplicate payments, and requiring acknowledgement of receipt of goods or services prior to payment helps ensure the city actually received all items.

5.6 Late payments

The city does not always pay invoices timely. For example, the city incurred $321 in interest and late payment fees associated with financing a lawnmower because the final payment was not made timely. Procedures should be in place to ensure bills are paid timely to avoid late charges and interest.

Recommendations

The City of Howardville Board of Aldermen:

5.1 Ensure bids are solicited for all applicable purchases in accordance with city ordinances and sufficient documentation is maintained.

5.2 Refrain from donating city funds or ensure adequate documentation is retained to ensure the city receives actual goods or services in return for the donation.

5.3 Solicit proposals for banking services on a periodic basis.

5.4 Ensure complete disbursement lists are prepared, approved, and retained with meeting minutes. The lists should be compared to invoices to ensure supporting documentation is obtained and retained for all disbursements.

5.5 Ensure all paid invoices are marked as such to prevent reuse and require documentation of receipt of goods and/or services prior to payment of invoices.

5.6 Implement procedures to ensure bills are paid timely.

Auditee's Response

The Board of Aldermen provided the following written response:

We agree with these recommendations and plan to implement them. We will consider amending city policy to require bids on purchases which exceed a minimum dollar amount. We have been in contact with the bank to determine if certain fees can be waived or reduced. We are signing and approving all invoices prior to payment, and all bills have been paid in a timely manner.

6. Sewer and Sanitation Services

There are significant weaknesses in controls and procedures related to sewer and sanitation services. As a result of these weaknesses, there is less assurance all utility services are billed properly and all utility monies are accounted for properly.

The city has an arrangement with the local public water supply district to bill and collect city sewer fees for all properties connected to the city sewer system, and sanitation fees for all properties located within the city. The water district issues monthly checks to the city for sewer and sanitation fees collected and provides a monthly list of individuals who paid the applicable city fees. The city pays a monthly fee of $110 for these services. The water district bills approximately 100 sewer and sanitation customers.

6.1 Written contract

The city does not have a written contract with the public water supply district regarding the collection of sewer and sanitation fees. As a result,

there appears to be a lack of understanding of the duties of each party. For example, city officials indicated delinquent billings and cancellation of service is the district's responsibility, while district officials indicated this is the city's responsibility.

Written contracts are necessary to define the services and compensation to be provided by each party and to prevent misunderstandings. Section 432.070, RSMo, requires contracts of political subdivisions to be in writing.

6.2 Fee collections

The city does not maintain separate accounting records for each individual sewer and sanitation customer, making it difficult to track payments received from each customer or to determine customers who are delinquent. In addition, the city does not have policies or procedures requiring customers to establish sewer or sanitation accounts with the city. Services are automatically added to properties when the district connects water service to properties in the city limits.

The only record maintained by the city is the monthly collection list provided by the district which lists each individual who has made a sewer or sanitation payment. However, it appears the city does not review these listings for mathematical accuracy or duplicate payments. Our review of collection lists for the months of November and December 2010 noted some customer names were listed multiple times, which would appear to indicate fees were collected for more than 1 month, but the lists do not contain sufficient detail to indicate to which month(s) the payments apply.

Detailed records of customer accounts and payments are necessary to ensure the city is receiving the proper amount of sewer and sanitation fees and to ensure there is proper follow up on delinquent accounts.

6.3 Delinquent billing and shutoff procedures

The city does not have procedures to bill delinquent accounts, assess delinquent penalties, or shutoff or discontinue service for nonpayment of sewer and sanitation fees. District officials indicated water service is shutoff for nonpayment of district water fees; however, neither the city nor the district bill or pursue collection of delinquent city sewer fees nor initiate sewer shutoff procedures. In addition, neither the city nor the district bill delinquent sanitation fees or initiate procedures to discontinue trash pickup for nonpayment of fees.

The lack of billing delinquent accounts, assessing delinquent penalties, or initiating shutoff procedures for nonpayment allows customers to receive services without paying and may result in a loss of revenue to the city.

Recommendations

The City of Howardville Board of Aldermen:

6.1 Enter into a written agreement with the public water supply district for the collection of sewer and sanitation fees which defines the responsibilities of each party and the compensation to be paid for services provided.

6.2 Maintain accounting records for each sewer and sanitation customer listing all amounts billed and collected. In addition, the city should develop procedures to ensure sewer and sanitation accounts are established for all customers, applicable fees are billed monthly, collections are accounted for properly, and account balances are monitored.

6.3 Ensure delinquent sewer and sanitation fees are properly billed and monitored. In addition, the board should consider adopting policies to assess penalties and service discontinuation for customers with delinquent accounts.

Auditee's Response

The Board of Aldermen provided the following written response:

We agree and will contact the water district to enter into a written contract. We will also work with the district to ensure all customers are properly billed and collected, delinquent accounts are properly monitored, and shutoff procedures are implemented.

7. Restricted Monies

The city has not established adequate procedures to ensure restricted monies are recorded appropriately and disbursed only for intended purposes. Some transfers of restricted monies between city funds did not appear appropriate and were not adequately documented.

7.1 Tracking and recording restricted monies

The city is not properly tracking and recording various restricted monies. For the year ended June 30, 2011, the city received approximately $13,000 in state motor vehicle-related monies and $600 in Law Enforcement Training monies. Additionally, approximately $14,250 in disaster assistance monies from SEMA were distributed to the city in 2009. While these monies are restricted for specific purposes, they were deposited into the General Fund and the related disbursements or balances were not tracked separately. As a result, the city cannot determine at a point in time what portion of the General Fund represents restricted street, training, or grant monies.

Article IV, Section 30, Missouri Constitution, requires motor vehicle-related receipts apportioned by the state of Missouri be disbursed for street related purposes only. Section 488.5336, RSMo, requires law enforcement training fees to be used only for the training of law enforcement officers. The grant

agreement with SEMA provides restrictions for the use of these funds. Separate accounting of restricted monies is necessary to ensure compliance with state law and grant requirements.

7.2 Transfers

In December 2009, the city transferred approximately $10,850 of restricted sewer fees from the Sewer Fund to the General Fund. According to the Mayor, this transfer was made to cover general operating costs because the balance of the General Fund was low; however, sewer fees are restricted for operation of the city sewer system and cannot be used for general city operations. In addition, there was no documentation of board approval to transfer these funds.

Receipts of the Sewer Fund represent user fees restricted for the operation of the sewer system. The lack of board approval and adequate documentation for this transfer lessens assurance that these restricted monies were appropriately spent for sewer operating costs and not to subsidize general operations of the city.

Recommendations

The City of Howardville Board of Aldermen:

7.1 Determine the amount of restricted monies in the General Fund and establish separate funds or a separate accounting of these monies as required by state law and grant agreements.

7.2 Ensure sewer funds are used for their intended purposes. In addition, the board should ensure authorizations for and approval of transfers between funds is obtained and clearly documented and should consider repaying the monies transferred improperly into the General Fund.

Auditee's Response

The Board of Aldermen provided the following written response:

We agree and will ensure restricted monies are accounted for separately. We will follow up on the transfer to the Sewer Fund; however, it appears that certain expenses incurred in the General Fund are for sewer purposes, and we will determine which expenses should be allocated to the Sewer Fund.

8. Meeting Minutes and Ordinances

Several concerns were noted with meeting minutes and Sunshine Law compliance. The city does not maintain a complete set of ordinances, and the compensation of elected and appointed officials is not established by ordinance.

8.1 Meeting minutes

Several concerns were identified regarding meeting minutes.

- Minutes are not maintained in an orderly manner or in a centralized location. Some minutes were maintained in a handwritten journal, some minutes were maintained electronically, and some minutes were located on loose paper in a file cabinet. In addition, minutes are not signed by any city official. As a result, personnel had difficulty locating some minutes, and it is unclear whether some minutes were officially approved by the board.

- Open meeting minutes do not document reasons for closing the meeting or the specific section of law that allows for closed meetings.

- Minutes were not maintained for some closed meetings, and in one instance closed session discussions were documented as part of the open meeting minutes.

- There was no evidence votes were taken during open meetings to close certain meetings, nor was there evidence of votes taken for other various motions passed in open meetings.

The Sunshine Law, Chapter 610, RSMo, requires governmental bodies to prepare and maintain minutes of open and closed meetings, and requires records of votes, including roll call votes before closing a meeting. Additionally, the Sunshine Law requires open minutes to document the reason for closing a meeting and limits discussions in closed meetings to only those specifically allowed by law. The lack of complete minutes filed in an orderly manner lessens assurance that the city has complied with the Sunshine Law.

8.2 Ordinances

Ordinances are not complete, up-to-date, and maintained in an organized manner. While ordinances appear to have been codified in the mid-1970s, the ordinances are maintained in a file folder and there is no official ordinance book. An index of all ordinances passed and rescinded by the city is not maintained, and some sections of the code could not be found.

Since ordinances represent legislation which has been passed by the board to govern the city and its residents, it is important ordinances be maintained in a complete and up-to-date manner. The lack of an ordinance index makes it difficult for the city to determine which ordinances are active or have been rescinded.

8.3 Officials' compensation

The city has not adopted ordinances to establish the compensation paid to city officials and employees. While the city has adopted general ordinances for elected and appointed officials that state the "Board of Aldermen shall fix compensation by ordinance," the ordinances do not address the specific compensation to be paid.

Section 79.270, RSMo, provides the compensation of city officials and employees be set by ordinance. Establishing an ordinance to set the compensation rates, in addition to meeting statutory requirements, documents the approved amounts to be paid and eliminates misunderstandings. Also, Section 79.270, RSMo, states "… the salary of an officer shall not be changed during the time for which he was elected or appointed."

Recommendations

The City of Howardville Board of Aldermen:

8.1 Ensure meeting minutes are prepared, signed, and maintained in an orderly manner for all open and closed meetings, and the minutes include records of all votes taken. In addition, reasons for going into closed meetings should be documented in the open minutes.

8.2 Update ordinances, ensure a complete set of ordinances is maintained, and prepare an index of all city ordinances passed and rescinded.

8.3 Establish the compensation of all city officials and employees by ordinance in accordance with state law.

Auditee's Response

The Board of Aldermen provided the following written response:

We agree with these recommendations. Meeting minutes have already been improved and are properly prepared and retained. We will consider updating all city ordinances and preparing an ordinance for city officials' compensation.

9. Capital Assets and Vehicle Use

The city does not maintain records of capital assets or vehicle use.

9.1 Capital asset records

The city does not maintain records for its capital assets, including land, buildings, infrastructure, equipment, and other property. The city's property insurance policy did not include a city vehicle and some land owned by the city. Also, property is not tagged for specific identification, and annual physical inventories are not performed.

Along with providing a basis for obtaining proper insurance coverage, adequate capital asset records and procedures are necessary to secure better internal controls and safeguard city assets that are susceptible to loss, theft, or misuse. A detailed capital asset list should include all pertinent information for each asset, including description, cost, acquisition date, identification number, and location; date and method of disposition; and accumulated depreciation, if applicable.

9.2 Fuel and usage logs

Fuel and usage logs are not maintained for the two city vehicles, and fuel use is not reconciled to fuel purchases. Fuel charges for fiscal year 2011 totaled approximately $2,000. Fuel and usage logs are necessary to document the appropriate use of vehicles and to support fuel charges. The logs should include sufficient documentation to determine reasonableness of miles driven and allow reconciliation of fuel use to fuel purchases.

Recommendations

The City of Howardville Board of Aldermen:

9.1 Ensure adequate capital asset records are maintained, assets are tagged as owned by the city, annual physical inventories are performed, and records are periodically compared to the city's insurance coverage.

9.2 Require fuel and usage logs be maintained for all city-owned vehicles. The logs should be reviewed to ensure vehicle use is reasonable and to reconcile fuel use to fuel purchases.

Auditee's Response

The Board of Aldermen provided the following written response:

We agree and plan to implement these recommendations.

City of Howardville
Organization and Statistical Information

The City of Howardville is located in New Madrid County. The city was incorporated in 1962 and is currently a fourth-class city. The city employed 2 full-time employees and 2 part-time employee on June 30, 2011.

City operations include law enforcement services, utilities (sewer and sanitation), street maintenance, park services, and volunteer fire services.

Mayor and Board of Aldermen

The city government consists of a mayor and a four-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at June 30, 2011, are identified below. The mayor is paid $300 per month and Board of Aldermen members $75 per month. The compensation of these officials is not established by ordinance.

Jessie Newson, Mayor
Jim Daniel, Alderman
Georgia Kirby, Alderwoman
Keith Word, Alderman
Curtis Williams, Alderman

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The City of Howardville did not receive any federal stimulus monies during the 2 years ended June 30, 2011.

Financial Activity

A summary of the city's unaudited financial activity, as prepared by the city's CPA firm with some adjustments, for the 2 years ended June 30, 2011, follows:

City of Howardville
Schedule of Receipts, Disbursements, and Changes in Cash Balances
Year Ended June 30, 2011

	General Fund	Sewer Fund	CDBG Fund	DNR Block Grant Fund	Total
RECEIPTS					
Property taxes	$ 11,462	0	0	0	11,462
Sales taxes	36,082	0	0	0	36,082
Franchise taxes	15,745	0	0	0	15,745
Motor fuel and vehicle fees	13,132	0	0	0	13,132
Fines	35,277	0	0	0	35,277
Trash, licenses, and fees	14,369	0	0	0	14,369
Sewer fees	1,148	16,998	0	0	18,146
Grants	0	0	43,675	197,000	240,675
Rental income	8,568	0	0	0	8,568
Interest	1	0	0	0	1
Miscellaneous	11,811	4,613	0	0	16,424
Transfers in	13,346	0	100	0	13,446
Total Receipts	160,941	21,611	43,775	197,000	423,327
DISBURSEMENTS					
Wages & payroll taxes	56,744	1,920	0	0	58,664
Insurance	5,258	0	0	0	5,258
Operations	20,630	1,255	0	0	21,885
Professional services	12,958	0	0	0	12,958
Utilities	27,559	815	0	0	28,374
Debt service	2,499	0	0	0	2,499
Bank charges	1,695	337	184	51	2,267
Grants	0	0	43,675	25,000	68,675
Miscellaneous	6,605	170	0	0	6,775
Transfers out	5,857	3,413	0	0	9,270
Total Disbursements	139,805	7,910	43,859	25,051	216,625
RECEIPTS OVER (UNDER) DISBURSEMENTS	21,136	13,701	(84)	171,949	206,702
ADJUSTMENT*	(15,340)	(594)	0	0	(15,934)
CASH, JULY 1, 2010	27,788	33,885	100	0	61,773
CASH, JUNE 30, 2011	$ 33,584	46,992	16	171,949	252,541

* Unidentified difference between beginning and ending cash balances

City of Howardville
Schedule of Receipts, Disbursements, and Changes in Cash Balances
Year Ended June 30, 2010

	General Fund	Sewer Fund	CDBG Fund	Total
RECEIPTS				
Property taxes	$ 15,022	0	0	15,022
Sales taxes	26,399	0	0	26,399
Franchise taxes	13,812	0	0	13,812
Motor fuel and vehicle fees	12,824	0	0	12,824
Fines	16,621	0	0	16,621
Trash, licenses, and fees	13,734	0	0	13,734
Sewer fees	0	20,404	0	20,404
Grants	14,239	0	0	14,239
Rental income	11,424	0	0	11,424
Loan proceeds	21,000	0	0	21,000
Interest	3	0	0	3
Miscellaneous	11,368	0	0	11,368
Transfers in	34,433	0	0	34,433
Total Receipts	190,879	20,404	0	211,283
DISBURSEMENTS				
Wages & payroll taxes	64,793	1,920	0	66,713
Insurance	5,101	0	0	5,101
Operations	54,018	1,950	0	55,968
Professional services	7,343	0	0	7,343
Utilities	26,102	679	0	26,781
Debt service	9,726	0	0	9,726
Bank charges	1,306	46	0	1,352
Miscellaneous	8,112	0	0	8,112
Transfers out	25,172	10,846	0	36,018
Total Disbursements	201,673	15,441	0	217,114
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,794)	4,963	0	(5,831)
ADJUSTMENT*	3,632	0	0	3,632
CASH, JULY 1, 2009	34,950	28,922	100	63,972
CASH, JUNE 30, 2010	$ 27,788	33,885	100	61,773

*Unidentified difference between beginning and ending cash balances

Thomas A. Schweich

Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of Pine Lawn

October 2011

Report No. 2011-89

http://auditor.mo.gov

City of Pine Lawn
Follow-Up Report on Audit Findings
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THOMAS A. SCHWEICH
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Pine Lawn, Missouri

We have conducted follow-up work pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program on certain audit report findings contained in Report No. 2011-29, *City of Pine Lawn*, issued in June 2011. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the Mayor and Board of Aldermen of the City of Pine Lawn about the follow-up review on those findings.

2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:

   - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
   - In Progress: Auditee has begun to implement and intends to fully implement the recommendation.
   - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
   - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the city prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. We reviewed documents and other evidence indicating the level of implementation for each recommendation reviewed.

As part of the AFTER work conducted, we reviewed a report summarizing the status of our recommendations and supporting documentation provided by the city, and held discussions with city officials. Documentation included copies of contracts, budgets, ordinances, board meeting minutes, and invoices. This report is a summary of the results of this follow-up work, which was substantially completed during September 2011.

Thomas A. Schweich
State Auditor

City of Pine Lawn
Follow-Up Report on Prior Audit Findings
Status of Findings

1. Financial Condition

The General Fund and Trash Fund were in poor financial condition and were not expected to improve significantly, which could put citizens at risk of reduction or loss of some services.

The Trash Fund was in poor financial condition due to several factors. The city did not charge residents a rate sufficient to cover costs, nor did the city actively pursue delinquent accounts, which totaled approximately $1.4 million as of January 4, 2011. As a result, the city was unable to pay its trash vendor on time, and had incurred late fees.

The condition of the Trash Fund affected the financial condition of the General Fund. The city made several transfers from the General Fund to cover shortages in the Trash Fund. The city also made transfers from the General Revenue Fund to the Capital Improvement Fund to repay a portion of a loan, further straining the condition of the city's funds.

The city did not have a specific plan to improve its financial condition.

Recommendation

The Board of Aldermen should closely monitor the financial condition of the city and develop a long-term plan to ensure receipts are maximized, disbursements are closely monitored, and bills are paid in a timely manner.

Status

In Progress

City officials stated the Board of Aldermen have become more involved in the finances and operations of the city. The Board is asking questions about city procedures and options for reducing city expenditures. They are also attempting to plan for an anticipated decrease in sales tax revenue due to the decline in population following the 2010 census. In addition, the city is making various changes to the trash service in an effort to increase revenues (see MAR finding number 2).

The city has hired a certified public accounting firm to conduct an audit for the year ended June 30, 2011. City officials stated they plan to implement any recommendations from the audit in an effort to improve the city and its finances.

2. Trash Services

The city did not charge customers a rate sufficient to cover the costs of providing trash service or actively pursue collection of delinquent trash accounts.

2.1 Trash Rate

The trash rate charged to city residents did not cover amounts paid to vendors for trash hauling and payment collection services. As a result, the city was forced to cover the difference using other revenue sources.

Recommendation

The Board of Aldermen evaluate ways to increase fees for trash services to a level sufficient to cover the costs of the service.

Status

In Progress

City officials indicated an increase in the trash rate will require a vote of city residents, which they anticipate will be difficult to accomplish due to the current economic conditions of the area. The city is hoping to reduce costs by handling trash billings and collections in-house. Currently, the vendor handling these duties retains 8 percent of the monies collected. In addition, the vendor is unable to provide collection services for delinquent accounts which could be performed in-house. However, the City Administrator indicated he has not performed an analysis of potential savings from performing these services in-house.

2.2 Delinquent Accounts

The city did not adequately pursue collection of delinquent trash accounts, which affected the financial condition of the city. As of January 4, 2011, the delinquent accounts list included 799 of the total 1,266 customers, and totaled approximately $1.4 million.

Recommendation

The Board of Aldermen discuss with legal counsel options available to ensure collection of delinquent trash accounts.

Status

In Progress

The city has hired an attorney to provide assistance in collecting delinquent accounts. The attorney has experience handling collections at the municipal level, and city officials believe progress can be made through this means. The city is also reviewing individual accounts to ensure active collection site data, as well as all financial and billing information, is accurate.

The city also passed a new ordinance to assist in collecting delinquent accounts by requiring landlords and multiple-property owners to pay all delinquent trash accounts for all properties before the city will issue any new occupancy permits.

3. Budget Procedures

Budget procedures were in need of improvement. Actual disbursements exceeded budgeted disbursements in the General Fund, and the budget was missing many key elements required by state law.

3.1 Budget overspending

Actual disbursements exceeded budgeted disbursements by $309,768 for the General Fund for the year ended June 30, 2010. The Board did not review budget to actual statements on a regular basis to properly monitor city finances. The majority of the overspending was due to the police department overspending its budget by $255,855 and the city transferring $59,055 more than budgeted from the General Fund to various city funds.

Recommendation

The Board of Aldermen review budget to actual statements on a monthly basis to improve monitoring of city finances and refrain from approving disbursements in excess of budgeted amounts.

Status

Implemented

The city now prepares budget-to-actual reports for use by the city staff and Board of Aldermen. City staff review the reports on a weekly basis, and the Board of Aldermen receives the reports monthly. City officials hope the reports improve monitoring of the budget and reduce future overspending. However, the city spent approximately $284,000 more than budgeted during the year ended June 30, 2011, as noted in the city's audit report for that year.

3.2 Budget preparation

The city did not prepare a new budget for the year ended June 30, 2010. The budget for the year ended June 30, 2009, was used; however, it was not approved until November 30, 2009. Additionally, the budget was only for the General Fund, and did not include several elements required by state law.

Recommendation

The Board of Aldermen develop policies and procedures to ensure budgets are prepared for all funds in a timely manner and contain all information required by state law.

Status

Implemented

The city passed a budget for all funds for the year ended June 30, 2012, in June 2011, which included actual amounts for the previous 2 years.

4. Closed Meetings

The city frequently failed to document compliance with the Missouri Sunshine Law. The following information was omitted from open meeting minutes:

- A roll call vote to go into a closed meeting was not always taken and/or recorded in the minutes of the open meeting.
- The minutes for open meetings did not always document the specific reasons for closing the meeting.

Recommendation

The Board of Aldermen ensure the vote to close a meeting and reasons for going into closed meetings are documented in open meeting minutes.

Status

Implemented

The city provided an example of a recent closed meeting in which a roll call vote was properly taken. The reason for closing the meeting appeared proper and specific reasons for closing the meeting were cited.

6. Payroll and Fringe Benefits

The city gave salary advances to employees and aldermen and could not provide an ordinance establishing compensation for city officials and employees. In addition, the city did not report the Mayor's commuting miles to the Internal Revenue Service (IRS).

6.1 Salary advances

The city paid $4,212 in payroll advances to various aldermen and employees from June 2009 through November 2010. All advances reviewed were deducted from the employees' next paycheck.

Recommendation

The Board of Aldermen discontinue allowing payroll advances.

Status

Implemented

The city provided an internal memo informing city employees that payroll advances were no longer provided.

6.2 Compensation ordinances

The city could not provide ordinances establishing the compensation of city officials and employees.

Recommendation

The Board of Aldermen establish compensation of all city officials and employees by ordinance.

Status

Implemented

The city passed an ordinance establishing the compensation of city officials and employees.

6.3 Commuting miles

The Mayor was allowed to use a city vehicle to commute between home and work; however, the amount of personal (commuting) mileage was not recorded on his W-2 forms as required by IRS guidelines. The Mayor was not required to maintain a mileage log indicating business and personal use.

Recommendation

The Board of Aldermen comply with IRS guidelines for reporting fringe benefits related to commuting in city-owned vehicles. In addition, mileage logs should be required when vehicles are used for commuting.

Status

Not Implemented

City officials indicated they disagree with the recommendation. As indicated in the city's original response, they believe the commuting mileage incurred through the use of the city vehicle is de minimis (minimal) and thus not required to be reported under IRS regulations.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Henry County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Henry County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

October 2011
Report No. 2011-88

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THE COUNTY OF HENRY
CLINTON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2010 & 2009

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CLINTON, MISSOURI
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FINANCIAL SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Henry, Missouri

We have audited the accompanying financial statements of the County of Henry ("County"), Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note I, these financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County of Henry, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of the County of Henry, Missouri, as of December 31, 2010 and 2009, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note I.

As described in Note XI, the County of Henry has converted from a modified cash (GASB 34) basis of accounting to the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2010 and December 31, 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its

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compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations,* and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note I.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 15, 2011

FINANCIAL STATEMENTS

THE COUNTY OF HENRY
CLINTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2010

FUND	CASH AND INVESTMENTS JANUARY 1, 2010	RECEIPTS 2010	DISBURSEMENTS 2010	CASH AND INVESTMENTS DECEMBER 31, 2010
General Revenue	$ 535,802.25	$ 2,456,378.64	$ 2,455,073.69	$ 537,107.20
Special Road & Bridge	736,137.72	957,813.08	1,217,223.22	476,727.58
Assessment	11,552.33	354,722.25	348,079.53	18,195.05
Central Emergency Communications Fund	38,719.43	421,607.30	408,230.42	52,096.31
Law Enforcement Training Fund	284.72	5,787.35	5,718.14	353.93
Prosecuting Attorney's Training Fund	445.41	1,001.76	1,239.85	207.32
Prosecuting Attorney's Bad Check Fund	5,343.10	19,494.67	20,473.16	4,364.61
Prosecuting Attorney's Delinquent Tax Fund	1,394.88	767.03	2,049.20	112.71
Tri-County Child Support Fund	8,461.47	106,583.66	105,063.61	9,981.52
Enhanced 911 Fund	484,820.01	308,670.51	293,404.04	500,086.48
Victims of Domestic Violence Fund	38.00	20,295.76	10,169.07	10,164.69
Local Use Tax Fund	162,192.13	123,842.63	28,589.89	257,444.87
Local Emergency Planning Commission Fund	3,147.69	-	2,997.71	149.98
Drug Abuse Resistance Fund	13.05	4,112.24	3,966.70	158.59
Corp of Engineers Fund	1.50	72,104.90	67,094.51	5,011.89
Recorder's Records Storage Preservation Fund	5.56	12,337.91	6,280.00	6,063.47
Federal Grant Fund	53.94	49,263.58	48,377.75	939.77
Sheriff's Special Project Fund	2,732.49	49,604.44	52,032.02	304.91
Election Service Fund	15,138.41	6,668.50	17,234.82	4,572.09
Log Jam/CDBG Fund	34,346.91	1,900.00	1,900.00	34,346.91
Tax Maintenance Fund	68,464.29	52,855.71	24,527.48	96,792.52
County Grant Fund	5,457.17	13,056.00	750.64	17,762.53
Inmate Security Fund	668.37	10,061.50	10,491.02	238.85
Victims Advocate Fund	2,543.50	28,853.51	31,368.48	28.53
Senior Citizens Service Fund	57,168.71	138,271.37	101,227.38	94,212.70
Law Enforcement Fund	256,881.65	5,859,715.85	5,902,911.35	213,686.15
TOTAL	$ 2,431,814.69	$ 11,075,770.15	$ 11,166,473.68	$ 2,341,111.16

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

FUND	CASH AND INVESTMENTS JANUARY 1, 2009	RECEIPTS 2009	DISBURSEMENTS 2009	CASH AND INVESTMENTS DECEMBER 31, 2009
General Revenue	$ 363,290.50	$ 2,550,136.01	$ 2,377,624.26	$ 535,802.25
Special Road & Bridge	917,438.56	1,062,800.30	1,244,101.14	736,137.72
Assessment	40,428.25	317,523.39	346,399.31	11,552.33
Central Emergency Communications Fund	30,213.12	434,088.09	425,581.78	38,719.43
Law Enforcement Training Fund	130.91	12,217.12	12,063.31	284.72
Prosecuting Attorney's Training Fund	33.82	1,576.06	1,164.47	445.41
Prosecuting Attorney's Bad Check Fund	8,851.53	23,729.68	27,238.11	5,343.10
Prosecuting Attorney's Delinquent Tax Fund	42.86	3,690.31	2,338.29	1,394.88
Tri-County Child Support Fund	-	110,825.59	102,364.12	8,461.47
Enhanced 911 Fund	494,578.04	302,152.73	311,910.76	484,820.01
Victims of Domestic Violence Fund	23.80	20,157.97	20,143.77	38.00
Local Use Tax Fund	85,479.97	136,394.66	59,682.50	162,192.13
Local Emergency Planning Commission Fund	7,350.59	1,519.25	5,722.15	3,147.69
Drug Abuse Resistance Fund	9.94	2,505.00	2,501.89	13.05
Corp of Engineers Fund	4,543.20	110,492.32	115,034.02	1.50
Recorder's Records Storage Preservation Fund	7.95	13,753.59	13,755.98	5.56
Federal Grant Fund	1,835.68	73,949.07	75,730.81	53.94
Sheriff's Special Project Fund	74.82	72,206.31	69,548.64	2,732.49
Election Service Fund	14,488.85	5,501.99	4,852.43	15,138.41
Log Jam/CDBG Fund	34,346.91	259,622.00	259,622.00	34,346.91
Tax Maintenance Fund	46,890.16	51,523.72	29,949.59	68,464.29
County Grant Fund	18,213.17	-	12,756.00	5,457.17
Inmate Security Fund	3,269.32	11,159.00	13,759.95	668.37
Victims Advocate Fund	4,619.98	28,629.72	30,706.20	2,543.50
Senior Citizens Service Fund	56,966.91	138,031.85	137,830.05	57,168.71
Law Enforcement Fund	27,547.66	5,291,493.01	5,062,159.02	256,881.65
TOTAL	$ 2,160,676.50	$ 11,035,678.74	$ 10,764,540.55	$ 2,431,814.69

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	GENERAL REVENUE FUND			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 170,800.00	$ 187,360.89	$ 124,000.00	$ 129,635.12
Sales Taxes	1,100,000.00	1,118,546.47	1,050,000.00	1,085,175.52
Intergovernmental	502,973.00	417,501.07	455,007.00	439,035.33
Charges for Services	547,500.00	584,579.92	653,100.00	712,525.27
Interest	6,500.00	8,279.57	6,500.00	7,108.21
Other	74,475.00	85,610.72	58,600.00	70,656.56
Transfers In	50,000.00	54,500.00	166,000.00	106,000.00
TOTAL RECEIPTS	2,452,248.00	2,456,378.64	2,513,207.00	2,550,136.01
DISBURSEMENTS				
County Commission	127,732.00	124,455.43	124,852.00	121,443.16
County Clerk	108,458.00	100,760.13	105,798.00	105,177.56
Elections	185,211.00	142,775.66	109,394.00	74,442.43
Buildings and Grounds	145,150.00	137,782.24	142,980.00	117,390.95
Employee Fringe Benefits	252,000.00	216,845.99	236,000.00	207,170.10
County Treasurer	86,338.00	86,338.00	90,430.00	90,429.49
Collector	36,500.00	17,891.14	39,588.00	29,672.16
Recorder of Deeds	101,058.00	100,853.82	115,256.00	116,908.33
Circuit Clerk	33,000.00	31,817.46	40,763.21	41,560.33
Court Administration	134,038.70	93,150.80	129,129.00	61,143.47
Public Administrator	2,000.00	1,990.86	1,600.00	1,860.79
Sheriff	403,927.00	427,287.73	368,868.00	381,968.89
Jail	-	2,063.25	164,406.00	164,650.00
Prosecuting Attorney	246,464.00	242,417.53	242,051.00	230,781.73
Juvenile Officer	349,580.50	270,771.60	359,655.00	262,330.48
Coroner	36,082.00	37,280.40	33,220.00	30,928.70
Other	325,064.00	266,404.65	298,105.00	222,407.69
Health and Welfare	5,600.00	3,500.00	5,600.00	3,500.00
Transfers Out	187,604.00	150,687.00	120,158.00	113,858.00
Emergency Fund	90,000.00	-	78,000.00	-
TOTAL DISBURSEMENTS	2,855,807.20	2,455,073.69	2,805,853.21	2,377,624.26
RECEIPTS OVER (UNDER) DISBURSEMENTS	(403,559.20)	1,304.95	(292,646.21)	172,511.75
CASH AND INVESTMENT BALANCES, JANUARY 1	535,802.25	535,802.25	363,290.50	363,290.50
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 132,243.05	$ 537,107.20	$ 70,644.29	$ 535,802.25

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	SPECIAL ROAD & BRIDGE FUND			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 103,000.00	$ 103,177.98	$ 100,000.00	$ 103,822.87
Sales Taxes	-	-	-	-
Intergovernmental	771,100.00	778,067.51	865,390.00	854,764.76
Charges for Services	10,000.00	10,516.50	4,500.00	21,787.50
Interest	20,000.00	14,714.57	40,000.00	21,587.59
Other	51,500.00	51,336.52	51,500.00	60,837.58
Transfers In	-	-	-	-
TOTAL RECEIPTS	955,600.00	957,813.08	1,061,390.00	1,062,800.30
DISBURSEMENTS				
Salaries	202,560.00	169,692.15	187,743.00	167,677.06
Employee Fringe Benefits	63,820.00	47,366.18	59,424.00	49,829.84
Supplies	76,000.00	64,558.33	74,000.00	58,260.84
Insurance	13,000.00	12,099.00	13,000.00	9,181.00
Road & Bridge Materials	150,000.00	201,133.76	150,000.00	124,812.98
Equipment Repairs	30,000.00	26,185.07	15,000.00	27,730.08
Equipment Purchases	150,000.00	350.00	150,000.00	148,203.85
R&B Construction	744,245.00	631,502.64	714,245.00	601,285.11
Other Expenditures	39,000.00	14,336.09	39,000.00	7,120.38
Debt Service	-	-	-	-
Transfers Out	50,000.00	50,000.00	50,000.00	50,000.00
TOTAL DISBURSEMENTS	1,518,625.00	1,217,223.22	1,452,412.00	1,244,101.14
RECEIPTS OVER (UNDER) DISBURSEMENTS	(563,025.00)	(259,410.14)	(391,022.00)	(181,300.84)
CASH AND INVESTMENT BALANCES, JANUARY 1	736,137.72	736,137.72	917,438.56	917,438.56
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 173,112.72	$ 476,727.58	$ 526,416.56	$ 736,137.72

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	ASSESSMENT FUND				CENTRAL EMERGENCY COMMUNICATIONS FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 308,220.00	$ 328,115.85	$ 314,824.00	$ 314,116.41	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	-	143,960.00	143,960.00	143,960.00	143,960.00
Interest	600.00	360.30	605.00	512.34	60.00	97.30	150.00	78.09
Other	4,650.00	2,727.10	4,650.00	2,894.64	-	50.00	-	50.00
Transfers In	23,519.00	23,519.00	-	-	340,000.00	277,500.00	330,000.00	290,000.00
TOTAL RECEIPTS	336,989.00	354,722.25	320,079.00	317,523.39	484,020.00	421,607.30	474,110.00	434,088.09
DISBURSEMENTS								
Assesor	348,353.00	348,079.53	358,775.00	346,399.31	-	-	-	-
Salaries	-	-	-	-	419,132.00	359,818.28	411,277.00	369,780.26
Office Expenditures	-	-	-	-	33,000.00	33,854.03	33,350.00	30,560.08
Equipment	-	-	-	-	19,500.00	7,683.00	17,450.00	18,165.50
Mileage & Training	-	-	-	-	9,500.00	6,875.11	10,500.00	7,075.94
TOTAL DISBURSEMENTS	348,353.00	348,079.53	358,775.00	346,399.31	481,132.00	408,230.42	472,577.00	425,581.78
RECEIPTS OVER (UNDER) DISBURSEMENTS	(11,364.00)	6,642.72	(38,696.00)	(28,875.92)	2,888.00	13,376.88	1,533.00	8,506.31
CASH AND INVESTMENT BALANCES, JANUARY 1	11,552.33	11,552.33	40,428.25	40,428.25	38,719.43	38,719.43	30,213.12	30,213.12
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 188.33	$ 18,195.05	$ 1,732.25	$ 11,552.33	$ 41,607.43	$ 52,096.31	$ 31,746.12	$ 38,719.43

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY'S TRAINING FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	$ 9,000.00	$ 4,562.35	$ 10,000.00	$ 10,042.12	$ 1,400.00	$ 1,001.76	$ 1,400.00	$ 1,576.06
Interest	-	-	-	-	-	-	-	-
Other	-	1,225.00	-	2,175.00	-	-	-	-
TOTAL RECEIPTS	9,000.00	5,787.35	10,000.00	12,217.12	1,400.00	1,001.76	1,400.00	1,576.06
DISBURSEMENTS								
LET Training Expenses	9,000.00	5,718.14	10,000.00	12,063.31	-	-	-	-
P.A. Training Expenses	-	-	-	-	1,845.41	1,239.85	1,433.82	1,164.47
TOTAL DISBURSEMENTS	9,000.00	5,718.14	10,000.00	12,063.31	1,845.41	1,239.85	1,433.82	1,164.47
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	69.21	-	153.81	(445.41)	(238.09)	(33.82)	411.59
CASH AND INVESTMENT BALANCES, JANUARY 1	284.72	284.72	130.91	130.91	445.41	445.41	33.82	33.82
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 284.72	$ 353.93	$ 130.91	$ 284.72	$ -	$ 207.32	$ -	$ 445.41

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	PROSECUTING ATTORNEY'S BAD CHECK FUND				PROSECUTING ATTORNEY'S DELINQUENT TAX FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	$ 15,000.00	$ 19,494.67	$ 30,000.00	$ 23,729.68	$ 1,500.00	$ 767.03	$ 2,000.00	$ 3,690.31
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	15,000.00	19,494.67	30,000.00	23,729.68	1,500.00	767.03	2,000.00	3,690.31
DISBURSEMENTS								
Bad Check Fund Expenses	20,343.10	20,473.16	38,098.38	27,238.11	-	-	-	-
PADTF Expenses	-	-	-	-	2,894.88	2,049.20	2,042.86	2,338.29
TOTAL DISBURSEMENTS	20,343.10	20,473.16	38,098.38	27,238.11	2,894.88	2,049.20	2,042.86	2,338.29
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,343.10)	(978.49)	(8,098.38)	(3,508.43)	(1,394.88)	(1,282.17)	(42.86)	1,352.02
CASH AND INVESTMENT BALANCES, JANUARY 1	5,343.10	5,343.10	8,851.53	8,851.53	1,394.88	1,394.88	42.86	42.86
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ -	$ 4,364.61	$ 753.15	$ 5,343.10	$ -	$ 112.71	$ -	$ 1,394.88

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	TRI-COUNTY CHILD SUPPORT FUND				ENHANCED 911 FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 97,321.00	$ 101,523.66	$ 105,522.00	$ 110,825.59	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	-	275,000.00	303,205.31	255,000.00	295,187.39
Interest	-	-	-	-	7,000.00	5,465.20	12,000.00	6,965.34
Other	-	-	-	-	-	-	-	-
Transfers In	5,927.00	5,060.00	-	-	-	-	-	-
TOTAL RECEIPTS	103,248.00	106,583.66	105,522.00	110,825.59	282,000.00	308,670.51	267,000.00	302,152.73
DISBURSEMENTS								
Salaries & Benefits	93,981.00	93,526.77	86,700.00	91,136.63	-	-	-	-
Office Expenditures	12,890.00	11,536.84	16,700.00	11,227.49	-	-	-	-
Other Expenditures	4,838.00	-	-	-	-	-	-	-
Meeting Expenses	-	-	2,122.00	-	-	-	-	-
Emergency 911 Expenses	-	-	-	-	152,000.00	105,904.04	127,000.00	111,910.76
Transfer Out	-	-	-	-	250,000.00	187,500.00	240,000.00	200,000.00
TOTAL DISBURSEMENTS	111,709.00	105,063.61	105,522.00	102,364.12	402,000.00	293,404.04	367,000.00	311,910.76
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,461.00)	1,520.05	-	8,461.47	(120,000.00)	15,266.47	(100,000.00)	(9,758.03)
CASH AND INVESTMENT BALANCES, JANUARY 1	8,461.47	8,461.47	-	-	484,820.01	484,820.01	494,578.04	494,578.04
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 0.47	$ 9,981.52	$ -	$ 8,461.47	$ 364,820.01	$ 500,086.48	$ 394,578.04	$ 484,820.01

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	VICTIMS OF DOMESTIC VIOLENCE				LOCAL USE TAX FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Tax	$ -	$ -	$ -	$ -	$125,000.00	$ 123,304.83	$100,000.00	$ 135,832.43
Intergovernmental	19,950.00	20,295.76	19,550.00	20,157.97				
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	450.00	537.80	400.00	562.23
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	19,950.00	20,295.76	19,550.00	20,157.97	125,450.00	123,842.63	100,400.00	136,394.66
DISBURSEMENTS								
VDV Disbursements	19,988.00	10,169.07	19,573.80	20,143.77	-	-	-	-
Local Use Tax Expense	-	-	-	-	136,000.00	28,589.89	76,000.00	9,682.50
Transfer Out	-	-	-	-	150,000.00	-	100,000.00	50,000.00
TOTAL DISBURSEMENTS	19,988.00	10,169.07	19,573.80	20,143.77	286,000.00	28,589.89	176,000.00	59,682.50
RECEIPTS OVER (UNDER) DISBURSEMENTS	(38.00)	10,126.69	(23.80)	14.20	(160,550.00)	95,252.74	(75,600.00)	76,712.16
CASH AND INVESTMENT BALANCES, JANUARY 1	38.00	38.00	23.80	23.80	162,192.13	162,192.13	85,479.97	85,479.97
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ -	$ 10,164.69	$ -	$ 38.00	$ 1,642.13	$ 257,444.87	$ 9,879.97	$ 162,192.13

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	LOCAL EMERGENCY PLANNING COMMISSION FUND				DRUG ABUSE RESISTANCE FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 6,000.00	$ -	$ 9,000.00	$ 1,519.25	$ -	$ 401.00	$ -	$ 150.00
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	1,200.00	3,711.24	1,800.00	2,355.00
TOTAL RECEIPTS	6,000.00	-	9,000.00	1,519.25	1,200.00	4,112.24	1,800.00	2,505.00
DISBURSEMENTS								
Salaries	3,232.00	2,997.71	2,615.00	3,586.15	-	-	-	-
Office Expenditures	84.00	-	1,400.00	84.00	1,200.00	3,966.70	1,800.00	2,501.89
Equipment	-	-	-	-	-	-	-	-
Other	4,831.00	-	10,500.00	2,052.00	-	-	-	-
TOTAL DISBURSEMENTS	8,147.00	2,997.71	14,515.00	5,722.15	1,200.00	3,966.70	1,800.00	2,501.89
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,147.00)	(2,997.71)	(5,515.00)	(4,202.90)	-	145.54	-	3.11
CASH AND INVESTMENT BALANCES, JANUARY 1	3,147.69	3,147.69	7,350.59	7,350.59	13.05	13.05	9.94	9.94
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 1,000.69	$ 149.98	$ 1,835.59	$ 3,147.69	$ 13.05	$ 158.59	$ 9.94	$ 13.05

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	CORP OF ENGINEERS FUND				RECORDER'S RECORDS STORAGE PRESERVATION FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	35,576.00	61,554.90	58,452.00	61,017.32	-	-	-	-
Charges for Services	-	-	-	-	13,750.00	12,324.00	15,000.00	13,737.00
Interest	-	-	-	-	-	13.91	-	16.59
Other	-	3,150.00	13,000.00	43,775.00	-	-	30.00	-
Transfers In	-	7,400.00	-	5,700.00	-	-	-	-
TOTAL RECEIPTS	35,576.00	72,104.90	71,452.00	110,492.32	13,750.00	12,337.91	15,030.00	13,753.59
DISBURSEMENTS								
Salaries	35,576.00	31,828.48	48,418.00	61,340.58	-	-	-	-
Office Expenses	-	9,713.31	8,000.00	15,000.00	-	-	-	-
Equipment	-	5,985.02	10,800.00	27,869.68	-	-	-	-
Uniforms	-	19,567.70	2,000.00	4,823.76	-	-	-	-
RRSP Expenditures	-	-	-	-	13,700.00	6,280.00	15,000.00	13,755.98
Transfers Out	-	-	6,000.00	6,000.00	-	-	-	-
TOTAL DISBURSEMENTS	35,576.00	67,094.51	75,218.00	115,034.02	13,700.00	6,280.00	15,000.00	13,755.98
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	5,010.39	(3,766.00)	(4,541.70)	50.00	6,057.91	30.00	(2.39)
CASH AND INVESTMENT BALANCES, JANUARY 1	1.50	1.50	4,543.20	4,543.20	5.56	5.56	7.95	7.95
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 1.50	$ 5,011.89	$ 777.20	$ 1.50	$ 55.56	$ 6,063.47	$ 37.95	$ 5.56

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	FEDERAL GRANT FUND				SHERIFF'S SPECIAL PROJECT FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 8,500.00	$ 12,724.10	$ 33,748.00	$ 40,199.07	$ 17,677.00	$ 31,446.44	$ 37,372.18	$ 54,048.31
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	36,539.48	10,724.00	33,750.00	-	-	-	
Transfers In	-	-	-	-	18,158.00	18,158.00	18,158.00	18,158.00
TOTAL RECEIPTS	8,500.00	49,263.58	44,472.00	73,949.07	35,835.00	49,604.44	55,530.18	72,206.31
DISBURSEMENTS								
Expenses	8,500.00	-	6,564.00	1,800.00	-	-	-	-
Federal Grant Fund Expenses	-	48,377.75	39,715.00	73,930.81	-	-	-	-
Salaries	-	-	-	-	33,694.00	36,222.87	5,383.00	48,285.87
Sheriffs Special Project Expenses	-	-	-	-	4,350.00	15,809.15	49,778.00	21,262.77
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	8,500.00	48,377.75	46,279.00	75,730.81	38,044.00	52,032.02	55,161.00	69,548.64
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	885.83	(1,807.00)	(1,781.74)	(2,209.00)	(2,427.58)	369.18	2,657.67
CASH AND INVESTMENT BALANCES, JANUARY 1	53.94	53.94	1,835.68	1,835.68	2,732.49	2,732.49	74.82	74.82
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 53.94	$ 939.77	$ 28.68	$ 53.94	$ 523.49	$ 304.91	$ 444.00	$ 2,732.49

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	ELECTION SERVICE FUND				LOG JAM/CDBG FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ 107,000.00	$ 1,900.00	$ 270,000.00	$ 259,622.00
Charges for Services	9,100.00	6,668.50	5,890.00	5,501.99	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	9,100.00	6,668.50	5,890.00	5,501.99	107,000.00	1,900.00	270,000.00	259,622.00
DISBURSEMENTS								
Expenses	22,300.00	12,734.82	18,100.00	4,852.43	141,346.91	1,900.00	304,346.91	259,622.00
Transfers Out	-	4,500.00	-	-	-	-	-	-
TOTAL DISBURSEMENTS	22,300.00	17,234.82	18,100.00	4,852.43	141,346.91	1,900.00	304,346.91	259,622.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(13,200.00)	(10,566.32)	(12,210.00)	649.56	(34,346.91)	-	(34,346.91)	-
CASH AND INVESTMENT BALANCES, JANUARY 1	15,138.41	15,138.41	14,488.85	14,488.85	34,346.91	34,346.91	34,346.91	34,346.91
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 1,938.41	$ 4,572.09	$ 2,278.85	$ 15,138.41	$ -	$ 34,346.91	$ -	$ 34,346.91

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	TAX MAINTENANCE FUND				COUNTY GRANT FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ 88,300.00	$ 13,056.00	$ 80,000.00	$ -
Charges for Services	49,000.00	52,691.58	47,838.00	51,338.42		-	-	-
Interest	175.00	162.71	-	185.30	-	-	-	-
Other	-	1.42	150.00	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	49,175.00	52,855.71	47,988.00	51,523.72	88,300.00	13,056.00	80,000.00	-
DISBURSEMENTS								
Expenses	56,290.00	24,527.48	48,888.00	29,949.59	88,300.00	750.64	80,000.00	12,756.00
TOTAL DISBURSEMENTS	56,290.00	24,527.48	48,888.00	29,949.59	88,300.00	750.64	80,000.00	12,756.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,115.00)	28,328.23	(900.00)	21,574.13	-	12,305.36	-	(12,756.00)
CASH AND INVESTMENT BALANCES, JANUARY 1	68,464.29	68,464.29	46,890.16	46,890.16	5,457.17	5,457.17	18,213.17	18,213.17
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 61,349.29	$ 96,792.52	$ 45,990.16	$ 68,464.29	$ 5,457.17	$ 17,762.53	$ 18,213.17	$ 5,457.17

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	INMATE SECURITY FUND				VICTIMS ADVOCATE FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ 28,833.84	$ 22,303.51	$ 28,833.84	$ 28,629.72
Charges for Services	6,000.00	5,477.50	4,500.00	5,481.00	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	4,584.00	-	5,678.00	-	-	-	-
Transfers In	-	-	-	-	-	6,550.00	-	-
TOTAL RECEIPTS	6,000.00	10,061.50	4,500.00	11,159.00	28,833.84	28,853.51	28,833.84	28,629.72
DISBURSEMENTS								
Expenses	6,045.00	10,491.02	7,600.00	13,759.95	31,313.00	31,368.48	30,706.20	30,706.20
Transfers Out	-	-	-	-	-	-	2,747.62	-
TOTAL DISBURSEMENTS	6,045.00	10,491.02	7,600.00	13,759.95	31,313.00	31,368.48	33,453.82	30,706.20
RECEIPTS OVER (UNDER) DISBURSEMENTS	(45.00)	(429.52)	(3,100.00)	(2,600.95)	(2,479.16)	(2,514.97)	(4,619.98)	(2,076.48)
CASH AND INVESTMENT BALANCES, JANUARY 1	668.37	668.37	3,269.32	3,269.32	2,543.50	2,543.50	4,619.98	4,619.98
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 623.37	$ 238.85	$ 169.32	$ 668.37	$ 64.34	$ 28.53	$ -	$ 2,543.50

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	SENIOR CITIZENS SERVICE FUND				LAW ENFORCEMENT FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$136,000.00	$136,435.63	$136,000.00	$137,590.10	$ -	$ -	$ -	$ -
Sales Tax	-	-	-	-	1,200,000.00	1,211,849.40	1,100,000.00	1,172,918.93
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	400.00	564.25	400.00	441.75	800.00	967.84	-	875.08
Other	-	1,271.49	-	-	5,535,589.00	4,646,898.61	9,500,000.00	4,117,699.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	136,400.00	138,271.37	136,400.00	138,031.85	6,736,389.00	5,859,715.85	10,600,000.00	5,291,493.01
DISBURSEMENTS								
Equipment & Office Supplies	1,059.00	258.26	1,156.00	224.07	178,000.00	168,907.75	-	3,239.61
Mileage & Training	2,600.00	2,790.14	2,500.00	2,028.62	-	-	-	-
Other	185,000.00	98,178.98	188,613.00	135,577.36	-	-	-	-
Salaries	-	-	-	-	555,803.00	486,014.59	158,308.00	193,441.22
Equipment	-	-	-	-	788,000.00	785,103.23	650,000.00	740,108.01
Building	-	-	-	-	5,405,589.00	4,462,885.78	9,527,000.00	4,125,370.18
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	188,659.00	101,227.38	192,269.00	137,830.05	6,927,392.00	5,902,911.35	10,335,308.00	5,062,159.02
RECEIPTS OVER (UNDER) DISBURSEMENTS	(52,259.00)	37,043.99	(55,869.00)	201.80	(191,003.00)	(43,195.50)	264,692.00	229,333.99
CASH AND INVESTMENT BALANCES, JANUARY 1	57,168.71	57,168.71	56,966.91	56,966.91	256,881.65	256,881.65	27,547.66	27,547.66
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 4,909.71	$ 94,212.70	$ 1,097.91	$ 57,168.71	$ 65,878.65	$ 213,686.15	$ 292,239.66	$ 256,881.65

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2010

	2010					
	Law Enforcement Contract Fund	**Sheriff Revolving Fund**	**County Employee's Retirement**	**Surplus Sales**	**Electronic Federal Tax Payment**	**CAP Schools**
ASSETS						
Cash and Cash Equivalents	$ 5,392.86	$ 2,231.32	$ 8,885.90	$ 18,380.23	$ 46,688.74	$ 9,299.22
Total Assets	5,392.86	2,231.32	8,885.90	18,380.23	46,688.74	9,299.22
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	5,392.86	2,231.32	8,885.90	18,380.23	46,688.74	9,299.22
TOTAL LIABILITIES AND FUND BALANCES	$ 5,392.86	$ 2,231.32	$ 8,885.90	$ 18,380.23	$ 46,688.74	$ 9,299.22

	Lieu/Tax	**Collector**	**Recorder**	**Sheriff**	**Sheriff Civil Fund**	**Total Fiduciary Funds**
ASSETS						
Cash and Cash Equivalents	$ 4,780.36	$ 9,613,610.07	$ 16,040.70	$ 2,076.70	$ 153.03	$ 9,727,539.13
Total Assets	4,780.36	9,613,610.07	16,040.70	2,076.70	153.03	9,727,539.13
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	4,780.36	9,613,610.07	16,040.70	2,076.70	153.03	9,727,539.13
TOTAL LIABILITIES AND FUND BALANCES	$ 4,780.36	$ 9,613,610.07	$ 16,040.70	$ 2,076.70	$ 153.03	$ 9,727,539.13

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2009

	2009					
	Law Enforcement Contract Fund	**Sheriff Revolving Fund**	**County Employee's Retirement**	**Surplus Sales**	**Electronic Federal Tax Payment**	**CAP Schools**
ASSETS						
Cash and Cash Equivalents	$ 1,752.76	$ 393.69	$ 8,209.37	$ 31,831.76	$ 42,336.94	$ 14,766.37
Total Assets	1,752.76	393.69	8,209.37	31,831.76	42,336.94	14,766.37
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	1,752.76	393.69	8,209.37	31,831.76	42,336.94	14,766.37
TOTAL LIABILITIES AND FUND BALANCES	$ 1,752.76	$ 393.69	$ 8,209.37	$ 31,831.76	$ 42,336.94	$ 14,766.37

	Lieu/Tax	**Collector**	**Recorder**	**Sheriff**	**Sheriff Civil Fund**	**Total Fiduciary Funds**
ASSETS						
Cash and Cash Equivalents	$ 44,843.80	$ 8,920,031.98	$ 15,019.10	$ (793.21)	$ 60.59	$ 9,078,453.15
Total Assets	44,843.80	8,920,031.98	15,019.10	(793.21)	60.59	9,078,453.15
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	44,843.80	8,920,031.98	15,019.10	(793.21)	60.59	9,078,453.15
TOTAL LIABILITIES AND FUND BALANCES	$ 44,843.80	$ 8,920,031.98	$ 15,019.10	$ (793.21)	$ 60.59	$ 9,078,453.15

The accompanying notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Henry, Missouri ("the County"), which is governed by a three-member board of commissioners, was established in 1833 by an Act of the Missouri Territory. In addition to the three Commissioners, there are ten elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, and ex officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, and social and human services.

The financial statements referred to above include only the primary government of Henry County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the County's legally separate component unit, which accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting require to be reported with the financial data of the County. In accordance with accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, the Henry County Health Center has issued separate reporting entity financial statements. For information on this component unit, please contact the Henry County Health Center at (660) 885-8193 (or write to 306 South 2nd Street Clinton, MO 64735).

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

   Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2010 and 2009, for purposes of taxation was:

	2010	2009
Real Estate	$ 197,325,760	$ 194,946,820
Personal Property	70,325,131	68,777,902
Railroad and Utilities	17,026,270	14,509,473
	$ 284,677,161	$ 278,234,195

During 2010 and 2009, the County Commission approved a $.1036 and $.1220, respectively, tax levy per $100 of assessed valuation of tangible taxable property for the calendar year 2010 and 2009, for purposes of County taxation, as follows:

	2010	2009
General Revenue Fund	$ .0536	$ .0720
Senior Citizens Service Fund	.0500	.0500
	$ .1036	$ .1220

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include any instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Equivalents" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amount of the County's deposits was $2,341,111.16 and $2,431,814.69, the bank balance was $11,546,916.47 and $10,579,414.88 respectively. As of December 31, 2010 and 2009, 100% of the County’s investments were guaranteed by the U. S. Government.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2010, as follows:

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and Changes in Cash and Investments:		
Deposits	$	1,691,111.16
Investments		650,000.00
Total Deposits & Investments as of December 2010	$	2,341,111.16

The carrying values of deposits and investments at December 31, 2009, are as follows:

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and Changes in Cash and Investment Balances		
Deposits	$	1,381,814.69
Investments		1,050,000.00
Total Deposits & Investments as of December 31, 2009	$	2,431,814.69

II. DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the year end December 31, 2010 and 2009.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has a policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the year end December 31, 2010 and 2009.

III. LONG-TERM DEBT

The County issued Certificates of Participation to finance the construction of a detention center. The Certificates of Participation are solely payable from rents paid by the County to the trustee under the lease purchase agreement. The County's obligations under the lease purchase agreements do not extend beyond the amount budgeted for any respective fiscal year. The County has the option to purchase the trustee's interest in the leased property on any date at an amount necessary to provide for the rent payments on each rent payment date through the end of the leases. The Certificates of Participation are secured by an interest in the leased property. Certificates of participation payable at December 31, 2010 and 2009, are as follows:

As of December 31, 2010:	
$10,845,000 - 2009 Series Certificates of Participation, due in varying installments through 2029, interest rates ranging from 2.5% - 5.375%	$10,450,000
Certificates of Participation Issued	-
Certificates of Participation Retired	(325,000)
Certificates of Participation Payable as of December 31, 2010	$10,125,000
As of December 31, 2009:	
Certificates of Participation Payable as of January 1, 2009	-
Certificates of Participation Issued $10,845,000 - 2010 Series Certificates of Participation, due in varying instatements through 2029, interest rates ranging from 2.5% - 5.375%	$10,450,000
Certificates of Participation Retired	-
Certificates of Participation as of December 31, 2009	$10,450,000

III. LONG-TERM DEBT (Continued)

The annual requirements to amortize all bonds outstanding as of December 31, 2010, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2011	$ 325,000.00	$ 442,750.00	$ 767,750.00
2012	350,000.00	434,625.00	784,625.00
2013	375,000.00	425,525.00	800,525.00
2014	375,000.00	415,025.00	790,025.00
2015	400,000.00	403,400.00	803,400.00
2016-2020	2,275,000.00	1,786,987.50	4,061,987.50
2021-2026	3,650,000.00	1,408,575.00	5,058,575.00
2027-2029	2,375,000.00	256,287.50	2,631,287.50
Totals	$ 10,125,000.00	$ 5,573,175.00	$ 15,698,175.00

The annual requirements to amortize all bonds outstanding as of December 31, 2009, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	$ 325,000.00	$ 450,875.00	$ 775,875.00
2011	325,000.00	442,750.00	767,750.00
2012	350,000.00	434,625.00	784,625.00
2013	375,000.00	425,525.00	800,525.00
2014	375,000.00	415,025.00	790,025.00
2015-2019	2,175,000.00	1,868,425.00	4,043,425.00
2020-2025	3,450,000.00	1,570,225.00	5,020,225.00
2026-2029	3,075,000.00	416,600.00	3,491,600.00
Totals	$ 10,450,000.00	$ 6,024,050.00	$ 16,474,050.00

CAPITAL LEASE:

Henry County entered into a lease-purchase agreement with Ford Motor Credit Company for six 2008 Chevrolet Impala police sedans in November 2007. Initial term is 36 months. Henry County also entered into a lease-purchase agreement with Security Leasing Services for records management software in January 2008. Initial term is 36 months. The Ford Motor Credit and Security Leasing Services lease-purchase agreements were paid off as of December 31, 2010.

III. LONG-TERM DEBT (Concluded)

The following is a schedule of future minimum lease payments at December 31, 2009:

	FORD	SECURITY LEASING	TOTAL
2010	20,330.72	10,940.28	31,271.00
2011	-	-	-
	$ 20,330.72	$ 10,940.28	$ 31,271.00

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2010 and 2009 are as follows:

	2010		2009	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Fund	$ 54,500.00	$ 150,687.00	$ 106,000.00	$ 113,858.00
Special Road and Bridge Fund	-	50,000.00	-	50,000.00
Central Emergency Communications Fund	277,500.00	-	290,000.00	-
Corp of Engineers Fund	7,400.00	-	5,700.00	6,000.00
Assessment Fund	23,519.00	-	-	-
Enhanced 911 Fund	-	187,500.00	-	200,000.00
Victim's Advocate Fund	6,550.00		-	
Tri-County Child Support Fund	5,060.00	-	-	
Election Service Fund	-	4,500.00	-	
Local Use Tax Fund	-	-	-	50,000.00
Sheriff Special Project Fund	18,158.00	-	18,158.00	-
TOTAL	**$** 392,687.00	**$** 392,687.00	**$** 419,858.00	**$** 419,858.00

IV. INTERFUND TRANSFERS (Concluded)

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for the law enforcement, all other departments in the county the age is sixty.

Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained form the Board of Directors of CERF by writing to CERF, P.O. Box 2271, 2121 Schotthill Road, Jefferson City, MO 65101, or by calling 1-573-632-9203.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (Concluded)

C. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 4% of their annual salary in order to participate in the CERF. During 2010 and 2009, the County collected and remitted to CERF, employee contributions of approximately $119,276.86 and $107,007.73, respectively, for the years then ended.

VI. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed $2,244 and $2,244, respectively, for the years ended December 31, 2010 and 2009.

VII. POST EMPLOYMENT BENEFITS

The County does provide post-employment benefits including, as mandated, the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. Retirees may remain on the health insurance plan until they are Medicare eligible. If an employee has over 25 years of service with the County, the County will continue to pay the same portion of health insurance that they paid before the person retired, until the person becomes Medicare eligible.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in pending litigation at December 31, 2010.

B. Compensated Absences

The County provides employees with up to two weeks of paid vacation based upon the number of years of continuous service. Vacation days do not carry forward if they are unused. Upon termination from county employment, an employee is reimbursed for any unused vacation days. Employees accrue one sick day per month. The county allows employees to carry forward six days a year to a maximum of thirty days. Upon termination from county employment, an employee is reimbursed for half of unused sick leave ,except if the employee has not worked in the county for ten years. These have not been subjected to auditing procedures.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES (Concluded)

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

IX. OTHER RETIREMENT PLAN

Henry County does not participate in the Missouri Local Government Employees' Retirement System. Contributions to a voluntary plan are paid by a voluntary deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. These contributions are then remitted to Pepco who administers the 457 Plan. Employee contributions were $1,440.00 and $1,440.00 for the years 2010 and 2009, respectively.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is also a member of the Missouri Rural Services Workers Compensation Insurance Trust. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $1,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XI. ACCOUNTING CHANGE

For the years ended December 31, 2010 and December 31, 2009, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements.

XII. SUBSEQUENT EVENTS

There were no subsequent events to report as of December 31, 2010.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

SCHEDULE OF STATE FINDINGS

A. For the year ended December 31, 2010, funds that had actual expenditures exceed those budgeted include: pa bad check, drug abuse resistance, corp of engineers, federal grant, sheriff special project, inmate security and victims advocate.

B. For the year ended December 31, 2009, funds that had actual expenditures exceed those budgeted include: letf, prosecuting attorney's delinquent tax, victims of domestic violence, drug abuse resistance, corp of engineers, federal grant, sheriff special project and inmate security.

FEDERAL COMPLIANCE SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Henry, Missouri

We have audited the financial statements of the County of Henry ("County"), Missouri, as of and for the years ended December 31, 2010 and December 31, 2009, and have issued our report thereon dated September 15, 2011. The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. (FS 10/09-01, FS 10/09-02, FS 10/09-03 and FS 10/09-04) A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated September 15, 2011.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, the Federal awarding agencies and pass-through entities and is not to be and should not be used by anyone other than those specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 15, 2011

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditor's Report

To The County Commission
The County of Henry
Clinton, Missouri

Compliance

We have audited the County of Henry's ("County") compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2010 and December 31, 2009. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and December 31, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items SA 10/09-01 and SA 10/09-02.

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Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material *weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items: SA 10/09-01 and SA 10/09-02. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe that a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Management's responses to the findings indentified in our audit are described in the accompany schedule of findings and questioned costs. We did not audit management's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 15, 2011

THE COUNTY OF HENRY
CLINTON, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2010 & 2009

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	PASS-THROUGH ENTITY NUMBER	FEDERAL CFDA NUMBER	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2010	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2009
DEPARTMENT OF INTERIOR				
DIRECT PROGRAM:				
PILT - PAYMENT IN LIEU OF TAXES	N/A	15.226	145,047.00	141,812.00
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
PASSED THROUGH STATE:				
COMMUNITY DEVELOPMENT BLOCK GRANT / STATE PROGRAM	DEPARTMENT OF ECONOMIC DEVELOPMENT	14.228		
	2007-PF-01		1,900.00	259,622.00
EMERGENCY SHELTER GRANTS PROGRAM	DEPARTMENT OF SOCIAL SERVICES	14.231		
	ERO-1640919		-	9,689.80
	ERO-1641004		13,674.97	9,205.17
DEPARTMENT OF JUSTICE				
PASSED THROUGH STATE:				
CRIME VICTIM ASSISTANCE	DEPARTMENT OF PUBLIC SAFETY			
	2007-VOCA-002	16.575	-	35,349.90
	2007-VOCA-0027		41,140.31	-
VIOLENCE AGAINST WOMEN FORMULA GRANT	2008-VAWA-001	16.588	-	13,829.00
EDWARD BYRNE MEMORIAL STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE DISCRETIONARY GRANTS PROGRAM	CAPE GIRADEAU COUNTY			
	DPS2008-MOSM	16.580	-	33,748.00
DOMESTIC CANNABIS ERADICATION / SUPPRESSION PROGRAM	MISSOURI SHERIFFS' ASSOCIATION	16.XXX	-	-
	W912DQ-09-P-10		61,554.90	60,712.00
DEPARTMENT OF TRANSPORTATION				
PASSED THROUGH STATE:				
HIGHWAY PLANNING AND CONSTRUCITON	HIGHWAY AND TRANSPORTATION COMMISSION	20.205		
	BRO - B042(23)		-	39,270.38
	BRO-B041(24)		35,300.00	-
DIVISION OF HIGHWAY SAFETY	09-PT-02-59	20.600	-	5,139.62
	LKK058-NHTSA		-	1,000.00
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
CHILD SUPPORT ENFORCEMENT	DEPARTMENT OF SOCIAL SERVICES			
	TRI COUNTY	93.563	104,361.28	102,364.12
DEPARTMENT OF HOMELAND SECURITY				
PASSED THROUGH STATE				
EMERGENCY MANAGEMENT PERFORMANCE GRANTS	DEPARTMENT OF PUBLIC SAFETY	97.042		
	SLAPL81-920		-	-
	SEMA		12,537.86	8,000.00
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 415,516.32	$ 719,741.99

NOTE 1 – BASIS OF PRESENTATION

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Henry County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistanc*e means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUBRECIPIENTS

The County provided no federal awards to subrecipients during the years ended December 31, 2010 and 2009.

THE COUNTY OF HENRY
CLINTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unqualified - Regulatory Basis

2. Internal control over financial reporting:

a. Material weakness(es) identified?	2010 ___	Yes	X No
	2009 ___	Yes	X No
b. Significant deficiencies identified?	2010 X	Yes	___ None Reported
	2009 X	Yes	___ None Reported

3. Noncompliance material to financial statements noted?

	2010 ___	Yes	X No
	2009 ___	Yes	X No

B. Federal Awards

1. Internal control over major programs:

a. Material weakness(es) identified?	2010 ___	Yes	X No
	2009 ___	Yes	X No
b. Significant deficiencies identified?	2010 X	Yes	___ None Reported
	2009 X	Yes	___ None Reported

2. Type of auditor's report issued on compliance for major programs:

2010 - Unqualified

2009 - Unqualified

3. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?

	2010 X	Yes	___ No
	2009 X	Yes	___ No

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

4. Identification of major programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2010/2009	15.226	Payment In Lieu of Taxes
2010/2009	20.205	Highway Planning and Construction
2010/2009	93.563	Child Support Enforcement

5. Dollar threshold used to distinguish between type A and type B programs: $ 300,000

6. Auditee qualified as low-risk auditee? 2010 ___ Yes X No

2009 ___ Yes X No

II. FINANCIAL STATEMENT FINDINGS

FS 10/09-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, Communicating Internal Control Related Matters Identified in an Audit, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

II. FINANCIAL STATEMENT FINDINGS (continued)

FS 10/09-01 Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement.

FS 10/09-02 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement. The County will consider the auditor's recommendation.

II. FINANCIAL STATEMENT FINDINGS (continued)

FS 10/09-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

FS 10/09-04 Criteria: There are normally twelve paid holidays per year. An employee who is regularly scheduled to work on a paid holiday is paid at his/her regular rate for the time actually worked and is entitled to not more than twelve hours of pay at time and half.

Condition: During our audit, we noted that the deputy sheriffs were being paid more than the salaries approved by the County Commissioners.

Context: During discussions with the Sheriff's office, we noted that deputy sheriffs were being paid more than the salaries approved by the County Commissioners.

Effect: The sheriff's office paid deputies an additional amount each pay period for holidays whether the deputies worked or not.

Cause: Management has not followed the procedures put in place by the County Commission.

Recommendation: We recommend that the County resolve this issue with the Sheriff's Office.

II. FINANCIAL STATEMENT FINDINGS (concluded)

Views of responsible officials and planned corrective actions: The County has begun to process paid holidays for the Sheriff's Department at a regular time rate.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The following findings, recommendations, and questioned costs are the results of the single audit of Henry County, Missouri for fiscal years ended December 31, 2010 and 2009. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: A significant deficiency in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

2. Material Weakness: A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.

2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than $10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

C. Federal Award Findings and Questioned Costs

SA 10/09-01	Federal Grantor:	U.S. Department of Interior	Department of Social Services
Other Information	Pass-Through Grantor:	N/A	Tri-County
Significant Deficiency	Federal CFDA Number:	15.226	93.563
	Program Title:	PILT - Payment in Lieu of Taxes	Child Support Enforcement

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, The Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards.*

Cause: Adequate emphasis was not placed of the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The County will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (concluded)

C. Federal Award Findings and Questioned Costs (concluded)

SA 10/09-02	Federal Grantor:	Department of Social Services
Other Information	Pass-Through Grantor:	Tri-County
Significant Deficiency	Federal CFDA Number:	93.563
	Program Title:	Child Support Enforcement

Information on the federal program: The County was not compliant with the requirements of the Child Support Enforcement program.

Criteria: The salaries reported in the Child Support Enforcement program exceeded the approved salaries set by the Commission. This was below $10,000 and was not considered to be a material weakness, but is a significant deficiency.

Condition: Through correspondence with the County we became aware that the spending and reporting guidelines of the Child Support Enforcement program were not being met.

Questioned Costs: Not applicable

Context: We discovered the above issues during the audit of this program.

Effect: The County is non-compliant with the guidelines of this program. This may cause the County to be ineligible to participate in this program for future years.

Cause: The County had approved set salaries for the Child Support Enforcement program but they were not followed.

Recommendation: The County should contact the administrator of the program to ensure compliance with the budget.

Views of responsible officials and planned corrective actions: The County will ensure that the requirements of this program are met for future years.

THE COUNTY OF HENRY
CLINTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

07/08-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters in an Audit, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

Auditor's Evaluation: The County has not implemented appropriate corrective action in the current year being audited. See financial statement finding FS 10/09-01.

07/08-02

Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (Continued)

07/08-02 Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

Auditor's Evaluation: The County has not implemented appropriate corrective action in the current year being audited. See financial statement finding FS 10/09-02.

07/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

Auditor's Evaluation: The County has not implemented appropriate corrective action in the current year being audited. See financial statement finding FS 10/09-3.

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (Concluded)

07/08-04

Criteria: The Sheriff operates a commissary and inmate account for inmates.

Condition: During our audit, we noted the Sheriff used monies deposited into the inmate and commissary account to pay operating expenses of his office and bank reconciliations are not being prepared on a timely basis. Supporting documentation was not retained for numerous purchases.

Effect: Lack of appropriate supporting documentation, untimely bank reconciliations and transactions that do not appear to be prudent or necessary use of public or inmate funds are indicative of a significant deficiency in internal control over financial reporting.

Cause: The Sheriff has not retained supporting documentation for various expenditures, prepared untimely bank reconciliations and has made purchases that do not appear to be prudent or necessary use of public or inmate funds.

Recommendation: Checks submitted for signature should, in every case, be accompanied by the supporting invoices which should be initialed to reflect final approval for payment. Bank reconciliations should be prepared on a timely basis. Not reconciling the accounts on a monthly basis means that errors or other problems might not be recognized and resolved on a timely basis. The inmate and commissary account should only be used for related expenditures, not office operating expenditures.

Management's Response: The Sheriff has begun to implement procedures going forward to obtain proper documentation for check disbursements, to prepare timely bank reconciliations and to disburse payments out of the proper accounts.

Auditor's Evaluation: The County has implemented appropriate corrective action in the current year being audited.

THE COUNTY OF HENRY
CLINTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

II. PRIOR YEAR FEDERAL AWARD FINDINGS

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
SA 07/08-1	Other Information: Significant Deficiency	**Findings:** Weakness in Control Over Expenditures In Compliance with Single Audit Requirements. The County did not properly maintain separate expense accounts to account for federal expenditures. To prepare the Schedule of Expenditures of Federal Awards (SEFA) report, the County used revenues instead of expenditures. Because the program is reimbursement in nature, revenues equal expenditures. **Recommendation:** The County should track all federal expenditures in the general ledger system by adding a grant code at the end of the account code. **Agency Response:** The County agrees with this finding. **Auditor's Evaluation:** This finding has been resolved by the County.

II. PRIOR YEAR FEDERAL AWARD FINDINGS (Continued)

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
SA 07/08-2	Other Information: Significant Deficiency Procurement and Suspension and Debarment	**Findings:** Required contracting procedures were not followed. The County does not have procedures in place to ensure that it does not contract with prohibited parties in administering federal funds. As a result, there is an increased risk of federal funds being spent in violation of grant requirements. The Commissioners did not check the Excluded Parties List System maintained by the General Services Administration to verify that parties it contracted with were not on the prohibited list. However, we did not note any instances where the County actually contracted with prohibited parties. The OMB Circular A-133 Compliance Supplement and 41 CFR 105-71.135 prohibit entities from contracting with parties that are on the prohibited list. **Recommendation:** The County should implement procedures to ensure that parties they contract with are not on the prohibited list. **Agency Response:** The County agrees with this finding. **Auditor's Evaluation:** This finding has been resolved by the County.

II. PRIOR YEAR FEDERAL AWARD FINDINGS (Continued)

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
SA 07/08-3	Other Information: Significant Deficiency	**Findings:** The Schedule of Expenditures of Federal Awards contained errors. Controls were not in place to ensure that the Schedule of Expenditures of Federal Awards (SEFA) was prepared in accordance with federal requirements. The OMB Circular A-133 requires that the SEFA provide total federal awards expended for each individual federal program. It states that the determination of when an award is expended should be based on when the activity related to the award occurs, such as when the expenditure takes place. The Schedule of Expenditures of Federal Awards (SEFA) was prepared with various errors. These errors are described below: 1. The SEFA schedule contained several incorrect CFDA numbers for federal programs. 2. Expenditures listed on the SEFA schedule submitted to the State Auditor's Office were incorrect. Revenue was used to prepare the SEFA instead of expenditures. Actual expenditures were not agreed to the general ledger. A revised SEFA was submitted to the State Auditor's Office, containing corrections for all errors described.

II. PRIOR YEAR FEDERAL AWARD FINDINGS (Concluded)

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
		Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office. **Agency Response:** The County agrees with this finding. **Auditor's Evaluation:** The County has not implemented appropriate corrective action in the current year being audited. See SA 10/09-01.

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

To the Board of Commissioners
County of Henry

In planning and performing our audit of the financial statements of the County of Henry (County) as of and for the years ended December 31, 2010 and 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency, is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other material and significant matters are presented as follows:

I. Deficiencies Considered to be Significant
II. Changes Impacting Governmental Organizations
III. Information Required by Professional Standards

County of Henry's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants
September 15, 2011

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 10/09-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, Communicating Internal Control Related Matters Identified in an Audit, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement.

FS 10/09-02

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement. The County will consider the auditor's recommendation.

FS 10/09-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

FS 10/09-04 Criteria: There are normally twelve paid holidays per year. An employee who is regularly scheduled to work on a paid holiday is paid at his/her regular rate for the time actually worked and is entitled to not more than twelve hours of pay at time and half.

Condition: During our audit, we noted that the deputy sheriffs were being paid more than the salaries approved by the County Commissioners.

Context: During discussions with the Sheriff's office, we noted that deputy sheriffs were being paid more than the salaries approved by the County Commissioners.

Effect: The sheriff's office paid deputies an additional amount each pay period for holidays whether the deputies worked or not.

Cause: Management has not followed the procedures put in place by the County Commission.

Recommendation: We recommend that the County resolve this issue with the Sheriff's Office.

Views of responsible officials and planned corrective actions: The County has begun to process paid holidays for the Sheriff's Department at a regular time rate.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

Federal Award Findings and Questioned Costs

SA 10/09-01	Federal Grantor:	U.S. Department of Interior	Department of Social Services
Other Information	Pass-Through Grantor:	N/A	Tri-County
Significant Deficiency	Federal CFDA Number:	15.226	93.563
	Program Title:	PILT - Payment in Lieu of Taxes	Child Support Enforcement

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, The Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards.*

Cause: Adequate emphasis was not placed of the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The County will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

SA 10/09-02	Federal Grantor:	Department of Social Services
Other Information	Pass-Through Grantor:	Tri-County
Significant Deficiency	Federal CFDA Number:	93.563
	Program Title:	Child Support Enforcement

Information on the federal program: The County was not compliant with the requirements of the Child Support Enforcement program.

Criteria: The salaries reported in the Child Support Enforcement program exceeded the approved salaries set by the Commission. This was below $10,000 and was not considered to be a material weakness, but is a significant deficiency.

Condition: Through correspondence with the County we became aware that the spending and reporting guidelines of the Child Support Enforcement program were not being met.

Questioned Costs: Not applicable

Context: We discovered the above issues during the audit of this program.

Effect: The County is non-compliant with the guidelines of this program. This may cause the County to be ineligible to participate in this program for future years.

Cause: The County had approved set salaries for the Child Support Enforcement program but they were not followed.

Recommendation: The County should contact the administrator of the program to ensure compliance with the budget.

Views of responsible officials and planned corrective actions: The County will ensure that the requirements of this program are met for future years.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

Governments frequently establish governmental audit requirements for entities to undergo an audit of their compliance with applicable compliance requirements. To address such governmental audit requirements, the Auditing Standards Board has issued Statement on Auditing Standards (SAS) No. 117, *Compliance Audits*, which supersedes SAS No. 74, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistanc*e. SAS No. 117 was primarily developed in response to the results of a federal study on the quality of audits performed under Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* (also referred to as single audits), which showed that improvements were needed in many areas.

SAS No. 117 establishes standards and provides guidance on performing and reporting (in accordance with GAAS, *Government Auditing Standards*, and a governmental audit requirement that requires an auditor to express an opinion on compliance) on an audit of an entity's compliance with applicable compliance requirements of a governmental audit requirement. Examples of such engagements include single audits and audits performed under the U.S. Department of Housing and Urban Development (HUD) *Consolidated Audit Guide for Audits of HUD Programs.*

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS (concluded)

SAS No. 117 updates SAS No. 74 to reflect changes in the compliance audit environment and incorporates the risk assessment standards. It requires the auditor to adapt and apply the AU sections of AICPA *Professional Standards* to a compliance audit and provides guidance on how to do so. It identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits and used in the SAS, and identifies the elements to be included in an auditor's report on a compliance audit. The SAS is effective for compliance audits for fiscal periods ending on or after June 15, 2010 with earlier application permitted.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated April 25, 2011, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the regulatory basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered County of Henry's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on April 25, 2011.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Henry are described in Note I to the financial statements. As described in Note X for the years ended December 31, 2010, and December 31, 2009, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the Notes to the financial statements. The new method of accounting presentation was implemented to conform with Missouri law. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 15, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During our testing we noted late fees on credit card statements. This was not considered to be a significant deficiency or a material weakness, but we consider it to be necessary to communicate to management.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Lawrence County, Missouri

The Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Cook & Hamlin, LLC, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

October 2011
Report No. 2011-87

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

LAWRENCE COUNTY, MISSOURI

Mt. Vernon, Missouri

For the Years Ended December 31, 2010 and 2009

ANNUAL FINANCIAL REPORT

LAWRENCE COUNTY, MISSOURI

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FINANCIAL SECTION

Cook & Hamlin, LLC
Certified Public Accountants
2820 E. Jackson Blvd., Suite B | Jackson, Missouri 63755 | p: 573.204.3557 | f: 573.204.3559

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Lawrence County, Missouri

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, Lawrence County, Missouri prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position - cash basis of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Missouri, as of December 31, 2010 and 2009, and the respective changes in financial position - cash basis, thereof for the years then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2011, on our consideration of Lawrence County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of

that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 33 through 75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Lawrence County, Missouri has not presented the Management Discussion and Analysis (MD&A) that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lawrence County, Missouri's financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements of Lawrence County, Missouri. The combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

COOK & HAMLIN, LLC

Cook and Hamlin, LLC

Jackson, Missouri

July 15, 2011

Cook & Hamlin, LLC
Certified Public Accountants
2820 E. Jackson Blvd., Suite B | Jackson, Missouri 63755 | p: 573.204.3557 | f: 573.204.3559

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Lawrence County, Missouri

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lawrence County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise Lawrence County, Missouri's basic financial statements and have issued our report thereon dated July 15, 2011 which was modified because the financial statements are prepared on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lawrence County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lawrence County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Lawrence County, Missouri's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 10-1 to be a material weakness.

A *significant deficiency* is a deficiency, or combination of control deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 10-2 and 10-3 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lawrence County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 10-3.

Lawrence County, Missouri's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Lawrence County, Missouri's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County Commission and Officeholders, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

COOK & HAMLIN, LLC

Cook and Hamlin, LLC

Jackson, Missouri
July 15, 2011

BASIC FINANCIAL STATEMENTS

LAWRENCE COUNTY, MISSOURI

GOVERNMENT- WIDE FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS - CASH BASIS

December 31, 2010

	Primary Government	Component Units	
	Governmental Activities	Senior Services	Developmentally Disabled Board
ASSETS			
CURRENT ASSETS:			
Cash and Cash Equivalents	$ 4,096,518	$ 31,167	$ 146,808
TOTAL ASSETS	$ 4,096,518	$ 31,167	$ 146,808
LIABILITIES			
TOTAL LIABILITIES	$ -	$ -	$ -
NET ASSETS			
Restricted For:			
Transportation	$ 377,863	$ -	$ -
Other Purposes	3,252,359	-	-
Unrestricted	466,296	31,167	146,808
TOTAL NET ASSETS	$ 4,096,518	$ 31,167	$ 146,808

See Accompanying Notes to Basic Financial Statements.

LAWRENCE COUNTY, MISSOURI

GOVERNMENT- WIDE FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS - CASH BASIS

December 31, 2009

	Primary Government	Component Units	
	Governmental Activities	Senior Services	Developmentally Disabled Board
ASSETS			
CURRENT ASSETS:			
Cash and Cash Equivalents	$ 4,946,095	$ 87,447	$ 123,603
TOTAL ASSETS	$ 4,946,095	$ 87,447	$ 123,603
LIABILITIES			
TOTAL LIABILITIES	$ -	$ -	
NET ASSETS			
Restricted For:			
Transportation	$ 485,661	$ -	$ -
Capital Projects	741,635		
Other Purposes	2,644,010	-	-
Unrestricted	1,074,789	87,447	123,603
TOTAL NET ASSETS	$ 4,946,095	$ 87,447	$ 123,603

See Accompanying Notes to Basic Financial Statements.

LAWRENCE COUNTY, MISSOURI

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF ACTIVITIES - CASH BASIS

For the Year Ended December 31, 2010

	Primary Government					Component Units	
		Program Revenues					
Primary Government:	Expenses	Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Assets	Senior Services	Developmentally Disabled Board
Governmental Activities:							
General County Government	$ 1,945,118	$ 1,312,713	$ 172,005	$ 98,000	$ (362,400)	$ -	$ -
Highway and Roads	2,839,725	-	20,713	406,775	(2,412,237)	-	-
Judicial and Court Related	1,033,719	21,919	-	-	(1,011,800)	-	-
Health and Welfare	655,763	-	845,743	-	189,980	-	-
Public Safety	1,806,513	111,308	53,817	-	(1,641,388)	-	-
Capital Outlay	237,340	-	-	-	(237,340)	-	-
Debt Service	6,540,442	-	-	-	(6,540,442)	-	-
Total Governmental Activities	$ 15,058,620	$ 1,445,940	$ 1,092,278	$ 504,775	$ (12,015,627)	$ -	$ -
Component Units:							
Senior Services	$ 248,769	$ -	$ -	$ -	$ -	$ (248,769)	$ -
Develpmentally Disabled Board	350,877	-	13,748	-	-	-	(337,129)
Total Component Units	$ 599,646	$ -	$ 13,748	$ -	$ -	$ (248,769)	$ (337,129)
General Revenues:							
Property Taxes					$ 999,395	$ 192,166	$ 356,926
CART Taxes					987,818	-	-
Sales Taxes					3,917,591	-	-
Interest Income					96,646	323	2,857
COP Proceeds					4,945,000	-	-
Gain on Sale					63,074	-	-
Other Income					156,526	-	551
Total General Revenues					$ 11,166,050	$ 192,489	$ 360,334
Change in Net Assets					$ (849,577)	$ (56,280)	$ 23,205
Net Assets - January 1, 2010					5,025,303	87,447	123,603
Net Assets - December 31, 2010					$ 4,175,726	$ 31,167	$ 146,808

See Accompanying Notes to Basic Financial Statements.

LAWRENCE COUNTY, MISSOURI

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF ACTIVITIES - CASH BASIS

For the Year Ended December 31, 2009

	Primary Government					Component Units	
		Program Revenues					
Primary Government:	Expenses	Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Assets	Senior Services	Developmentally Disabled Board
Governmental Activities:							
General County Government	$ 1,697,540	$ 891,756	$ 597,585	$ -	$ (208,199)	$ -	$ -
Highway and Roads	2,475,944	-	75,086	215,255	(2,185,603)	-	-
Judicial and Court Related	845,569	32,923	-	-	(812,646)	-	-
Health and Welfare	531,085	-	741,949	-	210,864	-	-
Public Safety	2,028,404	343,736	60,374	-	(1,624,294)	-	-
Capital Outlay	1,341,075	-	-	-	(1,341,075)	-	-
Debt Service	1,020,795	-	-	-	(1,020,795)	-	-
Total Governmental Activities	$ 9,940,412	$ 1,268,415	$ 1,474,994	$ 215,255	$ (6,981,748)	$ -	$ -
Component Units:							
Senior Services	$ 196,840	$ -	$ -	$ -	$ -	$ (196,840)	$ -
Develpmentally Disabled Board	380,405	-	15,790	-	-	-	(364,615)
Total Component Units	$ 577,245	$ -	$ 15,790	$ -	$ -	$ (196,840)	$ (364,615)
General Revenues:							
Property Taxes					$ 883,597	$ 190,468	$ 353,742
CART Taxes					950,514	-	-
Sales Taxes					3,933,303	-	-
Interest Income					165,762	987	3,368
Other Income					115,082	-	2,702
Total General Revenues					$ 6,048,258	$ 191,455	$ 359,812
Change in Net Assets					$ (933,490)	$ (5,385)	$ (4,803)
Net Assets - January 1, 2009					5,950,641	92,832	128,406
Net Assets - December 31, 2009					$ 5,017,151	$ 87,447	$ 123,603

See Accompanying Notes to Basic Financial Statements.

STATEMENT 3

LAWRENCE COUNTY, MISSOURI

FUND FINANCIAL STATEMENTS

BALANCE SHEET - CASH BASIS

December 31, 2010

	General Revenue Fund	Special Road and Bridge Fund	Assessment Fund	Judicial Sales Tax Fund	Capital Improvements Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:								
Cash and Cash Equivalents	$ 466,296	$ 163,107	$ 630,670	$ 1,634,132	$ 540,874	$ -	$ 661,439	$ 4,096,518
Liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fund Balances:								
Unreserved	$ 466,296	$ 163,107	$ 630,670	$ 1,634,132	$ 540,874	$ -	$ 661,439	$ 4,096,518
Total Liabilities and Fund Balances	$ 466,296	$ 163,107	$ 630,670	$ 1,634,132	$ 540,874	$ -	$ 661,439	$ 4,096,518

See Accompanying Notes to Basic Financial Statements.

STATEMENT 3

LAWRENCE COUNTY, MISSOURI

FUND FINANCIAL STATEMENTS

BALANCE SHEET - CASH BASIS

December 31, 2009

	General Revenue Fund	Special Road and Bridge Fund	Assessment Fund	Judicial Sales Tax Fund	Justice Center Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:							
Cash and Cash Equivalents	$ 1,074,789	$ 139,269	$ 535,087	$ 1,566,075	$ 45,412	$ 889,240	$ 4,249,872
Investments	-	-	-	-	696,223	-	696,223
Total Assets	$ 1,074,789	$ 139,269	$ 535,087	$ 1,566,075	$ 741,635	$ 889,240	$ 4,946,095
Liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fund Balances:							
Unreserved	$ 1,074,789	$ 139,269	$ 535,087	$ 1,566,075	$ 741,635	$ 889,240	$ 4,946,095
Total Liabilities and Fund Balances	$ 1,074,789	$ 139,269	$ 535,087	$ 1,566,075	$ 741,635	$ 889,240	$ 4,946,095

See Accompanying Notes to Basic Financial Statements.

LAWRENCE COUNTY, MISSOURI

FUND FINANCIAL STATEMENTS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CASH BASIS

For The Year Ended December 31, 2010

	General Revenue Fund	Special Road and Bridge Fund	Assessment Fund	Judicial Sales Tax Fund	Capital Improvements Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES RECEIVED:								
Property Taxes	$ 526,082	$ 69,545	$ 280,208	$ -	$ -	$ -	$ 123,560	$ 999,395
Sales Tax	1,539,358	1,189,828	-	1,188,405	-	-	-	3,917,591
Intergovernmental	1,140,945	1,394,593	68,258	-	-	-	187,102	2,790,898
Fees and Charges	738,843	-	19,595	-	-	-	152,746	911,184
Interest Income	38,992	309	10,724	26,801	-	39	19,781	96,646
Other Revenues	168,000	-	312	250	102,332	4,945,000	277,435	5,493,329
Total Revenues Received	$ 4,152,220	$ 2,654,275	$ 379,097	$ 1,215,456	$ 102,332	$ 4,945,039	$ 760,624	$ 14,209,043
EXPENDITURES PAID:								
General County Government	$ 1,555,649	$ -	$ 283,514	$ -	$ -	$ -	$ 105,955	$ 1,945,118
Highway and Roads	-	2,099,791	-	-	-	-	739,934	2,839,725
Judicial and Court Related	670,908	-	-	362,811	-	-	-	1,033,719
Health and Welfare	568,199	-	-	-	-	-	87,564	655,763
Public Safety	1,385,486	-	-	-	-	-	421,027	1,806,513
Capital Outlay	-	-	-	-	237,340	-	-	237,340
Debt Service:								
Principal	-	-	-	-	-	6,265,000	-	6,265,000
Interest	-	-	-	-	-	170,392	-	170,392
Issuance Costs and Fees	-	-	-	-	-	105,050	-	105,050
Total Expenditures Paid	$ 4,180,242	$ 2,099,791	$ 283,514	$ 362,811	$ 237,340	$ 6,540,442	$ 1,354,480	$ 15,058,620
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (28,022)	$ 554,484	$ 95,583	$ 852,645	$ (135,008)	$ (1,595,403)	$ (593,856)	$ (849,577)
Other Financing Sources(Uses):								
Transfers In	$ 25,180	$ -	$ -	$ 147,899	$ 550,000	$ 1,595,403	$ 575,642	$ 2,894,124
Transfers Out	(605,651)	(530,646)	-	(932,487)	-	-	(825,340)	(2,894,124)
Total Other Financing Sources (Uses)	$ (580,471)	$ (530,646)	$ -	$ (784,588)	$ 550,000	$ 1,595,403	$ (249,698)	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES	$ (608,493)	$ 23,838	$ 95,583	$ 68,057	$ 414,992	$ -	$ (843,554)	$ (849,577)
FUND BALANCE, January 1, 2010	1,074,789	139,269	535,087	1,566,075	125,882	-	1,504,993	4,946,095
FUND BALANCE, December 31, 2010	$ 466,296	$ 163,107	$ 630,670	$ 1,634,132	$ 540,874	$ -	$ 661,439	$ 4,096,518

See Accompanying Notes to Basic Financial Statements.

LAWRENCE COUNTY, MISSOURI

FUND FINANCIAL STATEMENTS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CASH BASIS

For The Year Ended December 31, 2009

	General Revenue Fund	Special Road and Bridge Fund	Assessment Fund	Judicial Sales Tax Fund	Justice Center Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES RECEIVED:							
Property Taxes	$ 505,470	$ 53,397	$ 242,088	$ -	$ -	$ 82,642	$ 883,597
Sales Tax	1,532,612	1,201,459	-	1,199,232	-	-	3,933,303
Intergovernmental	1,302,339	1,156,933	130,747	-	-	102,957	2,692,976
Fees and Charges	802,789	-	13,225	-	-	372,432	1,188,446
Interest Income	48,166	412	11,424	44,564	57,755	3,441	165,762
Other Revenues	94,039	20	-	21,045	-	27,734	142,838
Total Revenues Received	$ 4,285,415	$ 2,412,221	$ 397,484	$ 1,264,841	$ 57,755	$ 589,206	$ 9,006,922
EXPENDITURES PAID:							
General County Government	$ 1,244,206	$ -	$ 363,099	$ -	$ -	$ 90,235	$ 1,697,540
Highway and Roads	-	1,934,067	-	-	-	541,877	2,475,944
Judicial and Court Related	665,593	-	-	136,481	-	43,495	845,569
Health and Welfare	531,085	-	-	-	-	-	531,085
Public Safety	1,595,079	-	-	-	-	433,325	2,028,404
Capital Outlay	-	-	-	-	1,116,001	225,074	1,341,075
Debt Service:							
Principal	-	-	-	-	-	775,000	775,000
Interest	-	-	-	-	-	245,795	245,795
Total Expenditures Paid	$ 4,035,963	$ 1,934,067	$ 363,099	$ 136,481	$ 1,116,001	$ 2,354,801	$ 9,940,412
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 249,452	$ 478,154	$ 34,385	$ 1,128,360	$ (1,058,246)	$ (1,765,595)	$ (933,490)
Other Financing Sources(Uses):							
Transfers In	$ 12,936	$ -	$ -	$ -	$ (34,898)	$ 1,650,426	$ 1,628,464
Transfers Out	(54,883)	(519,655)	(4,000)	(1,010,990)	-	(38,936)	(1,628,464)
Total Other Financing Sources (Uses)	$ (41,947)	$ (519,655)	$ (4,000)	$ (1,010,990)	$ (34,898)	$ 1,611,490	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES	$ 207,505	$ (41,501)	$ 30,385	$ 117,370	$ (1,093,144)	$ (154,105)	$ (933,490)
FUND BALANCE, January 1, 2009	867,284	180,770	504,702	1,448,705	1,834,779	1,043,345	5,879,585
FUND BALANCE, December 31, 2009	$ 1,074,789	$ 139,269	$ 535,087	$ 1,566,075	$ 741,635	$ 889,240	$ 4,946,095

See Accompanying Notes to Basic Financial Statements.

LAWRENCE COUNTY, MISSOURI

STATEMENT OF FIDUCIARY NET ASSETS

December 31, 2010

	County Treasurer								
	Employee Fund	Crisis Intervention Fund	Common School Fines Fund	Other Tax Entities Fund	School Fund	Special Road and Bridge Fund	Tax Sales Surplus Fund	Unclaimed Fees Fund	Woodsland Cemetery Fund
ASSETS									
Cash and Cash Equivalents	$ 2,724	$ 867	$ 2,959	$ 1,894	$ 7,936	$ 2,756	$ 13,635	$ 30	$ 5,005
TOTAL ASSETS	$ 2,724	$ 867	$ 2,959	$ 1,894	$ 7,936	$ 2,756	$ 13,635	$ 30	$ 5,005
LIABILITIES									
Due to Others	$ 2,724	$ 867	$ 2,959	$ 1,894	$ 7,936	$ 2,756	$ 13,635	$ 30	$ 5,005
Funds Held in Trust	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	$ 2,724	$ 867	$ 2,959	$ 1,894	$ 7,936	$ 2,756	$ 13,635	$ 30	$ 5,005

- Continued -

See Accompanying Notes to Basic Financial Statements.

LAWRENCE COUNTY, MISSOURI

STATEMENT OF FIDUCIARY NET ASSETS

December 31, 2010

	County Collector			Sheriff					
	Collector of Revenue Fund	Partial Payments Fund	Protested Tax Fund	Prisoner Fund	Bond Fund	Recorder's Fund	Prosecuting Attorney	Public Administrator	Total Agency Funds
ASSETS									
Cash and Cash Equivalents	$ 10,410,705	$ 10,777	$ -	$ 295	$ 3,831	$ 22,461	$ -	$ 461,666	$ 10,947,541
Other Assets	-	-	-	-	-	-	-	1,207,983	1,207,983
TOTAL ASSETS	$ 10,410,705	$ 10,777	$ -	$ 295	$ 3,831	$ 22,461	$ -	$ 1,669,649	$ 12,155,524
LIABILITIES									
Due to Others	$ 10,410,705	$ 10,777	$ -	$ 295	$ 3,831	$ 22,461	$ -	$ -	$ 10,485,875
Funds Held in Trust	-	-	-	-	-	-	-	1,669,649	1,669,649
TOTAL LIABILITIES	$ 10,410,705	$ 10,777	$ -	$ 295	$ 3,831	$ 22,461	$ -	$ 1,669,649	$ 12,155,524

See Accompanying Notes to Basic Financial Statements.

LAWRENCE COUNTY, MISSOURI

STATEMENT OF FIDUCIARY NET ASSETS

December 31, 2009

	County Treasurer								
	Employee Fund	Crisis Intervention Fund	Common School Fines Fund	Other Tax Entities Fund	School Fund	Special Road and Bridge Fund	Tax Sales Surplus Fund	Unclaimed Fees Fund	Woodsland Cemetery Fund
ASSETS									
Cash and Cash Equivalents	$ 2,440	$ 867	$ 8,661	$ 3,007	$ 14,118	$ 8,584	$ 17,960	$ 270	$ 4,707
TOTAL ASSETS	$ 2,440	$ 867	$ 8,661	$ 3,007	$ 14,118	$ 8,584	$ 17,960	$ 270	$ 4,707
LIABILITIES									
Due to Others	$ 2,440	$ 867	$ 8,661	$ 3,007	$ 14,118	$ 8,584	$ 17,960	$ 270	$ 4,707
Funds Held in Trust	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	$ 2,440	$ 867	$ 8,661	$ 3,007	$ 14,118	$ 8,584	$ 17,960	$ 270	$ 4,707

- Continued -

See Accompanying Notes to Basic Financial Statements.

LAWRENCE COUNTY, MISSOURI

STATEMENT OF FIDUCIARY NET ASSETS

December 31, 2009

	County Collector			Sheriff					
	Collector of Revenue Fund	Partial Payments Fund	Protested Tax Fund	Prisoner Fund	Bond Fund	Recorder's Fund	Prosecuting Attorney Fund	Public Administrator	Total Agency Funds
ASSETS									
Cash and Cash Equivalents	$ 10,153,169	$ 12,165	$ -	$ 295	$ 2,459	$ 22,426	$ 1,119	$ 815,125	$ 11,067,372
Other Assets	-	-	-	-	-	-	-	1,171,467	1,171,467
TOTAL ASSETS	$ 10,153,169	$ 10,777	$ -	$ 295	$ 2,459	$ 22,426	$ 1,119	$ 1,986,592	$ 12,238,839
LIABILITIES									
Due to Others	$ 10,153,169	$ 12,165	$ -	$ 295	$ 2,459	$ 22,426	$ 1,119	$ -	$ 10,252,247
Funds Held in Trust	-	-	-	-	-	-	-	1,986,592	1,986,592
TOTAL LIABILITIES	$ 10,153,169	$ 10,777	$ -	$ 295	$ 2,459	$ 22,426	$ 1,119	$ 1,986,592	$ 12,238,839

See Accompanying Notes to Basic Financial Statements.

LAWRENCE COUNTY, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2010 and 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 1.B, these financial statements are presented on the cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Financial Reporting Entity:

The County's financial reporting entity is composed of the following:

Primary Government:	Lawrence County, Missouri

In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity.*

The County's reporting entity includes the County's governing board and the operations of all related organizations for which the County exercises financial oversight. Oversight responsibility is derived from the governmental unit's authority and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountable means the primary government is accountable for the component unit and the primary government is able to impose its will or the component unit may provide financial benefits or impose a burden on the primary government. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The County is governed by a three member county commission and is a county of the 3rd class. As required by accounting principles generally accepted by the United States of America, the County has evaluated the above criteria to determine whether any other

entity meets the definition of a component unit and must be included in these financial statements. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Developmentally Disabled Board

The Developmentally Disabled Board, which is governed by a board of directors appointed by the County Commission, provides disability services to the residents of Lawrence County. The Developmentally Disabled Board is included in the financial statements of the County as a component unit due to its financial relationship with the County.

Senior Services Board

The Senior Services Board, which is governed by a board of directors appointed by the County Commission, provides senior services for Lawrence County residents over the age of fifty-nine. The Senior Services Board is included in the financial statements of the County as a component unit due to its financial relationship with the County.

B. Basis of Presentation:

Government-Wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. These statements include all funds of the County except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. For the years ended December 31, 2010 and 2009, the County had only governmental activities.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The County also has fiduciary funds. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and

2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds.

The funds of the financial reporting entity are described below:

Governmental Funds

General Revenue Fund - The General Revenue Fund is the primary operating fund of the County and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the County. The reporting entity includes the following Special Revenue Funds, which are reported as major funds:

Fund	Description
Special Road and Bridge Fund	This Fund as presented is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for road and bridge purposes.
Assessment Fund	This fund as presented was established as a result of Section 137.750, RSMo. The fund is used to account for all transactions surrounding the normal operating assessing function.
Judicial Sales Tax Fund	The Judicial Sales Tax Fund is used to account for the transactions arising from the receipts and disbursements of the County's Judicial Sales Tax.

Capital Improvements Fund is a major fund in 2010 and a nonmajor fund in 2009.

Capital Improvements Fund	The Capital Improvements Fund is used to account for the resources designated for capital improvements.

The reporting entity also includes the following Special Revenue Funds which are reported as nonmajor funds:

Fund	Description
Common Road I Fund	Accounts for resources restricted for highway and road improvements.

Fund	Description
Common Road II Fund	Accounts for resources restricted for highway and road improvements.
Prosecuting Attorney Bad Check Fund	Accounts for revenues and expenditures paid for recovering bad checks.
Sheriff Special Fund	Accounts for fees collected by the Sheriff's Department. The use of the proceeds is restricted to Sheriff's department.
Law Enforcement Restitution Fund	Accounts for revenues received and expenditures paid for the investigation, prevention and interventions of narcotics as set out in Section 50.550 and 50.565, RSMo.
Prosecuting Attorney Training Fund	This fund as presented is used to account for all transactions resulting from an increase of $1.00 in court costs for criminal law violations as set out in Section 56.765, RSMo. The use of these proceeds is restricted to the payment of training expenses for prosecuting attorneys.
Law Enforcement Training Fund	This fund as presented is used to account for all transactions resulting from an increase of $2.00 in court costs for criminal law violations as set out in Section 590.140, RSMo. The use of these proceeds is restricted to the payment of training expenses for law enforcement personnel.
911 Emergency Fund	This fund as presented is used to account for the receipts and disbursements to provide emergency telephone service. This fund was established under Section 190.305, RSMo.
Domestic Violence Fund	This fund as presented is used to account for all transactions resulting from an increase of $5.00 for a marriage license and $10.00 for a decree of dissolution of marriage as set out in Section 455.205, RSMo. The use of these proceeds is restricted to providing financial assistance to shelters for victims of domestic violence.
Inmate Security Fund	This fund as presented is used to account for all transactions resulting from an increase of $2.00

Fund	Description
	in court costs for criminal law violations as set out in Section 488.5026, RSMo. The use of these proceeds is restricted to the payment of biometric verification systems.
Election Services Fund	This fund as presented is used to account for the receipt of the "proportional costs" of conducting an election when a question or candidate is submitted to a vote by two or more political subdivisions as set out in Section 115.065, RSMo. This fund is used for training programs and to purchase additional supplies or equipment to improve the conduct of elections.
Collector's Tax Maintenance Fund	This fund as presented is used to account for the two-sevenths of the 7 percent fee charged by the Collector for collection of delinquent and back taxes as set out in Section 52.290, RSMo. This fund is to be used for additional administration and operation costs for the office of the collector.
Recorders User Fee Fund	This fund as presented is used to account for the fifty percent retainage of the $4.00 user's fees to be charged by the recorder as set out in Section 59.319, RSMo. This fund is to be used for record storage, microfilming and preservation.
TIF Escrow Fund	This fund is presented to hold amounts of disputed tax collection in regards to the TIF district.
HPRP Fund	Accounts for grant revenues received by the County on behalf of a local entity in the capacity of grant sponsor. All grant revenues are turned over to the intended sub-recipients to carry out the intended purpose of the grant.

Capital Project Funds – Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes the following Capital Project Fund that is reported as a major fund in 2009 and nonmajor in 2010:

Fund	Description
Justice Center Capital Projects Fund	The Justice Center Capital Projects Fund is used to account for the financial transactions occurring in the process of construction of a new justice center.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for, and the repayment of, general long-term debt principal and interest. The reporting entity includes the following Debt Service Fund that is reported as a major fund in 2010 and nonmajor in 2009:

Fund	Description
Debt Service Fund	Accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Fiduciary Fund Types (not included in government-wide statements)

Agency funds account for miscellaneous assets held by the County for other funds, governmental units, and individuals. The agency funds are custodial in nature and do not involve measurement of results of operations.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, within the limitations of the cash basis of accounting, as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus, as applied to the cash basis of accounting, is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities and the fund financial statements, governmental, business-type, fiduciary activities are presented using a cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Cash and Cash Equivalents

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in the U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has not adopted such a policy.

Cash and cash equivalents include both deposits and short-term investments. Investments are considered short-term when original maturities are less than three months. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions, and short-term U.S. Treasury bills.

Equity Classification

Government-Wide Statements - Equity is classified as net assets and displayed in two components:

1. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

2. Unrestricted net assets - All other net assets that do not meet the definition of "restricted".

It is the County's policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements - Governmental fund equity is classified as fund balance.

C. Revenues, Expenditures, and Expenses:

Program Revenues

In the Statement of Activities, cash basis revenues that are derived directly from each activity or from parties outside the County's taxpayers are reported as program revenues. The County has the following program revenues in each activity:

Revenue	Source
Judicial and Court Related	Various fees, fines and costs.
Public Safety	Law enforcement fines and fees, and prosecuting attorney collections and fees.
Transportation	Grants for construction and operation of roads and bridges in the county.
Health and Welfare	Grants for operation of the public health center.
General County Government	Public officials fees.

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

D. Internal and Interfund Balances and Activities:

In the process of aggregating the financial information for the government-wide Statement of Net Assets and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

Interfund activity, if any, within and among the governmental fund categories is reported as follows in the fund financial statements:

1. Interfund reimbursements - Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.

2. Interfund transfers - Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements. Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers-Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

E. Inventories and Capital Assets:

Inventories include office equipment, road and vehicle maintenance supplies, and fuel. Capital assets consist of land, buildings, furniture, equipment, vehicles, and infrastructure such as roads and bridges. Both inventories and capital assets are recorded as disbursement when they are purchased or constructed.

F. Long-Term Debt:

Consistent with the cash basis of accounting, long-term debt is not reported in the government-wide or fund financial statements. Proceeds from debt issuances are reported when received, and payments of principal and interest are reported when disbursements are made.

G. Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Risk of Loss:

The County protects itself from risk of loss by purchasing commercial insurance for property damage and liability risks. The County does not self-insure its risk.

I. Compensated Absences:

The accrued vacation time payable is not recorded in the financial statements since the cash basis of accounting is employed. Although the possibility that all employees will terminate in the upcoming year is remote, management estimates of the potential liability at December 31, 2010 and 2009 would have been $89,973 and $116,829, respectively.

2. CASH AND INVESTMENTS

At December 31, 2010 and 2009, the reported amount of the County's deposits was $15,044,059 and $16,013,467, respectively. The bank balance for the years ended 2010 and 2009 was $14,761,574 and $15,551,361, respectively.

Reconciliation of government-wide Statement of Net Assets to the cash footnote:

	2010	2009
Cash and Cash Equivalents	$ 4,096,518	$ 4,946,095
Agency Funds	10,947,541	11,067,372
	$15,044,059	$16,013,467

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The County's deposit policy for custodial credit risk requires compliance with the provisions of state law. County policy further requires that all securities that serve as collateral against the deposits of a depository institution must be held in safekeeping at a non-affiliated custodial facility. Of the bank balance $1,006,397 and $1,632,219 was covered by federal depository insurance and $13,755,177 and $13,919,142 was covered by collateral held by the County's safekeeping agent in the County's name for the years ended December 31, 2010 and 2009, respectively.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Missouri; bonds of any city having a population of not less than two thousand, county, school district, or special road district of the State of Missouri; bonds of any state, tax anticipation notes issued by any first class county, or a surety bond having an aggregate value at least equal to the amount of the deposits.

The County's investments at December 31, 2010 and 2009 are as follows:

	December 31, 2010	
Investment Type	Maturity	Amount
Certificates of Deposit	3/18/2012	$1,000
	10/30/2012	1,000
	5/22/2012	1,500
		$3,500

	December 31, 2009	
Investment Type	Maturity	Amount
Certificates of Deposit	1/07/2010	$500,000
	3/18/2010	275,000
	3/18/2012	1,000
	10/30/2012	1,000
	5/22/2012	1,500
U.S. Government Agency Obligations Federal Home Loan Bank	3/11/2016	696,223
		$1,474,723

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statues require that the County's deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2010 and 2009, all certificates of deposit are entirely insured or collateralized with securities.

The County holds investments in U.S. Government agency obligations. These investments are stated at fair market value.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County has no formal investment policy regarding interest rate risk.

The County has an investment policy that limits its investment choices other than the limitation of state law as follows:

Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.

The County places a limit on the amounts it may invest in any one issuer. The County had no concentration of credit risk for the years ended December 31, 2010 and 2009.

3. ASSESSED VALUATION, TAX LEVY, AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable on or before December 31. Taxes paid after December 31 are subject to penalties. The County bills and collects its own property taxes and also taxes for most other local governments.

The 2010 and 2009 assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per $100 assessed valuation of that property were as follows:

	2010	2009
ASSESSED VALUATION		
Real Estate	$305,174,766	$298,120,009
Personal Property	97,992,126	99,000,929
	$403,166,892	$397,120,938
TAX LEVY		
General Revenue Fund	$ .1483	$.1226

The legal debt margin is computed as follows:

Constitutional debt limit	$20,158,345	$19,856,047
General obligation bonds payable	-	-
Legal Debt Margin	$20,158,345	$19,856,047

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur indebtedness for any purposes authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed five percent of the value of the taxable tangible property in the County.

4. RETIREMENT PLAN

1. Local Government Employees Retirement System (LAGERS)

A. Plan Description:

Lawrence County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMo 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status:

Lawrence County's full-time employees contribute 4 percent of their gross pay to the pension plan. The June 30th statutorily required contribution rates are 5.1 percent (general) and 2.1 percent (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO):

The subdivision's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	$108,123
Interest on net pension obligation	-0-
Adjustment to annual required contribution	-0-
Annual pension cost	$108,123
Actual contributions	92,553
Increase (Decrease) in NPO	15,570
NPO beginning of year	-0-
NPO end of year	$ 15,570

The annual required contribution (ARC) was determined as part of February 29, 2008 and February 28, 2009 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions included: (a) a rate of return on the investment of present and future assets of 7.5 percent per year, compounded annually, (b) projected salary increases of 4.0 percent per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0 percent to 6.0 percent per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table for males projected to 2000 setback 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 29, 2008 was 15 years for the general division and 15 years for the police division. The amortization period as of February 28, 2009 was 30 years for the general division and 4 years for the police division.

THREE-YEAR TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	$87,366	100%	$-0-
6/30/2009	78,136	100%	-0-
6/30/2010	108,123	85.6%	15,570

2. County Employees' Retirement Fund (CERF)

A. Plan Description:

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity.

Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55.

Annual cost-of-living adjustments, not to exceed 1 percent, are provided for eligible retirees and survivor annuitants, up to a maximum of 50 percent of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statutes and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

B. Contributions:

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2 percent of gross compensation. Effective January 1, 2003, in addition to the prior contributions requirements, participating county employees hired on or after February 25, 2002 are required to make contributions of 4 percent if they are in a LAGERS county and contributions of 6 percent if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2010 and 2009, the County collected and remitted to CERF, employee contributions of approximately $171,387 and $169,530, respectively, for the years then ended.

5. LONG-TERM DEBT

On April 10, 2007, the County issued $7,040,000 in Series 2007 Certificates of Participation for the purpose of financing the construction, furnishings, and equipment for the new Justice Building to house the courts, jury rooms, prosecuting attorney, circuit clerk, and associated administrative space for the County Sheriff. The Certificates of Participation bear interest at various rates ranging from 3.6 percent to 3.8 percent with principal payments due April 1 and interest payments due April 1 and October 1 each year. The Series 2007 Certificates of Participation were retired during the year ended December 31, 2010.

On March 11, 2010, the County issued $4,945,000 in Series 2010 Certificates of Participation for the purpose of providing funds prepay, in advance of their maturities, $5,465,000 principal component of the County's $7,040,000 Insured Leased Certificates of Participation, Series 2007, that had been sold to pay the costs of the construction, equipping and furnishing of a new County courts building. The Certificates of Participation bear interest at various rates ranging from 1.0 percent to 3.0 percent with principal payments due April 1 and interest payments due April 1 and October 1 each year. The Series 2007 Certificates of Participation were due as following for the year ended December 31, 2010:

Year Ended	Amount Due		
December 31,	Principal	Interest	Total
2011	$ 925,000	$ 93,420	$ 1,018,420
2012	900,000	82,045	982,045
2013	930,000	65,995	995,995
2014	940,000	45,650	985,650
2015	965,000	21,578	986,578
2016	285,000	4,275	289,275
	$ 4,945,000	$ 312,963	$ 5,257,963

The following is the changes in long-term debt for the years ending December 31, 2010 and 2009:

	Balance December 31, 2008	Additions	Retirements	Balance December 31, 2009	Additions	Retirements	Balance December 31, 2010
Series 2007							
Lease COPs	$ 7,040,000	$ -	$ 775,000	$ 6,265,000	$ -	$ 6,265,000	$ -
Series 2010							
Lease COPs	-	-	-	-	4,945,000	-	4,945,000
	$ 7,040,000	$ -	$ 775,000	$ 6,265,000	$ 4,945,000	$ 6,265,000	$ 4,945,000

6. INTERFUND TRANSFERS

Interfund transfers for the years ended December 31, 2010 and 2009, consisted of the following:

	Transfers In (Out)	
	2010	2009
General Revenue Fund	$ (580,471)	$ (41,947)
Special Road and Bridge Fund	(530,646)	(519,655)
Assessment Fund	-0-	(4,000)
Judicial Sales Tax Fund	(784,588)	(1,010,990)
Capital Improvements Fund	550,000	40,000
Justice Center Capital Projects Fund	(820,160)	(34,898)
Debt Service Fund	1,595,403	1,020,795
Common Road I Fund	291,730	291,602
Common Road II Fund	213,265	213,169
Sheriff Special Fund	(3,375)	(2,936)
911 Emergency Fund	50,000	50,000
Collector's Tax Maintenance Fund	-0-	(36,000)
TIF Escrow Fund	20,647	34,860
HPRP Fund	(1,805)	-0-
	$ -0-	$ -0-

Transfers are used to (1) move receipts from the fund that statue or budget requires to collect them to the fund that statue or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

7. RISK MANAGMENT

The County is exposed to risk of loss due to property damage or theft, employee health or actions, and liability to the general public. The County seeks to overcome these risks through the purchase of commercial insurance. There has been no reduction in insurance compared to the previous year. The County has not settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

The County is insured under a retrospectively rated policy for workers' compensation coverage. The initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended December 31, 2010 and 2009, there were no significant adjustments in premiums based on actual experience.

8. CONTINGENT LIABILITIES

The County is a defendant in a lawsuit. Although the outcome of this lawsuit is not presently determinable, in the opinion of the County's counsel the resolution of these matters may be in excess of $50,000 and continues to increase. At December 31, 2010, the County has $98,026 set aside for this lawsuit settlement.

REQUIRED SUPPLEMENTARY INFORMATION

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL REVENUE FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Property Taxes	$ 505,000	$ 505,000	$ 526,082	$ 21,082
Sales Tax	1,532,000	1,532,000	1,539,358	7,358
Intergovernmental	1,334,245	1,368,926	1,140,945	(227,981)
Fees and Charges	775,018	775,018	738,843	(36,175)
Interest Income	49,800	49,800	38,992	(10,808)
Other Revenues	92,925	104,094	168,000	63,906
TOTAL REVENUES RECEIVED	$ 4,288,988	$ 4,334,838	$ 4,152,220	$ (182,618)
EXPENDITURES PAID:				
General County Government:				
County Commission	$ 227,450	$ 227,450	$ 294,630	$ (67,180)
County Clerk	99,300	99,300	96,479	2,821
Elections	183,900	183,900	138,044	45,856
Building and Grounds	93,922	93,922	87,586	6,336
Employee Fringe Benefits	493,300	493,300	491,956	1,344
County Treasurer	49,208	49,208	49,544	(336)
County Collector	89,055	89,055	86,757	2,298
Recorder of Deeds	93,067	93,067	91,600	1,467
Other General Government	222,190	222,190	219,053	3,137
Total General County Government	$ 1,551,392	$ 1,551,392	$ 1,555,649	$ (4,257)
Judicial and Court Related:				
Circuit Clerk	$ 57,840	$ 57,840	$ 54,734	$ 3,106
Public Administrator	67,455	67,455	67,601	(146)
Prosecuting Attorney	301,763	301,763	298,815	2,948
Child Support Enforcement	206,091	206,091	215,082	(8,991)
Court Administration	35,737	35,737	34,676	1,061
Total Judicial and Court Related	$ 668,886	$ 668,886	$ 670,908	$ (2,022)

- Continued -
See Accompanying Notes to Budgetary Comparison Schedules.

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL REVENUE FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
EXPENDITURES (Continued):				
Public Safety:				
Sheriff	$ 719,089	$ 719,089	$ 726,826	$ (7,737)
Jail	529,877	534,877	498,857	36,020
Juvenile Office	122,003	122,003	121,589	414
Coroner	37,025	37,025	38,214	(1,189)
Total Public Safety	$ 1,407,994	$ 1,412,994	$ 1,385,486	$ 27,508
Health and Welfare:				
Public Health and Welfare	$ 660,411	$ 685,411	$ 568,199	$ 117,212
Total Health and Welfare	$ 660,411	$ 685,411	$ 568,199	$ 117,212
Emergency Fund:				
Emergency	$ 130,500	$ 130,500	$ -	$ 130,500
TOTAL EXPENDITURES PAID	$ 3,758,772	$ 4,449,183	$ 4,180,242	$ 268,941
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 530,216	$ (114,345)	$ (28,022)	$ 86,323
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ 49,400	$ 52,775	$ 25,180	$ (27,595)
Operating Transfers Out	(100,000)	(600,000)	(605,651)	(5,651)
Total Other Financing Sources (Uses)	$ (50,600)	$ (547,225)	$ (580,471)	$ (33,246)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	$ 479,616	$ (661,570)	$ (608,493)	$ 53,077
FUND BALANCE, January 1, 2010			1,074,789	
FUND BALANCE, December 31, 2010			$ 466,296	

See Accompanying Notes to Budgetary Comparison Schedules.

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL REVENUE FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Property Taxes	$ 513,400	$ 513,400	$ 505,470	$ (7,930)
Sales Tax	1,592,000	1,592,000	1,532,612	(59,388)
Intergovernmental	1,176,413	1,244,148	1,302,339	58,191
Fees and Charges	733,425	756,022	802,789	46,767
Interest Income	50,300	50,300	48,166	(2,134)
Other Revenues	104,627	125,562	94,039	(31,523)
TOTAL REVENUES RECEIVED	$ 4,170,165	$ 4,281,432	$ 4,285,415	$ 3,983
EXPENDITURES PAID:				
General County Government:				
County Commission	$ 187,700	$ 208,260	$ 187,079	$ 21,181
County Clerk	99,150	99,150	93,827	5,323
Elections	116,860	116,860	68,672	48,188
Building and Grounds	115,622	119,622	104,350	15,272
Employee Fringe Benefits	509,685	509,685	494,787	14,898
County Treasurer	48,552	48,552	48,332	220
County Collector	89,555	89,555	83,991	5,564
Recorder of Deeds	93,067	93,067	90,687	2,380
Other General Government	205,403	205,403	72,481	132,922
Total General County Government	$ 1,465,594	$ 1,490,154	$ 1,244,206	$ 245,948
Judicial and Court Related:				
Circuit Clerk	$ 58,940	$ 58,940	$ 57,825	$ 1,115
Public Administrator	67,455	67,455	67,244	211
Prosecuting Attorney	302,611	302,611	301,149	1,462
Child Support Enforcement	219,611	219,611	204,791	14,820
Court Administration	32,712	32,712	34,584	(1,872)
Total Judicial and Court Related	$ 681,329	$ 681,329	$ 665,593	$ 15,736

- Continued -
See Accompanying Notes to Budgetary Comparison Schedules.

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL REVENUE FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
EXPENDITURES (Continued):				
Public Safety:				
Sheriff	$ 816,714	$ 864,701	$ 847,173	$ 17,528
Jail	488,383	488,383	593,349	(104,966)
Juvenile Office	128,665	128,665	119,753	8,912
Coroner	34,325	34,325	34,804	(479)
Total Public Safety	$ 1,468,087	$ 1,516,074	$ 1,595,079	$ (79,005)
Health and Welfare:				
Public Health and Welfare	$ 551,059	$ 601,059	$ 531,085	$ 69,974
Total Health and Welfare	$ 551,059	$ 601,059	$ 531,085	$ 69,974
Emergency Fund:				
Emergency	$ 126,000	$ 266,000	$ -	$ 266,000
TOTAL EXPENDITURES PAID	$ 3,741,010	$ 4,554,616	$ 4,035,963	$ 518,653
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 429,155	$ (273,184)	$ 249,452	$ 522,636
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ 26,200	$ 26,200	$ 12,936	$ (13,264)
Operating Transfers Out	(50,000)	(50,000)	(54,883)	(4,883)
Total Other Financing Sources (Uses)	$ (23,800)	$ (23,800)	$ (41,947)	$ (18,147)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	$ 405,355	$ (296,984)	$ 207,505	$ 504,489
FUND BALANCE, January 1, 2009			867,284	
FUND BALANCE, December 31, 2009			$ 1,074,789	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 2

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
SPECIAL ROAD AND BRIDGE FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Property Taxes	$ 54,000	$ 54,000	$ 69,545	$ 15,545
Sales Tax	1,202,000	1,202,000	1,189,828	(12,172)
Intergovernmental	1,728,879	1,728,879	1,394,593	(334,286)
Interest Income	-	-	309	309
TOTAL REVENUES RECEIVED	$ 2,984,879	$ 2,984,879	$ 2,654,275	$ (330,604)
EXPENDITURES PAID:				
Highway and Roads	$ 2,947,017	$ 2,947,017	$ 2,099,791	$ 847,226
TOTAL EXPENDITURES PAID	$ 2,947,017	$ 2,947,017	$ 2,099,791	$ 847,226
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	(530,646)	(530,646)
Total Other Financing Sources (Uses)	$ -	$ -	$ (530,646)	$ (530,646)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 37,862	$ 37,862	$ 23,838	$ (14,024)
FUND BALANCE, January 1, 2010			139,269	
FUND BALANCE, December 31, 2010			$ 163,107	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 2

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
SPECIAL ROAD AND BRIDGE FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Property Taxes	$ 54,000	$ 54,000	$ 53,397	$ (603)
Sales Tax	1,282,000	1,282,000	1,201,459	(80,541)
Intergovernmental	1,777,650	1,777,650	1,156,933	(620,717)
Interest Income	-	-	412	412
Other Revenues	250,000	250,000	20	(249,980)
TOTAL REVENUES RECEIVED	$ 3,363,650	$ 3,363,650	$ 2,412,221	$ (951,429)
EXPENDITURES PAID:				
Highway and Roads	$ 3,363,208	$ 3,363,208	$ 1,934,067	$ 1,429,141
TOTAL EXPENDITURES PAID	$ 3,363,208	$ 3,363,208	$ 1,934,067	$ 1,429,141
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	(519,655)	(519,655)
Total Other Financing Sources (Uses)	$ -	$ -	$ (519,655)	$ (519,655)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 442	$ 442	$ (41,501)	$ (41,943)
FUND BALANCE, January 1, 2009			180,770	
FUND BALANCE, December 31, 2009			$ 139,269	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 3

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
ASSESSMENT FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Property Taxes	$ 303,540	$ 303,540	$ 280,208	$ (23,332)
Intergovernmental	-	-	68,258	68,258
Fees and Charges	15,000	15,000	19,595	4,595
Interest Income	11,400	11,400	10,724	(676)
Other Revenues	-	-	312	312
TOTAL REVENUES RECEIVED	$ 329,940	$ 329,940	$ 379,097	$ 49,157
EXPENDITURES PAID:				
Assessor	$ 387,040	$ 387,040	$ 283,514	$ 103,526
TOTAL EXPENDITURES PAID	$ 387,040	$ 387,040	$ 283,514	$ 103,526
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (57,100)	$ (57,100)	$ 95,583	$ 152,683
FUND BALANCE, January 1, 2010			535,087	
FUND BALANCE, December 31, 2010			$ 630,670	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 3

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
ASSESSMENT FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Property Taxes	$ 322,800	$ 322,800	$ 242,088	$ (80,712)
Intergovernmental	-	-	130,747	130,747
Fees and Charges	17,000	17,000	13,225	(3,775)
Interest Income	11,600	11,600	11,424	(176)
Other Revenues	500	500	-	(500)
TOTAL REVENUES RECEIVED	$ 351,900	$ 351,900	$ 397,484	$ 45,584
EXPENDITURES PAID:				
Assessor	$ 416,550	$ 416,550	$ 363,099	$ 53,451
TOTAL EXPENDITURES PAID	$ 416,550	$ 416,550	$ 363,099	$ 53,451
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	(4,000)	(4,000)
Total Other Financing Sources (Uses)	$ -	$ -	$ (4,000)	$ (4,000)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (64,650)	$ (64,650)	$ 30,385	$ 95,035
FUND BALANCE, January 1, 2009			504,702	
FUND BALANCE, December 31, 2009			$ 535,087	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 4

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
COMMON ROAD I FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Property Taxes	$ 58,342	$ 58,342	$ 60,235	$ 1,893
Intergovernmental	16,335	16,335	15,436	(899)
Other Revenues	-	-	204	204
TOTAL REVENUES RECEIVED	$ 74,677	$ 74,677	$ 75,875	$ 1,198
EXPENDITURES PAID:				
Highway and Roads	$ 492,100	$ 492,100	$ 437,812	$ 54,288
TOTAL EXPENDITURES PAID	$ 492,100	$ 492,100	$ 437,812	$ 54,288
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ 290,867	$ 290,867	$ 291,730	$ 863
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ 290,867	$ 290,867	$ 291,730	$ 863
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (126,556)	$ (126,556)	$ (70,207)	$ 56,349
FUND BALANCE, January 1, 2010			202,414	
FUND BALANCE, December 31, 2010			$ 132,207	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 4

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
COMMON ROAD I FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Property Taxes	$ 59,157	$ 59,157	$ 58,817	$ (340)
Intergovernmental	16,564	16,564	16,576	12
Other Revenues	-	-	208	208
TOTAL REVENUES RECEIVED	$ 75,721	$ 75,721	$ 75,601	$ (120)
EXPENDITURES PAID:				
Highway and Roads	$ 488,200	$ 488,200	$ 293,271	$ 194,929
TOTAL EXPENDITURES PAID	$ 488,200	$ 488,200	$ 293,271	$ 194,929
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ 313,869	$ 313,869	$ 291,602	$ (22,267)
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ 313,869	$ 313,869	$ 291,602	$ (22,267)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (98,610)	$ (98,610)	$ 73,932	$ 172,542
FUND BALANCE, January 1, 2009			128,482	
FUND BALANCE, December 31, 2009			$ 202,414	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 5

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
COMMON ROAD II FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Property Taxes	$ 22,380	$ 22,380	$ 22,151	$ (229)
Intergovernmental	5,968	5,968	5,277	(691)
Other Revenues	100	100	-	(100)
TOTAL REVENUES RECEIVED	$ 28,448	$ 28,448	$ 27,428	$ (1,020)
EXPENDITURES PAID:				
Highway and Roads	$ 374,800	$ 374,800	$ 302,122	$ 72,678
TOTAL EXPENDITURES PAID	$ 374,800	$ 374,800	$ 302,122	$ 72,678
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ 212,634	$ 212,634	$ 213,265	$ 631
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ 212,634	$ 212,634	$ 213,265	$ 631
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (133,718)	$ (133,718)	$ (61,429)	$ 72,289
FUND BALANCE, January 1, 2010			143,978	
FUND BALANCE, December 31, 2010			$ 82,549	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 5

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
COMMON ROAD II FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Property Taxes	$ 22,658	$ 22,658	$ 23,825	$ 1,167
Intergovernmental	16,389	16,389	6,411	(9,978)
Other Revenues	500	500	14,676	14,176
TOTAL REVENUES RECEIVED	$ 39,547	$ 39,547	$ 44,912	$ 5,365
EXPENDITURES PAID:				
Highway and Roads	$ 352,250	$ 352,250	$ 248,606	$ 103,644
TOTAL EXPENDITURES PAID	$ 352,250	$ 352,250	$ 248,606	$ 103,644
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ 229,450	$ 229,450	$ 213,169	$ (16,281)
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ 229,450	$ 229,450	$ 213,169	$ (16,281)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (83,253)	$ (83,253)	$ 9,475	$ 92,728
FUND BALANCE, January 1, 2009			134,503	
FUND BALANCE, December 31, 2009			$ 143,978	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 6

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
PROSECUTING ATTORNEY BAD CHECK FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 28,000	$ 28,000	$ 20,773	$ (7,227)
Interest Income	1,000	1,000	844	(156)
Other Revenues	2,000	2,000	1,762	(238)
TOTAL REVENUES RECEIVED	$ 31,000	$ 31,000	$ 23,379	$ (7,621)
EXPENDITURES PAID:				
Prosecuting Attorney	$ 52,075	$ 52,075	$ 30,178	$ 21,897
TOTAL EXPENDITURES PAID	$ 52,075	$ 52,075	$ 30,178	$ 21,897
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (21,075)	$ (21,075)	$ (6,799)	$ 14,276
FUND BALANCE, January 1, 2010			48,063	
FUND BALANCE, December 31, 2010			$ 41,264	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 6

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
PROSECUTING ATTORNEY BAD CHECK FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 28,000	$ 28,000	$ 31,659	$ 3,659
Interest Income	1,000	1,000	937	(63)
Other Revenues	325	325	2,082	1,757
TOTAL REVENUES RECEIVED	$ 29,325	$ 29,325	$ 34,678	$ 5,353
EXPENDITURES PAID:				
Prosecuting Attorney	$ 61,980	$ 61,980	$ 42,638	$ 19,342
TOTAL EXPENDITURES PAID	$ 61,980	$ 61,980	$ 42,638	$ 19,342
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (32,655)	$ (32,655)	$ (7,960)	$ 24,695
FUND BALANCE, January 1, 2009			56,023	
FUND BALANCE, December 31, 2009			$ 48,063	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 7

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
SHERIFF SPECIAL FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Intergovernmental	$ 50,000	$ 50,000	$ 50,000	$ -
Fees and Charges	15,000	15,000	13,885	(1,115)
Other Revenues	12,000	12,000	24,081	12,081
TOTAL REVENUES RECEIVED	$ 77,000	$ 77,000	$ 87,966	$ 10,966
EXPENDITURES PAID:				
Sheriff	$ 157,817	$ 157,817	$ 90,166	$ 67,651
TOTAL EXPENDITURES PAID	$ 157,817	$ 157,817	$ 90,166	$ 67,651
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	(3,375)	(3,375)
Total Other Financing Sources (Uses)	$ -	$ -	$ (3,375)	$ (3,375)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (80,817)	$ (80,817)	$ (5,575)	$ 75,242
FUND BALANCE, January 1, 2010			80,818	
FUND BALANCE, December 31, 2010			$ 75,243	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 7

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
SHERIFF SPECIAL FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Intergovernmental	$ 50,000	$ 50,000	$ 50,000	$ -
Fees and Charges	10,000	16,000	23,245	7,245
Other Revenues	11,000	11,000	8,460	(2,540)
TOTAL REVENUES RECEIVED	$ 71,000	$ 77,000	$ 81,705	$ 4,705
EXPENDITURES PAID:				
Sheriff	$ 75,000	$ 174,000	$ 97,716	$ 76,284
TOTAL EXPENDITURES PAID	$ 75,000	$ 174,000	$ 97,716	$ 76,284
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	(2,936)	(2,936)
Total Other Financing Sources (Uses)	$ -	$ -	$ (2,936)	$ (2,936)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (4,000)	$ (97,000)	$ (18,947)	$ 78,053
FUND BALANCE, January 1, 2009			99,765	
FUND BALANCE, December 31, 2009			$ 80,818	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 8

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
LAW ENFORCEMENT RESTITUTION FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 39,000	$ 39,000	$ 31,008	$ (7,992)
TOTAL REVENUES RECEIVED	$ 39,000	$ 39,000	$ 31,008	$ (7,992)
EXPENDITURES PAID:				
Sheriff	$ 80,000	$ 80,000	$ 40,078	$ 39,922
TOTAL EXPENDITURES PAID	$ 80,000	$ 80,000	$ 40,078	$ 39,922
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (41,000)	$ (41,000)	$ (9,070)	$ 31,930
FUND BALANCE, January 1, 2010			43,805	
FUND BALANCE, December 31, 2010			$ 34,735	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 8

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
LAW ENFORCEMENT RESTITUTION FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 32,000	$ 32,000	$ 38,927	$ 6,927
TOTAL REVENUES RECEIVED	$ 32,000	$ 32,000	$ 38,927	$ 6,927
EXPENDITURES PAID:				
Sheriff	$ 65,000	$ 65,000	$ 50,475	$ 14,525
TOTAL EXPENDITURES PAID	$ 65,000	$ 65,000	$ 50,475	$ 14,525
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (33,000)	$ (33,000)	$ (11,548)	$ 21,452
FUND BALANCE, January 1, 2009			55,353	
FUND BALANCE, December 31, 2009			$ 43,805	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 9

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
PROSECUTING ATTORNEY TRAINING FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 1,200	$ 1,200	$ 1,146	$ (54)
TOTAL REVENUES RECEIVED	$ 1,200	$ 1,200	$ 1,146	$ (54)
EXPENDITURES PAID:				
Prosecuting Attorney	$ 1,200	$ 1,200	$ -	$ 1,200
TOTAL EXPENDITURES PAID	$ 1,200	$ 1,200	$ -	$ 1,200
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ -	$ -	$ 1,146	$ 1,146
FUND BALANCE, January 1, 2010			1,255	
FUND BALANCE, December 31, 2010			$ 2,401	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 9

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
PROSECUTING ATTORNEY TRAINING FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 1,200	$ 1,200	$ 1,264	$ 64
TOTAL REVENUES RECEIVED	$ 1,200	$ 1,200	$ 1,264	$ 64
EXPENDITURES PAID:				
Prosecuting Attorney	$ 2,047	$ 2,047	$ 857	$ 1,190
TOTAL EXPENDITURES PAID	$ 2,047	$ 2,047	$ 857	$ 1,190
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (847)	$ (847)	$ 407	$ 1,254
FUND BALANCE, January 1, 2009			848	$ 1,255
FUND BALANCE, December 31, 2009			$ 1,255	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 10

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
LAW ENFORCEMENT TRAINING FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 7,000	$ 7,000	$ 4,538	$ (2,462)
Other Revenue	2,500	2,500	2,422	(78)
TOTAL REVENUES RECEIVED	$ 9,500	$ 9,500	$ 6,960	$ (2,540)
EXPENDITURES PAID:				
Sheriff	$ 11,000	$ 11,000	$ 6,654	$ 4,346
TOTAL EXPENDITURES PAID	$ 11,000	$ 11,000	$ 6,654	$ 4,346
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (1,500)	$ (1,500)	$ 306	$ 1,806
FUND BALANCE, January 1, 2010			6,189	
FUND BALANCE, December 31, 2010			$ 6,495	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 10

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
LAW ENFORCEMENT TRAINING FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 7,000	$ 7,000	$ 5,026	$ (1,974)
Other Revenue	2,500	2,500	2,308	(192)
TOTAL REVENUES RECEIVED	$ 9,500	$ 9,500	$ 7,334	$ (2,166)
EXPENDITURES PAID:				
Sheriff	$ 9,000	$ 11,500	$ 9,480	$ 2,020
TOTAL EXPENDITURES PAID	$ 9,000	$ 11,500	$ 9,480	$ 2,020
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 500	$ (2,000)	$ (2,146)	$ (146)
FUND BALANCE, January 1, 2009			8,335	
FUND BALANCE, December 31, 2009			$ 6,189	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 11

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
911 EMERGENCY FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Intergovernmental	$ 23,877	$ 23,877	$ 23,877	$ -
Other Revenues	175,000	179,463	185,892	6,429
TOTAL REVENUES RECEIVED	$ 198,877	$ 203,340	$ 209,769	$ 6,429
EXPENDITURES PAID:				
Sheriff	$ 268,110	$ 286,340	$ 278,199	$ 8,141
TOTAL EXPENDITURES PAID	$ 268,110	$ 286,340	$ 278,199	$ 8,141
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ 50,000	$ 50,000	$ 50,000	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ 50,000	$ 50,000	$ 50,000	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (19,233)	$ (33,000)	$ (18,430)	$ 14,570
FUND BALANCE, January 1, 2010			49,950	
FUND BALANCE, December 31, 2010			$ 31,520	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 11

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
911 EMERGENCY FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Intergovernmental	$ 23,877	$ 23,877	$ 24,989	$ 1,112
Fees and Charges	175,000	175,000	195,374	20,374
TOTAL REVENUES RECEIVED	$ 198,877	$ 198,877	$ 220,363	$ 21,486
EXPENDITURES PAID:				
Sheriff	$ 277,610	$ 277,610	$ 253,869	$ 23,741
TOTAL EXPENDITURES PAID	$ 277,610	$ 277,610	$ 253,869	$ 23,741
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ 50,000	$ 50,000	$ 50,000	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ 50,000	$ 50,000	$ 50,000	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (28,733)	$ (28,733)	$ 16,494	$ 45,227
FUND BALANCE, January 1, 2009			33,456	
FUND BALANCE, December 31, 2009			$ 49,950	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 12

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
DOMESTIC VIOLENCE FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 1,500	$ 1,500	$ 1,375	$ (125)
TOTAL REVENUES RECEIVED	$ 1,500	$ 1,500	$ 1,375	$ (125)
EXPENDITURES PAID:				
Other	$ 2,185	$ 2,185	$ 2,060	$ 125
TOTAL EXPENDITURES PAID	$ 2,185	$ 2,185	$ 2,060	$ 125
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (685)	$ (685)	$ (685)	$ -
FUND BALANCE, January 1, 2010			685	
FUND BALANCE, December 31, 2010			$ -	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 12

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
DOMESTIC VIOLENCE FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 1,500	$ 1,500	$ 1,195	$ (305)
TOTAL REVENUES RECEIVED	$ 1,500	$ 1,500	$ 1,195	$ (305)
EXPENDITURES PAID:				
Other	$ 1,500	$ 1,500	$ 510	$ 990
TOTAL EXPENDITURES PAID	$ 1,500	$ 1,500	$ 510	$ 990
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ -	$ -	$ 685	$ 685
FUND BALANCE, January 1, 2009			-	
FUND BALANCE, December 31, 2009			$ 685	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 13

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
INMATE SECURITY FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 5,000	$ 5,000	$ 4,502	$ (498)
TOTAL REVENUES RECEIVED	$ 5,000	$ 5,000	$ 4,502	$ (498)
EXPENDITURES PAID:				
Jail	$ 10,633	$ 10,633	$ 3,870	$ 6,763
TOTAL EXPENDITURES PAID	$ 10,633	$ 10,633	$ 3,870	$ 6,763
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (5,633)	$ (5,633)	$ 632	$ 6,265
FUND BALANCE, January 1, 2010			5,635	
FUND BALANCE, December 31, 2010			$ 6,267	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 13

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
INMATE SECURITY FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 4,700	$ 4,700	$ 4,980	$ 280
TOTAL REVENUES RECEIVED	$ 4,700	$ 4,700	$ 4,980	$ 280
EXPENDITURES PAID:				
Jail	$ 15,000	$ 25,000	$ 21,275	$ 3,725
TOTAL EXPENDITURES PAID	$ 15,000	$ 25,000	$ 21,275	$ 3,725
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (10,300)	$ (20,300)	$ (16,295)	$ 4,005
FUND BALANCE, January 1, 2009			21,930	
FUND BALANCE, December 31, 2009			$ 5,635	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 14

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
ELECTION SERVICES FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Intergovernmental	$ -	$ -	$ 2,242	$ 2,242
Fees and Charges	1,500	1,500	5,523	4,023
Interest Income	300	300	446	146
TOTAL REVENUES RECEIVED	$ 1,800	$ 1,800	$ 8,211	$ 6,411
EXPENDITURES PAID:				
Elections	$ 20,000	$ 20,000	$ 15,567	$ 4,433
TOTAL EXPENDITURES PAID	$ 20,000	$ 20,000	$ 15,567	$ 4,433
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (18,200)	$ (18,200)	$ (7,356)	$ 10,844
FUND BALANCE, January 1, 2010			24,702	
FUND BALANCE, December 31, 2010			$ 17,346	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 14

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
ELECTION SERVICES FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Intergovernmental	$ -	$ -	$ 4,981	$ 4,981
Fees and Charges	1,300	1,300	2,384	1,084
Interest Income	150	150	387	237
TOTAL REVENUES RECEIVED	$ 1,450	$ 1,450	$ 7,752	$ 6,302
EXPENDITURES PAID:				
Elections	$ 10,500	$ 10,500	$ 1,727	$ 8,773
TOTAL EXPENDITURES PAID	$ 10,500	$ 10,500	$ 1,727	$ 8,773
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (9,050)	$ (9,050)	$ 6,025	$ 15,075
FUND BALANCE, January 1, 2009			18,677	
FUND BALANCE, December 31, 2009			$ 24,702	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 15

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
COLLECTOR'S TAX MAINTENANCE FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 40,000	$ 40,000	$ 50,112	$ 10,112
Other Revenues	-	-	-	-
TOTAL REVENUES RECEIVED	$ 40,000	$ 40,000	$ 50,112	$ 10,112
EXPENDITURES PAID:				
Collector	$ 54,190	$ 54,190	$ 29,554	$ 24,636
TOTAL EXPENDITURES PAID	$ 54,190	$ 54,190	$ 29,554	$ 24,636
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (14,190)	$ (14,190)	$ 20,558	$ 34,748
FUND BALANCE, January 1, 2010			14,192	
FUND BALANCE, December 31, 2010			$ 34,750	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 15

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
COLLECTOR'S TAX MAINTENANCE FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 37,000	$ 37,000	$ 47,538	$ 10,538
Other Revenues	-	-	-	-
TOTAL REVENUES RECEIVED	$ 37,000	$ 37,000	$ 47,538	$ 10,538
EXPENDITURES PAID:				
Collector	$ 92,937	$ 95,437	$ 56,241	$ 39,196
TOTAL EXPENDITURES PAID	$ 92,937	$ 95,437	$ 56,241	$ 39,196
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ 4,000	$ 4,000
Operating Transfers Out	-	-	(40,000)	(40,000)
Total Other Financing Sources (Uses)	$ -	$ -	$ (36,000)	$ (36,000)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (55,937)	$ (58,437)	$ (44,703)	$ 13,734
FUND BALANCE, January 1, 2009			58,895	
FUND BALANCE, December 31, 2009			$ 14,192	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 16

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
RECORDER USER FEE FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 20,000	$ 20,000	$ 19,884	$ (116)
Interest Income	1,950	1,950	1,824	(126)
TOTAL REVENUES RECEIVED	$ 21,950	$ 21,950	$ 21,708	$ (242)
EXPENDITURES PAID:				
Recorder of Deeds	$ 65,500	$ 65,500	$ 30,656	$ 34,844
TOTAL EXPENDITURES PAID	$ 65,500	$ 65,500	$ 30,656	$ 34,844
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (43,550)	$ (43,550)	$ (8,948)	$ 34,602
FUND BALANCE, January 1, 2010			106,683	
FUND BALANCE, December 31, 2010			$ 97,735	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 16

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
RECORDER USER FEE FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 22,000	$ 22,000	$ 20,840	$ (1,160)
Interest Income	2,000	2,000	1,988	(12)
TOTAL REVENUES RECEIVED	$ 24,000	$ 24,000	$ 22,828	$ (1,172)
EXPENDITURES PAID:				
Recorder of Deeds	$ 65,500	$ 65,500	$ 32,267	$ 33,233
TOTAL EXPENDITURES PAID	$ 65,500	$ 65,500	$ 32,267	$ 33,233
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (41,500)	$ (41,500)	$ (9,439)	$ 32,061
FUND BALANCE, January 1, 2009			116,122	
FUND BALANCE, December 31, 2009			$ 106,683	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 17

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
CAPITAL IMPROVEMENTS FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Other Revenues	$ 98,000	$ 98,000	$ 102,332	$ 4,332
TOTAL REVENUES RECEIVED	$ 98,000	$ 98,000	$ 102,332	$ 4,332
EXPENDITURES PAID:				
Capital Outlay	$ 261,040	$ 261,040	$ 237,340	$ 23,700
TOTAL EXPENDITURES PAID	$ 261,040	$ 261,040	$ 237,340	$ 23,700
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ 50,000	$ 550,000	$ 550,000	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ 50,000	$ 550,000	$ 550,000	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (113,040)	$ 386,960	$ 414,992	$ 28,032
FUND BALANCE, January 1, 2010			125,882	
FUND BALANCE, December 31, 2010			$ 540,874	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 17

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
CAPITAL IMPROVEMENTS FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Other Revenues	$ 98,000	$ 98,000	$ -	$ (98,000)
TOTAL REVENUES RECEIVED	$ 98,000	$ 98,000	$ -	$ (98,000)
EXPENDITURES PAID:				
Capital Outlay	$ 370,000	$ 420,000	$ 225,074	$ 194,926
TOTAL EXPENDITURES PAID	$ 370,000	$ 420,000	$ 225,074	$ 194,926
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ 40,000	$ 40,000	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ 40,000	$ 40,000	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (272,000)	$ (282,000)	$ (185,074)	$ 96,926
FUND BALANCE, January 1, 2009			310,956	
FUND BALANCE, December 31, 2009			$ 125,882	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 18

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
JUDICIAL SALES TAX FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Sales Tax	$ 1,202,000	$ 1,202,000	$ 1,188,405	$ (13,595)
Interest Income	5,000	5,000	26,801	21,801
Other Revenue	-	147,899	250	(147,649)
TOTAL REVENUES RECEIVED	$ 1,207,000	$ 1,354,899	$ 1,215,456	$ (139,443)
EXPENDITURES PAID:				
Building and Grounds	$ 274,800	$ 429,699	$ 362,811	$ 66,888
Debt Service	983,220	925,000	-	925,000
TOTAL EXPENDITURES PAID	$ 1,258,020	$ 1,354,699	$ 362,811	$ 991,888
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ 147,899	$ 147,899
Operating Transfers Out	-	-	(932,487)	(932,487)
Total Other Financing Sources (Uses)	$ -	$ -	$ (784,588)	$ (784,588)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (51,020)	$ 200	$ 68,057	$ 67,857
FUND BALANCE, January 1, 2010			1,566,075	
FUND BALANCE, December 31, 2010			$ 1,634,132	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 18

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
JUDICIAL SALES TAX FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Sales Tax	$ 300,000	$ 330,000	$ 1,199,232	$ 869,232
Interest Income	-	-	44,564	44,564
Other Revenue	10,452	10,452	21,045	10,593
TOTAL REVENUES RECEIVED	$ 310,452	$ 340,452	$ 1,264,841	$ 924,389
EXPENDITURES PAID:				
Building and Grounds	$ 259,000	$ 299,380	$ 136,481	$ 162,899
Debt Service	-	-	-	-
TOTAL EXPENDITURES PAID	$ 259,000	$ 299,380	$ 136,481	$ 162,899
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	(1,010,990)	(1,010,990)
Total Other Financing Sources (Uses)	$ -	$ -	$ (1,010,990)	$ (1,010,990)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 51,452	$ 41,072	$ 117,370	$ 76,298
FUND BALANCE, January 1, 2009			1,448,705	
FUND BALANCE, December 31, 2009			$ 1,566,075	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 19

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
TIF ESCROW FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Property Taxes	$ -	$ -	$ 41,174	$ 41,174
Interest Income	200	200	1,216	1,016
TOTAL REVENUES RECEIVED	$ 200	$ 200	$ 42,390	$ 42,190
EXPENDITURES PAID:				
Due to Others	$ 112,689	$ 112,689	$ -	$ 112,689
TOTAL EXPENDITURES PAID	$ 112,689	$ 112,689	$ -	$ 112,689
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ 77,500	$ 77,500	$ 20,647	$ (56,853)
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ 77,500	$ 77,500	$ 20,647	$ (56,853)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (34,989)	$ (34,989)	$ 63,037	$ 98,026
FUND BALANCE, January 1, 2010			34,989	
FUND BALANCE, December 31, 2010			$ 98,026	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 19

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
TIF ESCROW FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Property Taxes	$ -	$ -	$ -	$ -
Interest Income	-	-	129	129
TOTAL REVENUES RECEIVED	$ -	$ -	$ 129	$ 129
EXPENDITURES PAID:				
Due to Others	$ -	$ 48,265	$ -	$ 48,265
TOTAL EXPENDITURES PAID	$ -	$ 48,265	$ -	$ 48,265
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ 48,265	$ 34,860	$ (13,405)
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ 48,265	$ 34,860	$ (13,405)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ -	$ -	$ 34,989	$ 34,989
FUND BALANCE, January 1, 2009			-	
FUND BALANCE, December 31, 2009			$ 34,989	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 20

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
HPRP FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Intergovernmental	$ -	$ 120,363	$ 90,270	$ (30,093)
TOTAL REVENUES RECEIVED	$ -	$ 120,363	$ 90,270	$ (30,093)
EXPENDITURES PAID:				
Health and Welfare	$ -	$ 120,363	$ 87,564	$ 32,799
TOTAL EXPENDITURES PAID	$ -	$ 120,363	$ 87,564	$ 32,799
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	(1,805)	(1,805)
Total Other Financing Sources (Uses)	$ -	$ -	$ (1,805)	$ (1,805)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ -	$ -	$ 901	$ 901
FUND BALANCE, January 1, 2010			-	
FUND BALANCE, December 31, 2010			$ 901	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 20

LAWRENCE COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
HPRP FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Intergovernmental	$ -	$ -	$ -	$ -
TOTAL REVENUES RECEIVED	$ -	$ -	$ -	$ -
EXPENDITURES PAID:				
Health and Welfare	$ -	$ -	$ -	$ -
TOTAL EXPENDITURES PAID	$ -	$ -	$ -	$ -
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ -	$ -	$ -	$ -
FUND BALANCE, January 1, 2009			-	
FUND BALANCE, December 31, 2009			$ -	

See Accompanying Notes to Budgetary Comparison Schedules.

LAWRENCE COUNTY, MISSOURI

NOTES TO BUDGETARY COMPARISON SCHEDULES

December 31, 2010 and 2009

1. BUDGETARY INFORMATION

The 2010 and 2009 annual budget, prepared under the cash basis of accounting, was adopted on January 20, 2010 and January 21, 2009, respectively for all revenues and expenditures of the General Revenue Fund and all special revenue funds of the County. Any increase in appropriations during the fiscal year must be approved by the County Commission. The 2010 and 2009 budget was amended on December 15, 2010 and November 4, 2009, respectively to authorize expenditures of unanticipated revenues received during the year. Any remaining unencumbered appropriations lapse at the end of each fiscal year.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

During the year ended December 31, 2009, actual expenditures of the following funds exceeded budgetary limits by:

Fund	Amount Exceeding Budgetary Limits
Judicial Sales Tax Fund	$848,091

SCHEDULE 21

LAWRENCE COUNTY, MISSOURI

PENSION PLAN
Schedule of Funding Progress

For the Year Ended December 31, 2010

Actuarial Valuation Date	(a) Actuarial Value Of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Payroll	(b-a)/c) UAL as a Percentage of Covered Payroll
2/29/2008	$ 3,505,883	$ 2,852,450	$ (653,433)	123%	$ 2,228,573	
2/28/2009	2,675,673	2,822,792	147,119	95%	2,280,414	6%
2/28/2010	3,002,553	3,246,346	243,793	92%	2,547,672	10%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

SCHEDULE 21

LAWRENCE COUNTY, MISSOURI

PENSION PLAN
Schedule of Funding Progress

For the Year Ended December 31, 2009

Actuarial Valuation Date	(a) Actuarial Value Of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Payroll	(b-a)/c) UAL as a Percentage of Covered Payroll
2/28/2007	$ 3,238,848	$ 2,683,894	$ (554,954)	121%	$ 2,026,750	
2/29/2008	3,505,883	2,852,450	(653,433)	123%	2,228,573	
2/28/2009	2,675,673	2,822,792	147,119	95%	2,280,414	6%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

SUPPLEMENTARY INFORMATION

LAWRENCE COUNTY, MISSOURI

COMBINING BALANCE SHEET - CASH BASIS
OTHER GOVERNMENTAL FUNDS

December 31, 2010

	Common I Fund	Common II Fund	Prosecuting Attorney Bad Check Fund	Sheriff Special Fund	Law Enforcement Restitution Fund	Prosecuting Attorney Training Fund	Law Enforcement Training Fund	911 Emergency Fund	Domestic Violence Fund
ASSETS									
Cash and Cash Equivalents	$ 132,207	$ 82,549	$ 41,264	$ 75,243	$ 34,735	$ 2,401	$ 6,495	$ 31,520	$ -
TOTAL ASSETS	$ 132,207	$ 82,549	$ 41,264	$ 75,243	$ 34,735	$ 2,401	$ 6,495	$ 31,520	$ -
LIABILITIES AND FUND BALANCE									
TOTAL LIABILITIES	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FUND BALANCE:									
Unreserved Fund Balance	$ 132,207	$ 82,549	$ 41,264	$ 75,243	$ 34,735	$ 2,401	$ 6,495	$ 31,520	$ -
TOTAL FUND BALANCE	$ 132,207	$ 82,549	$ 41,264	$ 75,243	$ 34,735	$ 2,401	$ 6,495	$ 31,520	$ -
TOTAL LIABILITIES AND FUND BALANCE	$ 132,207	$ 82,549	$ 41,264	$ 75,243	$ 34,735	$ 2,401	$ 6,495	$ 31,520	$ -

- Continued -
See Independent Auditors' Report.

LAWRENCE COUNTY, MISSOURI

COMBINING BALANCE SHEET - CASH BASIS
OTHER GOVERNMENTAL FUNDS

December 31, 2010

	Inmate Security Fund	Election Services Fund	Collector's Tax Maintenance Fund	Recorder User Fee Fund	TIF Escrow Fund	HPRP Fund	Justice Capital Projects Fund	Totals (Memorandum Only)
ASSETS								
Cash and Cash Equivalents	$ 6,267	$ 17,346	$ 34,750	$ 97,735	$ 98,026	$ 901	$ -	$ 661,439
TOTAL ASSETS	$ 6,267	$ 17,346	$ 34,750	$ 97,735	$ 98,026	$ 901	$ -	$ 661,439
LIABILITIES AND FUND BALANCE								
TOTAL LIABILITIES	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FUND BALANCE:								
Unreserved Fund Balance	$ 6,267	$ 17,346	$ 34,750	$ 97,735	$ 98,026	$ 901	$ -	$ 661,439
TOTAL FUND BALANCE	$ 6,267	$ 17,346	$ 34,750	$ 97,735	$ 98,026	$ 901	$ -	$ 661,439
TOTAL LIABILITIES AND FUND BALANCE	$ 6,267	$ 17,346	$ 34,750	$ 97,735	$ 98,026	$ 901	$ -	$ 661,439

See Independent Auditors' Report.

LAWRENCE COUNTY, MISSOURI

COMBINING BALANCE SHEET - CASH BASIS
OTHER GOVERNMENTAL FUNDS

December 31, 2009

	Common Road I Fund	Common Road II Fund	Prosecuting Attorney Bad Check Fund	Sheriff Special Fund	Law Enforcement Restitution Fund	Prosecuting Attorney Training Fund	Law Enforcement Training Fund	911 Emergency Fund	Domestic Violence Fund
ASSETS									
Cash and Cash Equivalents	$ 202,414	$ 143,978	$ 48,063	$ 80,818	$ 43,805	$ 1,255	$ 6,189	$ 49,950	$ 685
TOTAL ASSETS	$ 202,414	$ 143,978	$ 48,063	$ 80,818	$ 43,805	$ 1,255	$ 6,189	$ 49,950	$ 685
LIABILITIES AND FUND BALANCE									
TOTAL LIABILITIES	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FUND BALANCE:									
Unreserved Fund Balance	$ 202,414	$ 143,978	$ 48,063	$ 80,818	$ 43,805	$ 1,255	$ 6,189	$ 49,950	$ 685
TOTAL FUND BALANCE	$ 202,414	$ 143,978	$ 48,063	$ 80,818	$ 43,805	$ 1,255	$ 6,189	$ 49,950	$ 685
TOTAL LIABILITIES AND FUND BALANCE	$ 202,414	$ 143,978	$ 48,063	$ 80,818	$ 43,805	$ 1,255	$ 6,189	$ 49,950	$ 685

-Continued-
See Independent Auditors' Report.

LAWRENCE COUNTY, MISSOURI

COMBINING BALANCE SHEET - CASH BASIS
OTHER GOVERNMENTAL FUNDS

December 31, 2009

	Inmate Security Fund	Election Services Fund	Collector's Tax Maintenance Fund	Recorder User Fee Fund	Capital Improvements Fund	TIF Escrow Fund	HPRP Fund	Debt Service Fund	Totals (Memorandum Only)
ASSETS									
Cash and Cash Equivalents	$ 5,635	$ 24,702	$ 14,192	$ 106,683	$ 125,882	$ 34,989	$ -	$ -	$ 889,240
TOTAL ASSETS	$ 5,635	$ 24,702	$ 14,192	$ 106,683	$ 125,882	$ 34,989	$ -	$ -	$ 889,240
LIABILITIES AND FUND BALANCE									
TOTAL LIABILITIES	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FUND BALANCE:									
Unreserved Fund Balance	$ 5,635	$ 24,702	$ 14,192	$ 106,683	$ 125,882	$ 34,989	$ -	$ -	$ 889,240
TOTAL FUND BALANCE	$ 5,635	$ 24,702	$ 14,192	$ 106,683	$ 125,882	$ 34,989	$ -	$ -	$ 889,240
TOTAL LIABILITIES AND FUND BALANCE	$ 5,635	$ 24,702	$ 14,192	$ 106,683	$ 125,882	$ 34,989	$ -	$ -	$ 889,240

See Independent Auditors' Report.

LAWRENCE COUNTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - CASH BASIS - OTHER GOVERNMENTAL FUNDS

For the Year Ended December 31, 2010

	Common I Fund	Common II Fund	Prosecuting Attorney Bad Check Fund	Sheriff Special Fund	Law Enforcement Restitution Fund	Prosecuting Attorney Training Fund	Law Enforcement Training Fund	911 Emergency Fund	Domestic Violence Fund
REVENUES RECEIVED:									
Property Tax	$ 60,235	$ 22,151	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	15,436	5,277	-	50,000	-	-	-	23,877	-
Fees and Charges	-	-	20,773	13,885	31,008	1,146	4,538	-	1,375
Interest Income	-	-	844	-	-	-	-	-	-
Other Revenue	204	-	1,762	24,081	-	-	2,422	185,892	-
TOTAL REVENUES RECEIVED	$ 75,875	$ 27,428	$ 23,379	$ 87,966	$ 31,008	$ 1,146	$ 6,960	$ 209,769	$ 1,375
EXPENDITURES PAID:									
General County Government	$ -	$ -	$ 30,178	$ -	$ -	$ -	$ -	$ -	$ -
Highway and Roads	437,812	302,122	-	-	-	-	-	-	-
Judicial and Court Related	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	90,166	40,078	-	6,654	278,199	2,060
Capital Outlay	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES PAID	$ 437,812	$ 302,122	$ 30,178	$ 90,166	$ 40,078	$ -	$ 6,654	$ 278,199	$ 2,060
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (361,937)	$ (274,694)	$ (6,799)	$ (2,200)	$ (9,070)	$ 1,146	$ 306	$ (68,430)	$ (685)
OTHER FINANCING SOURCES (USES):									
Operating Transfers In (Out)	291,730	213,265	-	(3,375)	-	-	-	50,000	-
EXCESS (DEFICIENCY) OF REVENUES RECEIVED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	$ (70,207)	$ (61,429)	$ (6,799)	$ (5,575)	$ (9,070)	$ 1,146	$ 306	$ (18,430)	$ (685)
FUND BALANCE, January 1, 2010	202,414	143,978	48,063	80,818	43,805	1,255	6,189	49,950	685
FUND BALANCE, December 31, 2010	$ 132,207	$ 82,549	$ 41,264	$ 75,243	$ 34,735	$ 2,401	$ 6,495	$ 31,520	$ -

- Continued -
See Independent Auditors' Report.

LAWRENCE COUNTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - CASH BASIS - OTHER GOVERNMENTAL FUNDS

For the Year Ended December 31, 2010

	Inmate Security Fund	Election Services Fund	Collector's Tax Maintenance Fund	Recorder User Fee Fund	TIF Escrow Fund	HPRP Fund	Justice Center Capital Project Fund	Totals (Memorandum Only)
REVENUES RECEIVED:								
Property Tax	$ -	$ -	$ -	$ -	$ 41,174	$ -	$ -	$ 123,560
Intergovernmental	-	2,242	-	-	-	90,270	-	187,102
Fees and Charges	4,502	5,523	50,112	19,884	-	-	-	152,746
Interest Income	-	446	-	1,824	1,216	-	15,451	19,781
Other Revenue	-	-	-	-	-	-	63,074	277,435
TOTAL REVENUES RECEIVED	$ 4,502	$ 8,211	$ 50,112	$ 21,708	$ 42,390	$ 90,270	$ 78,525	$ 760,624
EXPENDITURES PAID:								
General County Government	$ -	$ 15,567	$ 29,554	$ 30,656	$ -	$ -	$ -	$ 105,955
Highway and Roads	-	-	-	-	-	-	-	739,934
Judicial and Court Related	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	87,564	-	87,564
Public Safety	3,870	-	-	-	-	-	-	421,027
Capital Outlay	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES PAID	$ 3,870	$ 15,567	$ 29,554	$ 30,656	$ -	$ 87,564	$ -	$ 1,354,480
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 632	$ (7,356)	$ 20,558	$ (8,948)	$ 42,390	$ 2,706	$ 78,525	$ (593,856)
OTHER FINANCING SOURCES (USES):								
Operating Transfers In (Out)	-	-	-	-	20,647	(1,805)	(820,160)	(249,698)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	$ 632	$ (7,356)	$ 20,558	$ (8,948)	$ 63,037	$ 901	$ (741,635)	$ (843,554)
FUND BALANCE, January 1, 2010	5,635	24,702	14,192	106,683	34,989	-	741,635	1,504,993
FUND BALANCE, December 31, 2010	$ 6,267	$ 17,346	$ 34,750	$ 97,735	$ 98,026	$ 901	$ -	$ 661,439

See Independent Auditors' Report.

LAWRENCE COUNTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - CASH BASIS - OTHER GOVERNMENTAL FUNDS

For the Year Ended December 31, 2009

	Common Road I Fund	Common Road II Fund	Prosecuting Attorney Bad Check Fund	Sheriff Special Fund	Law Enforcement Restitution Fund	Prosecuting Attorney Training Fund	Law Enforcement Training Fund	911 Emergency Fund	Domestic Violence Fund
REVENUES RECEIVED:									
Property Tax	$ 58,817	$ 23,825	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	16,576	6,411	-	50,000	-	-	-	24,989	-
Fees and Charges	-	-	31,659	23,245	38,927	1,264	5,026	195,374	1,195
Interest Income	-	-	937	-	-	-	-	-	-
Other Revenue	208	14,676	2,082	8,460	-	-	2,308	-	-
TOTAL REVENUES RECEIVED	$ 75,601	$ 44,912	$ 34,678	$ 81,705	$ 38,927	$ 1,264	$ 7,334	$ 220,363	$ 1,195
EXPENDITURES PAID:									
General County Government	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Highway and Roads	293,271	248,606	-		-	-	-	-	-
Judicial and Court Related	-	-	42,638	-	-	857	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	97,716	50,475	-	9,480	253,869	510
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES PAID	$ 293,271	$ 248,606	$ 42,638	$ 97,716	$ 50,475	$ 857	$ 9,480	$ 253,869	$ 510
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (217,670)	$ (203,694)	$ (7,960)	$ (16,011)	$ (11,548)	$ 407	$ (2,146)	$ (33,506)	$ 685
OTHER FINANCING SOURCES (USES):									
Operating Transfers In (Out)	291,602	213,169	-	(2,936)	-	-	-	50,000	-
EXCESS (DEFICIENCY) OF REVENUES RECEIVED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	$ 73,932	$ 9,475	$ (7,960)	$ (18,947)	$ (11,548)	$ 407	$ (2,146)	$ 16,494	$ 685
FUND BALANCE, January 1, 2009	128,482	134,503	56,023	99,765	55,353	848	8,335	33,456	-
FUND BALANCE, December 31, 2009	$ 202,414	$ 143,978	$ 48,063	$ 80,818	$ 43,805	$ 1,255	$ 6,189	$ 49,950	$ 685

-Continued-
See Independent Auditors' Report.

LAWRENCE COUNTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - CASH BASIS - OTHER GOVERNMENTAL FUNDS

For the Year Ended December 31, 2009

	Inmate Security Fund	Election Services Fund	Collector's Tax Maintenance Fund	Recorder User Fee Fund	Capital Improvements Fund	TIF Escrow Fund	HPRP Fund	Debt Service Fund	Totals (Memorandum Only)
REVENUES RECEIVED:									
Property Tax	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 82,642
Intergovernmental	-	4,981	-	-	-	-	-	-	102,957
Fees and Charges	4,980	2,384	47,538	20,840	-	-	-	-	372,432
Interest Income	-	387	-	1,988	-	129	-	-	3,441
Other Revenue	-	-	-	-	-	-	-	-	27,734
TOTAL REVENUES RECEIVED	$ 4,980	$ 7,752	$ 47,538	$ 22,828	$ -	$ 129	$ -	$ -	$ 589,206
EXPENDITURES PAID:									
General County Government	$ -	$ 1,727	$ 56,241	$ 32,267	$ -	$ -	$ -	$ -	$ 90,235
Highway and Roads	-	-	-	-	-	-	-	-	541,877
Judicial and Court Related	-	-	-	-	-	-	-	-	43,495
Health and Welfare	-	-	-	-	-	-	-	-	-
Public Safety	21,275	-	-	-	-	-	-	-	433,325
Capital Outlay	-	-	-	-	225,074	-	-	-	225,074
Debt Service:									
Principal	-	-	-	-	-	-	-	775,000	775,000
Interest	-	-	-	-	-	-	-	245,795	245,795
TOTAL EXPENDITURES PAID	$ 21,275	$ 1,727	$ 56,241	$ 32,267	$ 225,074	$ -	$ -	$ 1,020,795	$ 2,354,801
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (16,295)	$ 6,025	$ (8,703)	$ (9,439)	$ (225,074)	$ 129	$ -	$ (1,020,795)	$ (1,765,595)
OTHER FINANCING SOURCES (USES):									
Operating Transfers In (Out)	-	-	(36,000)	-	40,000	34,860	-	1,020,795	1,611,490
EXCESS (DEFICIENCY) OF REVENUES RECEIVED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	$ (16,295)	$ 6,025	$ (44,703)	$ (9,439)	$ (185,074)	$ 34,989	$ -	$ -	$ (154,105)
FUND BALANCE, January 1, 2009	21,930	18,677	58,895	116,122	310,956	-	-	-	1,043,345
FUND BALANCE, December 31, 2009	$ 5,635	$ 24,702	$ 14,192	$ 106,683	$ 125,882	$ 34,989	$ -	$ -	$ 889,240

See Independent Auditors' Report.

FEDERAL COMPLIANCE SECTION

Cook & Hamlin, LLC
Certified Public Accountants
2820 E. Jackson Blvd., Suite B | Jackson, Missouri 63755 | p: 573.204.3557 | f: 573.204.3559

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission and
Officeholders of Lawrence County, Missouri

Compliance

We have audited Lawrence County, Missouri's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of Lawrence County, Missouri's major federal programs for the years ended December 31, 2010 and 2009. Lawrence County, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Lawrence County, Missouri's management. Our responsibility is to express an opinion on Lawrence County, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lawrence County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Lawrence County, Missouri's compliance with those requirements.

In our opinion, Lawrence County, Missouri complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and 2009.

Internal Control Over Compliance

Management of Lawrence County, Missouri is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Lawrence County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the County Commission and Officeholders, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

COOK & HAMLIN, LLC

Cook and Hamlin, LLC

Jackson, Missouri
July 15, 2011

LAWRENCE COUNTY, MISSOURI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Years Ended December 31, 2010 and 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Pass-Through Grantors' Number	Expenditures of Federal Awards 2010	2009
U.S. DEPARTMENT OF AGRICULTURE:				
Passed-Through Missouri Department of Health and Senior Services				
Special Supplemental Nutrition Program for Women, Infants, and Children (1)	10.557A	ERS-04510155	$ 167,178	$ -
		ERS-04509155	-	112,731
Summer Food Service Program for Children	10.559	ERS219-0155i	720	640
State Administrative Expense for Child Nutrition (1)	10.560A	10CACFP-SAE	833	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			$ 168,731	$ 113,371
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Passed-Through Missouri Department of Social Services				
Homeless Prevention and Rapid Re-Housing Program (1)	14.257A	ER16410028A	$ 87,564	$ -
U.S. DEPARTMENT OF JUSTICE:				
Passed-Through Missouri Department of Public Safety				
Domestic Cannabis Eradication/Suppression Program	16.000		$ 2,000	$ 1,400
Juvenile Justice and Delinquent Allocation to States	16.540	N/A	-	77
Crime Victim Assistance	16.575	2010-SSVF-0049	25,522	-
		2009-SSVF-0049	-	29,754
Edward Byrne Memorial Justice Assistance Grant Program	16.580	N/A	-	1,672
Local Law Enforcement Block Grant	16.738	2009-LBFJ-029	8,068	-
		2008-LBGJ-024	-	6,913
Total Passed-Through Missouri Department of Public Safety			$ 35,590	$ 39,816
Passed-Through Missouri Sheriff's Association				
Public Safety Partnership and Community Policing Grant	16.710	N/A	$ 9,681	$ 31,947
TOTAL U.S. DEPARTMENT OF JUSTICE			$ 45,271	$ 71,763
U.S. DEPARTMENT OF TRANSPORTATION:				
Passed-Through Missouri Department of Transportation				
Highway Planning and Construction (1)	20.205	BRO-O55-21	$ 302,971	$ 27,678
		BRO-O55-22	-	27,669
State and Community Highway Safety	20.600	LKK058 NHTSA	-	1,000
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	LKK073 NHTSA	3,336	497
Alcohol Open Container Requirements	20.607	LKK040 NHTSA	-	4,707
Child Safety and Child Booster Seat Incentive Grant	20.613	LKK063 NHTSA	-	437
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			$ 306,307	$ 61,988

-Continued-

The Accompanying Notes to Schedule of Expenditures of Federal Awards
Are an Integral Part of This Report.

LAWRENCE COUNTY, MISSOURI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Years Ended December 31, 2010 and 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Pass-Through Grantors' Number	Expenditures of Federal Awards 2010	2009
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Passed-Through Missouri Department of Health and Senior Services				
Public Health Preparedness and Response to Bioterrorism	93.069CDC	AOC10380163	$ 26,370	$ -
Regional Public Health Emergency Planning and Preparedness	93.069HHS	AOC08380094	-	31,641
Immunization Grants (1)	93.268	N/A	204,607	148,694
Public Health Emergency Preparedness	93.283	AOC10380163	118,108	1,000
Child Care and Development Grant	93.575	ERS220-11056	2,795	-
		DH090004044	-	2,305
		DH100009016	-	2,418
		DH100009017	-	2,987
		DH100009015	-	1,707
		DH110004050	3,516	-
		DH110004049	3,421	-
		DH110004048	2,566	-
Immunization and Vaccines for Children Grants - ARRA Supplemental Funding-Immunization (1)	93.712A	3H231P722543-07S1	237	904
ARRA Child Care and Development Block Grant (1)	93.713A	N/A	783	1,067
COOP Agreements for State-Based Breast and Cervical Cancer	93.919	ERS-16109005	10,957	25,897
Maternal and Child Health Services Block Grant to States	93.994	AOC08380109	24,005	26,497
Total Passed-Through Missouri Department of Health and Senior Services			$ 397,365	$ 245,117
Passed-Through Missouri Department of Social Services				
Child Support Enforcement	93.563		$ 255,131	$ -
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			$ 652,496	$ 245,117
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Passed Through Missouri Department of Public Safety				
Disaster Grants - Public Assistance Grants	97.036	N/A	$ 144,477	$ -
Emergency Management Performance Grant	97.042	N/A	17,305	16,748
Homeland Security Grant	97.067	N/A	-	32,641
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			$ 161,782	$ 49,389
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 1,422,151	$ 541,628

(1) Identified Major Program.
A American Recovery and Revitalization Act Funds

The Accompanying Notes to Schedule of Expenditures of Federal Awards
Are an Integral Part of This Report.

LAWRENCE COUNTY, MISSOURI

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2010 and 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

   A. Purpose of Schedule and Reporting Entity:

      The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with OMB Circular A-133. This circular requires a Schedule of Expenditures of Federal Awards showing total expenditures for each federal financial assistance program as identified in the Catalog of Federal Domestic Assistance (CFDA) and identification of programs that have not been assigned a CFDA number as "Other Federal Assistance."

      The schedule includes all expenditures of federal awards administered by the County.

   B. Basis of Presentation:

      The schedule is presented in accordance with OMB Circular A-133, which defines federal financial assistance "…assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals."

   C. Basis of Accounting:

      The schedule is presented on the cash basis of accounting, which recognizes expenditures only when cash is disbursed. This is the same basis of accounting presented in the financial statements.

   D. Federal Assurances:

      Lawrence County, Missouri did not have federal insurance in effect during the year, or have federal loans or loan guarantees outstanding at year end which are required to be reported in accordance with OMB Circular A-133.

LAWRENCE COUNTY, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2010 and 2009

1. SUMMARY OF AUDITORS' RESULTS:

Financial Statements

Type of Auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? __X__ yes _____no
- Significant deficiencies identified that are not considered to be material weaknesses? __X__ yes _____none reported

Noncompliance material to financial statements noted? _____ yes __X__no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ yes __X__ no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes __X__ none reported

Type of Auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? _____ yes __X__ no

Identification of major program:

CFDA Number	Name of Federal Program
10.557A	Special Supplemental Nutrition Program for Women, Infants, and Children
10.560A	Child and Adult Care Food Program – State Administrative Expense
14.257A	Homeless Prevention and Rapid Re-Housing Program
93.268	Immunization Grants
93.712A	Immunization and Vaccines for Children Grants – ARRA Supplemental Funding-Immunization
93.713A	ARRA Child Care and Development Block Grant

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee: ____ yes __X__ no

2. FINANCIAL STATEMENT FINDINGS:

10-1 Segregation of Duties

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Condition: Some employees have access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Cause: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties.

Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our

professional standards require that we bring this lack of segregation of duties to your attention in the report.

Views of Responsible Officials: The limited number of available personnel prohibits segregation of incompatible duties. Procedures will be reviewed and monitoring procedures will be put into place.

10-2 Preparation of Basic Financial Statements

Criteria: A properly designed system of internal control, which includes preparation of financial statements in conformity with Governmental Accounting Standards, includes having accounting professionals as part of the system to perform that function.

Condition: The County has personnel in place to perform all bookkeeping functions necessary to maintain a general ledger and prepare internal use statements for management and the County Commission. However, the County does not have personnel with the knowledge, experience and training to prepare governmental financial statements in conformity with Governmental Accounting Standards as part of their internal control system.

Effect: The County employs the auditors that perform the biannual audit of the financial statements to prepare the biannual financial statements.

Cause: The County does not have personnel with sufficient knowledge to prepare governmental financial statements in conformity with Governmental Accounting Standards as part of their internal control system.

Recommendation: We recognize that the County may not have the resources to hire personnel with the knowledge to prepare governmental financial statements in conformity with Governmental Accounting Standards. However, we recommend that management continue to increase their knowledge of financial reporting.

Views of Responsible Officials: The County does not have the resources to hire additional accounting personnel with the knowledge, experience, and training solely to prepare governmental financial statements in conformity with Governmental Accounting Standards. The County does have personnel with sufficient knowledge to understand and take responsibility for the basic financial statements.

10-3 Budgetary Practices

Criteria: Section 50.740, RSMo prohibits expenditures in excess of budgeted amounts. State law requires annual budgets to be prepared for all county funds. If appropriate, budgets should be amended according to Section 50.622, RSMo 2000, which provides that counties may amend the annual budget during any year in which the County receives additional funds, which could not be estimated when the budget was adopted and that the County shall follow the same procedures required for adoption of the annual budget to amend the budget.

Condition: During the year ended December 31, 2009 actual expenditures of the Judicial Sales Tax Fund exceeded budgetary limits by $848,091.

Effect: Without an accurate budget, the county cannot make proper financial decisions concerning the county's finances.

Cause: County officials did not monitor the budget to determine that the budget was in compliance with state law.

Recommendation: We recommend that the County Commission amend the budget when circumstances arise that were unforeseen during the budgetary process in order to maintain strict compliance with budgetary law.

Views of Responsible Officials: The County Commissioners will ensure all budgets are in accordance with state law.

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

No findings or questioned costs were noted that are required to be reported.

EXHIBIT 5

LAWRENCE COUNTY, MISSOURI

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended December 31, 2010 and 2009

1. FINANCIAL STATEMENT FINDINGS

08-01 Segregation of Duties

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Status: Not implemented and is repeated as finding 10-01.

08-02 Preparation of Basic Financial Statements

Condition: The County has personnel in place to perform all bookkeeping functions necessary to maintain a general ledger and prepare internal use statements for management and the County Commission. However, the County does not have the resources to have accounting professionals with the knowledge, experience and training to prepare governmental financial statements in conformity with Governmental Accounting Standards as part of their internal control system.

Status: Not implemented and is repeated as finding 10-02.

2. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs in the audit of the years ended December 31, 2008 and 2007.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Ripley County, Missouri

The Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Cook & Hamlin, LLC, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

October 2011
Report No. 2011-86

RIPLEY COUNTY, MISSOURI
Doniphan, Missouri

For the Years Ended December 31, 2010 and 2009

ANNUAL FINANCIAL REPORT

RIPLEY COUNTY, MISSOURI

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FINANCIAL SECTION

Cook & Hamlin, LLC
Certified Public Accountants
2820 E. Jackson Blvd., Suite B | Jackson, Missouri 63755 | p: 573.204.3557 | f: 573.204.3559

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Ripley County, Missouri

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Ripley County, Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, Ripley County, Missouri prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position - cash basis of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Ripley County, Missouri, as of December 31, 2010 and 2009, and the respective changes in financial position - cash basis, thereof for the years then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2011, on our consideration of Ripley County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on

compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 28 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Ripley County, Missouri has not presented the Management Discussion and Analysis (MD&A) that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ripley County, Missouri's financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements of Ripley County, Missouri. The combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

COOK & HAMLIN, LLC

Cook and Hamlin, LLC

Jackson, Missouri
July 15, 2011

Cook & Hamlin, LLC
Certified Public Accountants
2820 E. Jackson Blvd., Suite B | Jackson, Missouri 63755 | p: 573.204.3557 | f: 573.204.3559

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Ripley County, Missouri

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Ripley County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise Ripley County, Missouri's basic financial statements and have issued our report thereon dated July 15, 2011 which was modified because the financial statements are prepared on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ripley County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ripley County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Ripley County, Missouri's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to

prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 10-1 to be a material weakness.

A *significant deficiency* is a deficiency, or combination of control deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 10-2 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ripley County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Ripley County, Missouri's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Ripley County, Missouri's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County Commission and Officeholders, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

COOK & HAMLIN, LLC

Cook and Hamlin, LLC

Jackson, Missouri
July 15, 2011

BASIC FINANCIAL STATEMENTS

RIPLEY COUNTY, MISSOURI

GOVERNMENT- WIDE FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS - CASH BASIS

December 31, 2010

	Primary Government	Component Units	
	Governmental Activities	Productive Living Board	Senior Citizen Fund
ASSETS			
CURRENT ASSETS:			
Cash and Cash Equivalents	$ 555,977	$ 204,353	$ 23,382
TOTAL ASSETS	$ 555,977	$ 204,353	$ 23,382
LIABILITIES			
TOTAL LIABILITIES	$ -	$ -	$ -
NET ASSETS			
Restricted For:			
Transportation	$ 42,136	$ -	$ -
Other Purposes	265,430	-	-
Unrestricted	248,411	204,353	23,382
TOTAL NET ASSETS	$ 555,977	$ 204,353	$ 23,382

See Accompanying Notes to Basic Financial Statements.

RIPLEY COUNTY, MISSOURI

GOVERNMENT- WIDE FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS - CASH BASIS

December 31, 2009

	Primary Government	Component Units	
	Governmental Activities	Productive Living Board	Senior Citizen Fund
ASSETS			
CURRENT ASSETS:			
Cash and Cash Equivalents	$ 538,423	$ 180,053	$ 19,980
TOTAL ASSETS	$ 538,423	$ 180,053	$ 19,980
LIABILITIES			
TOTAL LIABILITIES	$ -	$ -	$ -
NET ASSETS			
Restricted For:			
Transportation	$ 38,297	$ -	$ -
Other Purposes	226,247	-	-
Unrestricted	273,879	180,053	19,980
TOTAL NET ASSETS	$ 538,423	$ 180,053	$ 19,980

See Accompanying Notes to Basic Financial Statements.

RIPLEY COUNTY, MISSOURI

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF ACTIVITIES - CASH BASIS

For the Year Ended December 31, 2010

	Primary Government					Component Units	
		Program Revenues					
Primary Government:	Expenses	Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Assets	Productive Living Board	Senior Citizen Fund
Governmental Activities:							
General County Government	$ 858,971	$ 216,503	$ 196,945	$ 15,400	$ (430,123)	$ -	$ -
Highway and Roads	977,032	2,047	122,167	34,579	(818,239)	-	-
Judicial and Court Related	140,340	47,030	-	-	(93,310)	-	-
Health and Welfare	26,972	3,285	-	24,045	358	-	-
Public Safety	609,823	74,972	111,496	18,700	(404,655)	-	-
Total Governmental Activities	$ 2,613,138	$ 343,837	$ 430,608	$ 92,724	$ (1,745,969)	$ -	$ -
Component Units:							
Productive Living Board	58,973	-	-	-	-	(58,973)	-
Senior Citizen Fund	39,653	-	-	-	-	-	(39,653)
Total Component Unit	$ 39,653	$ -	$ -	$ -	$ -	$ (58,973)	$ (39,653)
General Revenues:							
Property Taxes					$ 270,316	$ 80,651	$ 40,501
CART Taxes					402,474	-	-
Sales Taxes					447,934	-	-
PILOT Taxes					94,487	-	-
Financial Institution Tax & Interest					2,012	674	-
Interest Income					50,691	1,948	2,236
Sale of Assets					384,161	-	-
Other Income					111,448	-	318
Total General Revenues					$ 1,763,523	$ 83,273	$ 43,055
Change in Net Assets					$ 17,554	$ 24,300	$ 3,402
Net Assets - January 1, 2010					538,423	180,053	19,980
Net Assets - December 31, 2010					$ 555,977	$ 204,353	$ 23,382

See Accompanying Notes to Basic Financial Statements.

RIPLEY COUNTY, MISSOURI

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF ACTIVITIES - CASH BASIS

For the Year Ended December 31, 2009

	Primary Government					Component Units	
		Program Revenues					
Primary Government:	Expenses	Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Assets	Productive Living Board	Senior Citizen Fund
Governmental Activities:							
General County Government	$ 1,112,908	$ 218,737	$ 181,019	$ -	$ (713,152)	$ -	$ -
Highway and Roads	512,154	2,216	99,799	3,492	(406,647)	-	-
Judicial and Court Related	162,764	47,873	1,131	9,051	(104,709)	-	-
Health and Welfare	2,896	2,715	-	-	(181)	-	-
Public Safety	666,295	40,351	351,829	238,392	(35,723)	-	-
Capital Outlay	238,892	-	-	-	(238,892)	-	-
Total Governmental Activities	$ 2,695,909	$ 311,892	$ 633,778	$ 250,935	$ (1,499,304)	$ -	$ -
Component Units:							
Productive Living Board	78,822	-	-	-	-	(78,822)	-
Senior Citizen Fund	40,403	-	-	-	-	-	(40,403)
Total Component Unit	$ 119,225	$ -	$ -	$ -	$ -	$ (78,822)	$ (40,403)
General Revenues:							
Property Taxes					$ 256,002	$ 74,772	$ 39,770
CART Taxes					381,082	-	-
Sales Taxes					427,518	-	-
PILOT Taxes					83,533	-	-
Financial Institution Tax & Interest					2,407	6,118	-
Interest Income					46,542	2,592	1,748
Sale of Assets					-	-	-
Other Income					286,698	-	21
Total General Revenues					$ 1,483,782	$ 83,482	$ 41,539
Change in Net Assets					$ (15,522)	$ 4,660	$ 1,136
Net Assets - January 1, 2009					553,945	175,393	18,844
Net Assets - December 31, 2009					$ 538,423	$ 180,053	$ 19,980

See Accompanying Notes to Basic Financial Statements.

STATEMENT 3

RIPLEY COUNTY, MISSOURI

FUND FINANCIAL STATEMENTS

BALANCE SHEET - CASH BASIS

December 31, 2010

	General Revenue Fund	Special Road and Bridge Fund	Assessment Fund	Law Enforcement Sales Tax	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	$ 248,411	$ 42,136	$ 97,682	$ 1,348	$ 166,400	$ 555,977
LIABILITIES AND FUND BALANCE						
TOTAL LIABILITIES	$ -	$ -	$ -	$ -	$ -	$ -
FUND BALANCE:						
Unreserved	$ 248,411	$ 42,136	$ 97,682	$ 1,348	$ 166,400	$ 555,977
TOTAL LIABILITIES AND FUND BALANCE	$ 248,411	$ 42,136	$ 97,682	$ 1,348	$ 166,400	$ 555,977

See Accompanying Notes to Basic Financial Statements.

STATEMENT 3

RIPLEY COUNTY, MISSOURI

FUND FINANCIAL STATEMENTS

BALANCE SHEET - CASH BASIS

December 31, 2009

	General Revenue Fund	Special Road and Bridge Fund	Assessment Fund	Law Enforcement Sales Tax	Recorder User Fee Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	$ 273,879	$ 38,297	$ 95,409	$ 488	$ 53,658	$ 76,692	$ 538,423
LIABILITIES AND FUND BALANCE							
TOTAL LIABILITIES	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FUND BALANCE:							
Unreserved	$ 273,879	$ 38,297	$ 95,409	$ 488	$ 53,658	$ 76,692	$ 538,423
TOTAL LIABILITIES AND FUND BALANCE	$ 273,879	$ 38,297	$ 95,409	$ 488	$ 53,658	$ 76,692	$ 538,423

See Accompanying Notes to Basic Financial Statements.

RIPLEY COUNTY, MISSOURI

FUND FINANCIAL STATEMENTS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CASH BASIS

For The Year Ended December 31, 2010

	General Revenue Fund	Special Road and Bridge Fund	Assessment Fund	Law Enforcement Sales Tax	Other Governmental Funds	Total Governmental Funds
REVENUES RECEIVED:						
Property Taxes	$ 270,316	$ -	$ -	$ -	$ -	$ 270,316
Sales Tax	-	-	-	447,934	-	447,934
Intergovernmental	272,942	476,608	28,405	104,623	57,616	940,194
Fees and Charges	145,379	2,047	74,459	4,154	115,618	341,657
Interest Income	22,788	7,889	8,277	1,409	10,328	50,691
Other Revenues	62,621	514,327	82	2,275	595	579,900
Total Revenues Received	$ 774,046	$ 1,000,871	$ 111,223	$ 560,395	$ 184,157	$ 2,630,692
EXPENDITURES PAID:						
General County Government	$ 670,212	$ -	$ 108,950	$ 44,546	$ 35,263	$ 858,971
Highway and Roads	-	977,032	-	-	-	977,032
Judicial and Court Related	41,299	-	-	91,157	7,884	140,340
Health and Welfare	-	-	-	-	26,972	26,972
Public Safety	-	-	-	583,332	26,491	609,823
Total Expenditures Paid	$ 711,511	$ 977,032	$ 108,950	$ 719,035	$ 96,610	$ 2,613,138
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 62,535	$ 23,839	$ 2,273	$ (158,640)	$ 87,547	$ 17,554
Other Financing Sources(Uses):						
Transfers In	$ 47,997	$ -	$ -	$ 159,500	$ 2,500	$ 209,997
Transfers Out	(136,000)	(20,000)	-	-	(53,997)	(209,997)
Total Other Financing Sources (Uses)	$ (88,003)	$ (20,000)	$ -	$ 159,500	$ (51,497)	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES	$ (25,468)	$ 3,839	$ 2,273	$ 860	$ 36,050	$ 17,554
FUND BALANCE, January 1, 2010	273,879	38,297	95,409	488	130,350	538,423
FUND BALANCE, December 31, 2010	$ 248,411	$ 42,136	$ 97,682	$ 1,348	$ 166,400	$ 555,977

See Accompanying Notes to Basic Financial Statements.

RIPLEY COUNTY, MISSOURI

FUND FINANCIAL STATEMENTS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CASH BASIS

For The Year Ended December 31, 2009

	General Revenue Fund	Special Road and Bridge Fund	Assessment Fund	Law Enforcement Sales Tax	Recorder User Fee Fund	Other Governmental Funds	Total Governmental Funds
REVENUES RECEIVED:							
Property Taxes	$ 256,002	$ -	$ -	$ -	$ -	$ -	$ 256,002
Sales Tax	-	-	-	427,518	-	-	427,518
Intergovernmental	390,060	447,373	72,934	135,666	-	268,355	1,314,388
Fees and Charges	142,628	2,216	61,753	5,545	8,329	71,993	292,464
Interest Income	24,820	5,913	6,606	650	3,275	5,278	46,542
Other Revenues	235,334	88,396	-	18,864	-	879	343,473
Total Revenues Received	$ 1,048,844	$ 543,898	$ 141,293	$ 588,243	$ 11,604	$ 346,505	$ 2,680,387
EXPENDITURES PAID:							
General County Government	$ 932,766	$ -	$ 108,054	$ 44,658	$ 12,344	$ 15,086	$ 1,112,908
Highway and Roads	-	512,154	-	-	-	-	512,154
Judicial and Court Related	49,307	-	-	94,142	-	19,315	162,764
Health and Welfare	-	-	-	-	-	2,896	2,896
Public Safety	-	-	-	643,792	-	22,503	666,295
Capital Outlay	-	-	-	-	-	238,892	238,892
Total Expenditures Paid	$ 982,073	$ 512,154	$ 108,054	$ 782,592	$ 12,344	$ 298,692	$ 2,695,909
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 66,771	$ 31,744	$ 33,239	$ (194,349)	$ (740)	$ 47,813	$ (15,522)
Other Financing Sources(Uses):							
Transfers In	$ 91,421	$ 57	$ -	$ 192,669	$ -	$ 2,200	$ 286,347
Transfers Out	(162,200)	(70,757)	-	-	-	(53,390)	(286,347)
Total Other Financing Sources (Uses)	$ (70,779)	$ (70,700)	$ -	$ 192,669	$ -	$ (51,190)	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES	$ (4,008)	$ (38,956)	$ 33,239	$ (1,680)	$ (740)	$ (3,377)	$ (15,522)
FUND BALANCE, January 1, 2009	277,887	77,253	62,170	2,168	54,398	80,069	553,945
FUND BALANCE, December 31, 2009	$ 273,879	$ 38,297	$ 95,409	$ 488	$ 53,658	$ 76,692	$ 538,423

See Accompanying Notes to Basic Financial Statements.

RIPLEY COUNTY, MISSOURI

STATEMENT OF FIDUCIARY NET ASSETS

December 31, 2010

	County Treasurer					County Collector						
	School Capital Fund	School Fund	Special Road and Bridge Fund	Tax Sales Surplus Fund	Unclaimed Fees Fund	Collector of Revenue Fund	Protested Tax Fund	Sheriff	Recorder of Deeds	Prosecuting Attorney	Public Administrator	Total Agency Funds
ASSETS												
Cash and Cash Equivalents	$ 46,371	$ 3,421	$ 708,126	$ 41,634	$ 22	$ 73,039	$ 2,145	$ 21,550	$ -	$ 1,722	$ 92,575	$ 990,605
Other Assets	-	-	-	-	-	-	-	-	-	-	24,025	24,025
TOTAL ASSETS	$ 46,371	$ 3,421	$ 708,126	$ 41,634	$ 22	$ 73,039	$ 2,145	$ 21,550	$ -	$ 1,722	$ 116,600	$ 1,014,630
LIABILITIES												
Due to Others	$ 46,371	$ 3,421	$ 708,126	$ 41,634	$ 22	$ 73,039	$ 2,145	$ 21,550	$ -	$ 1,722	$ -	$ 851,659
Funds Held in Trust	-	-	-	-	-	-	-	-	-	-	116,600	116,600
TOTAL LIABILITIES	$ 46,371	$ 3,421	$ 708,126	$ 41,634	$ 22	$ 73,039	$ 2,145	$ 21,550	$ -	$ 1,722	$ 116,600	$ 1,014,630

- Continued -

See Accompanying Notes to Basic Financial Statements.

RIPLEY COUNTY, MISSOURI

STATEMENT OF FIDUCIARY NET ASSETS

December 31, 2009

	County Treasurer					County Collector							
	School Capital Fund	School Fund	Special Road and Bridge Fund	Tax Sales Surplus Fund	Unclaimed Fees Fund	Collector of Revenue Fund	Protested Tax Fund	Sheriff	Recorder of Deeds	Prosecuting Attorney	Public Administrator	Total Agency Funds
ASSETS												
Cash and Cash Equivalents	$ 47,120	$ 2,925	$ 665,195	$ 39,744	$ -	$ 71,010	$ 1,103	$ 20,576	$ -	$ 5,402	$ 89,137	$ 853,075
Other Assets	-	-	-	-	-	-	-	-	-	-	25,025	25,025
TOTAL ASSETS	$ 47,120	$ 2,925	$ 665,195	$ 39,744	$ -	$ 71,010	$ 1,103	$ 20,576	$ -	$ 5,402	$ 114,162	$ 967,237
LIABILITIES												
Due to Others	$ 47,120	$ 2,925	$ 665,195	$ 39,744	$ -	$ 71,010	$ 1,103	$ 20,576	$ -	$ 5,402	$ -	$ 853,075
Funds Held in Trust	-	-	-	-	-	-	-	-	-	-	114,162	114,162
TOTAL LIABILITIES	$ 47,120	$ 2,925	$ 665,195	$ 39,744	$ -	$ 71,010	$ 1,103	$ 20,576	$ -	$ 5,402	$ 114,162	$ 967,237

- Continued -

See Accompanying Notes to Basic Financial Statements.

RIPLEY COUNTY, MISSOURI

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2010 and 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 1.B, these financial statements are presented on the cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Financial Reporting Entity:

The County's financial reporting entity is composed of the following:

Primary Government:	Ripley County, Missouri

In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity.*

The County's reporting entity includes the County's governing board and the operations of all related organizations for which the County exercises financial oversight. Oversight responsibility is derived from the governmental unit's authority and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountable means the primary government is accountable for the component unit and the primary government is able to impose its will or the component unit may provide financial benefits or impose a burden on the primary government. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The County is governed by a three member county commission and is a county of the 3rd class. As required by accounting principles generally accepted by the United States of America, the County has evaluated the above criteria to determine whether any other

entity meets the definition of a component unit and must be included in these financial statements. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Productive Living Board

The Productive Living Board, which is governed by a board of directors appointed by the County Commission, provides disability services to the residents of Ripley County. The Productive Living Board is included in the financial statements of the County as a component unit due to its financial relationship with the County.

Senior Citizen Fund

The Senior Citizen Fund, which is governed by a board of directors appointed by the County Commission, provides senior services for Ripley County residents over the age of fifty-nine. The Senior Citizen Fund is included in the financial statements of the County as a component unit due to its financial relationship with the County.

B. Basis of Presentation:

Government-Wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. These statements include all funds of the County except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. For the years ended December 31, 2010 and 2009, the County had only governmental activities.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The County also has fiduciary funds. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds.

The funds of the financial reporting entity are described below:

Governmental Funds

General Revenue Fund - The General Revenue Fund is the primary operating fund of the County and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the County. The reporting entity includes the following Special Revenue Funds, which are reported as major funds:

Fund	Description
Special Road and Bridge Fund	This fund as presented is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for road and bridge purposes.
Assessment Fund	This fund as presented was established as a result of Section 137.750, RSMo. The fund is used to account for all transactions surrounding the normal operating assessing function.
Law Enforcement Sales Tax Fund	To account for the revenues and expenditures associated with a 1/8 cent sales tax for law enforcement and judicial activities.

Recorders User Fee Fund is a major fund in 2009 and a nonmajor fund in 2010

Recorders User Fee Fund	This fund as presented is used to account for the fifty percent retainage of the $4.00 user's fees to be charged by the recorder as set out in Section 59.319, RSMo. This fund is to be used for record storage, microfilming and preservation.

The reporting entity also includes the following Special Revenue Funds which are reported as nonmajor funds:

Fund	Description
Children's Trust Fund	Accounts for fees collected by the Recorder of Deeds for the issuance of marriage licenses as set out in Section 451.151 RSMo.

Fund	Description
Domestic Violence Fund	This fund as presented is used to account for all transactions resulting from an increase of $5.00 for a marriage license and $10.00 for a decree of dissolution of marriage as set out in Section 455.205, RSMo. The use of these proceeds is restricted to providing financial assistance to shelters for victims of domestic violence.
Election Services Fund	This fund as presented is used to account for the receipt of the "proportional costs" of conducting an election when a question or candidate is submitted to a vote by two or more political subdivisions as set out in Section 115.065, RSMo. This fund is used for training programs and to purchase additional supplies or equipment to improve the conduct of elections.
Law Enforcement Restitution Fund	Accounts for revenues received and expenditures paid for the investigation, prevention and interventions of narcotics as set out in Section 50.550 and 50.565, RSMo.
Law Enforcement Training Fund	This fund as presented is used to account for all transactions resulting from an increase of $2.00 in court costs for criminal law violations as set out in Section 590.140, RSMo. The use of these proceeds is restricted to the payment of training expenses for law enforcement personnel.
Prosecuting Attorney Bad Check Fund	To account for the revenues and expenditures of the Prosecuting Attorney for the collection of insufficient funds checks as provided in Statute 570.1, RSMo. The Prosecuting Attorney retains a fee based on the amount of the collection recovered.
Prosecuting Attorney Delinquent Tax Fund	To account for fees collected as set out in Section 136.15, RSMo for the Prosecuting Attorney's collection of delinquent taxes, licenses, and fees for the State of Missouri.

Fund	Description
Prosecuting Attorney Retirement Fund	This fund as presented is used to account for all transactions resulting from a $4.00 surcharge in all criminal cases filed in courts of this state as set out in Section 56.807, RSMo. Each month, $271.00 is required to be remitted to the State of Missouri for a retirement fund for prosecuting attorneys. Excess funds over the amount required to be sent to the state can be returned to the General Revenue Fund. This fund was established under Section 56.807, RSMo.
Prosecuting Attorney Training Fund	This fund as presented is used to account for all transactions resulting from an increase of $1.00 in court costs for criminal law violations as set out in Section 56.765, RSMo. The use of these proceeds is restricted to the payment of training expenses for prosecuting attorneys.
Sheriff's Revolving Fund	This fund as presented is used to account for all transactions resulting from a fee of $95.25 processing each application for a certificate of qualification for a concealed weapon endorsement as set out in Section 50.535.10, RSMo. The use of these proceeds is restricted to use by law enforcement agents for purchase of equipment, training, and any reasonable expenses related to accepting and processing concealed weapons permit applications.
Sheriff's Civil Fee Fund	Accounts for civil fees collected by the Sheriff's Department. The use of the proceeds is restricted to Sheriff's department.
Forest Service Title III Fund	To account for National Forest revenues that are committed towards allowable Title III projects.
Collector's Tax Maintenance Fund	This fund as presented is used to account for the two-sevenths of the 7 percent fee charged by the Collector for collection of delinquent and back taxes as set out in Section 52.290, RSMo. This fund is to be used for additional administration and operation costs for the office of the collector.

Fund	Description
Ripley County Memorial Hospital Project Fund	This fund as presented is used to account for all transactions resulting from the receipt and disbursement of grant. Grant receipts are passed through to the Ripley County Memorial Hospital to be used to construct a new center.
Purnam CDBG Fund	To account for transactions resulting from the receipt and disbursement of a CDBG grant.

Fiduciary Fund Types (not included in government-wide statements)

Agency funds account for miscellaneous assets held by the County for other funds, governmental units, and individuals. The agency funds are custodial in nature and do not involve measurement of results of operations.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, within the limitations of the cash basis of accounting, as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus, as applied to the cash basis of accounting, is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities and the fund financial statements, governmental, business-type, fiduciary activities are presented using a cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Cash and Cash Equivalents

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in the U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has not adopted such a policy.

Cash and cash equivalents include both deposits and short-term investments. Investments are considered short-term when original maturities are less than three months. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions, and short-term U.S. Treasury bills.

Equity Classification

Government-Wide Statements - Equity is classified as net assets and displayed in two components:

1. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

2. Unrestricted net assets - All other net assets that do not meet the definition of "restricted".

It is the County's policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements - Governmental fund equity is classified as fund balance.

C. Revenues, Expenditures, and Expenses:

Program Revenues

In the Statement of Activities, cash basis revenues that are derived directly from each activity or from parties outside the County's taxpayers are reported as program revenues. The County has the following program revenues in each activity:

Revenue	Source
Judicial and Court Related	Various fees, fines, and costs.
Public Safety	Law enforcement fines and fees, and prosecuting attorney collections and fees.
Transportation	Grants for construction and operation of roads and bridges in the county.
Health and Welfare	Health and welfare collections and fees.
General County Government	Public officials fees.

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

D. Internal and Interfund Balances and Activities:

In the process of aggregating the financial information for the government-wide Statement of Net Assets and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

Interfund activity, if any, within and among the governmental fund categories is reported as follows in the fund financial statements:

1. Interfund reimbursements - Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.

2. Interfund transfers - Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements. Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are

reported as Transfers-Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

E. Inventories and Capital Assets:

Inventories include office equipment, road and vehicle maintenance supplies, and fuel. Capital assets consist of land, buildings, furniture, equipment, vehicles, and infrastructure such as roads and bridges. Both inventories and capital assets are recorded as disbursement when they are purchased or constructed.

F. Long-Term Debt:

Consistent with the cash basis of accounting, long-term debt is not reported in the government-wide or fund financial statements. Proceeds from debt issuances are reported when received, and payments of principal and interest are reported when disbursements are made.

G. Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Risk of Loss:

The County protects itself from risk of loss by purchasing commercial insurance for property damage and liability risks. The County does not self-insure its risk.

2. CASH AND INVESTMENTS

At December 31, 2010 and 2009, the reported amount of the County's deposits was $1,546,582 and $1,391,498, respectively. The bank balance for the years ended 2010 and 2009 was $4,260,740 and $3,775,595, respectively.

Reconciliation of government-wide Statement of Net Assets to the cash footnote:

	2010	2009
Cash and Cash Equivalents	$ 555,997	$ 538,423
Agency Funds	990,605	853,075
	$1,546,582	$1,391,498

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The County's deposit policy for custodial credit risk requires compliance with the provisions of state law. County policy further requires that all securities that serve as collateral against the deposits of a depository institution must be held in safekeeping at a non-affiliated custodial facility. Of the bank balance $624,653 and

$538,225 was covered by federal depository insurance and $3,636,087 and $3,237,370 was covered by collateral held by the County's safekeeping agent in the County's name for the years ended December 31, 2010 and 2009, respectively.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Missouri; bonds of any city having a population of not less than two thousand, county, school district, or special road district of the State of Missouri; bonds of any state, tax anticipation notes issued by any first class county, or a surety bond having an aggregate value at least equal to the amount of the deposits.

The County's investments at December 31, 2010 and 2009 are as follows:

	December 31, 2010	
Investment Type	Maturity	Amount
Certificates of Deposit	2/06/11	$57,932

	December 31, 2009	
Investment Type	Maturity	Amount
Certificates of Deposit	5/06/2010	$57,082

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statues require that the County's deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2010 and 2009, all certificates of deposit are entirely insured or collateralized with securities.

The County holds investments in U.S. Government agency obligations. These investments are stated at fair market value.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County has no formal investment policy regarding interest rate risk.

The County has an investment policy that limits its investment choices other than the limitation of state law as follows:

Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.

The County places a limit on the amounts it may invest in any one issuer. The County had no concentration of credit risk for the years ended December 31, 2010 and 2009.

3. ASSESSED VALUATION, TAX LEVY, AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable on or before December 31. Taxes paid after December 31 are subject to penalties. The County bills and collects its own property taxes and also taxes for most other local governments.

The 2010 and 2009 assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per $100 assessed valuation of that property were as follows:

	2010	2009
ASSESSED VALUATION		
Real Estate	$67,158,672	$69,101,533
Personal Property	17,705,814	16,996,613
	$84,864,486	$86,098,146
TAX LEVY		
General Revenue Fund	$ .3015	$.2991

The legal debt margin is computed as follows:

Constitutional debt limit	$4,243,224	$4,304,907
General obligation bonds payable	-	-
Legal Debt Margin	$4,243,224	$4,304,907

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur indebtedness for any purposes authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed five percent of the value of the taxable tangible property in the County.

4. RETIREMENT PLAN

1. County Employees' Retirement Fund (CERF)

A. Plan Description:

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter

form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity.

Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55.

Annual cost-of-living adjustments, not to exceed 1 percent, are provided for eligible retirees and survivor annuitants, up to a maximum of 50 percent of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statutes and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

B. Contributions:

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2 percent of gross compensation. Effective January 1, 2003, in addition to the prior contributions requirements, participating county employees hired on or after February 25, 2002 are required to make contributions of 4 percent if they are in a LAGERS county and contributions of 6 percent if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2010 and 2009, the County collected and remitted to CERF, employee contributions of approximately $94,105 and $99,477, respectively, for the years then ended.

5. INTERFUND TRANSFERS

Interfund transfers for the years ended December 31, 2010 and 2009, consisted of the following:

	Transfers In (Out)	
	2010	2009
General Revenue Fund	$ (88,003)	$ (70,779)
Special Road and Bridge Fund	(20,000)	(70,700)
Law Enforcement Sales Tax Fund	159,500	192,669
Forest Service Title III Fund	(26,000)	(27,669)
Election Services Fund	(7,595)	(1,939)
Prosecuting Attorney Bad Check Fund	(19,402)	(18,782)
Prosecuting Attorney Delinquent Tax Fund	-0-	(1,000)
Prosecuting Attorney Retirement Fund	2,200	2,200
Sheriff Revolving Fund	-0-	(4,000)
Recorder User Fee Fund	(1,000)	-0-
Ripley County Memorial Hospital Fund	300	-0-
	$ -0-	$ -0-

Transfers are used to (1) move receipts from the fund that statue or budget requires to collect them to the fund that statue or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

6. RISK MANAGMENT

The County is exposed to risk of loss due to property damage or theft, employee health or actions, and liability to the general public. The County seeks to overcome these risks through the purchase of commercial insurance. There has been no reduction in insurance compared to the previous year. The County has not settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

The County is insured under a retrospectively rated policy for workers' compensation coverage. The initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the years ended December 31, 2010 and 2009, there were no significant adjustments in premiums based on actual experience.

REQUIRED SUPPLEMENTARY INFORMATION

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL REVENUE FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Property Taxes	$ 270,000	$ 270,000	$ 270,316	$ 316
Intergovernmental	184,950	239,950	272,942	32,992
Fees and Charges	144,500	144,500	145,379	879
Interest Income	22,000	22,000	22,788	788
Other Revenues	45,125	56,325	62,621	6,296
TOTAL REVENUES RECEIVED	$ 666,575	$ 732,775	$ 774,046	$ 41,271
EXPENDITURES PAID:				
General County Government:				
County Commission	$ 75,270	$ 75,270	$ 75,390	$ (120)
County Clerk	73,500	73,500	64,334	9,166
Elections	35,000	35,000	37,559	(2,559)
Building and Grounds	85,225	96,425	72,418	24,007
Employee Fringe Benefits	48,000	48,000	34,257	13,743
County Treasurer	38,080	38,080	36,911	1,169
County Collector	76,021	76,021	65,823	10,198
Recorder of Deeds	56,491	56,491	57,476	(985)
Other General Government	138,858	233,858	226,044	7,814
Total General County Government	$ 626,445	$ 732,645	$ 670,212	$ 62,433
Judicial and Court Related:				
Circuit Clerk	$ 16,750	$ 16,750	$ 11,542	$ 5,208
Public Administrator	32,700	32,700	29,757	2,943
Total Judicial and Court Related	$ 49,450	$ 49,450	$ 41,299	$ 8,151

- Continued -
See Accompanying Notes to Budgetary Comparison Schedules.

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL REVENUE FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
EXPENDITURES (Continued):				
Emergency Fund:				
Emergency	$ 21,100	$ 21,100	$ -	$ 21,100
TOTAL EXPENDITURES PAID	$ 696,995	$ 803,195	$ 711,511	$ 91,684
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (30,420)	$ (70,420)	$ 62,535	$ 132,955
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ 59,300	$ 59,300	$ 47,997	$ (11,303)
Operating Transfers Out	(183,650)	(183,650)	(136,000)	47,650
Total Other Financing Sources (Uses)	$ (124,350)	$ (124,350)	$ (88,003)	$ 36,347
EXCESS (DEFICIENCY) OF REVENUES RECEIVED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	$ (154,770)	$ (194,770)	$ (25,468)	$ 169,302
FUND BALANCE, January 1, 2010			273,879	
FUND BALANCE, December 31, 2010			$ 248,411	

See Accompanying Notes to Budgetary Comparison Schedules.

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL REVENUE FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Property Taxes	$ 260,000	$ 260,000	$ 256,002	$ (3,998)
Intergovernmental	391,296	389,946	390,060	114
Fees and Charges	141,000	141,000	142,628	1,628
Interest Income	20,000	20,000	24,820	4,820
Other Revenues	31,500	256,500	235,334	(21,166)
TOTAL REVENUES RECEIVED	$ 843,796	$ 1,067,446	$ 1,048,844	$ (18,602)
EXPENDITURES PAID:				
General County Government:				
County Commission	$ 75,147	$ 76,647	$ 76,517	$ 130
County Clerk	80,230	80,230	63,127	17,103
Elections	-	-	226	(226)
Building and Grounds	58,061	283,061	177,945	105,116
Employee Fringe Benefits	48,000	48,000	43,832	4,168
County Treasurer	37,950	37,950	36,992	958
County Collector	76,021	76,021	67,273	8,748
Recorder of Deeds	58,413	58,413	55,988	2,425
Other General Government	361,106	474,606	410,866	63,740
Total General County Government	$ 794,928	$ 1,134,928	$ 932,766	$ 202,162
Judicial and Court Related:				
Circuit Clerk	$ 20,100	$ 20,100	$ 16,170	$ 3,930
Public Administrator	33,350	33,350	33,137	213
Total Judicial and Court Related	$ 53,450	$ 53,450	$ 49,307	$ 4,143

- Continued -
See Accompanying Notes to Budgetary Comparison Schedules.

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL REVENUE FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
EXPENDITURES (Continued):				
Emergency Fund:				
Emergency	$ 28,070	$ 30,100	$ -	$ 30,100
TOTAL EXPENDITURES PAID	$ 876,448	$ 1,218,478	$ 982,073	$ 236,405
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (32,652)	$ (151,032)	$ 66,771	$ 217,803
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ 91,887	$ 91,887	$ 91,421	$ (466)
Operating Transfers Out	(122,800)	(186,200)	(162,200)	24,000
Total Other Financing Sources (Uses)	$ (30,913)	$ (94,313)	$ (70,779)	$ 23,534
EXCESS (DEFICIENCY) OF REVENUES RECEIVED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	$ (63,565)	$ (245,345)	$ (4,008)	$ 241,337
FUND BALANCE, January 1, 2009			277,887	
FUND BALANCE, December 31, 2009			$ 273,879	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 2

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
SPECIAL ROAD AND BRIDGE FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Intergovernmental	$ 640,000	$ 640,000	$ 476,608	$ (163,392)
Fees and Charges	12,700	12,700	2,047	(10,653)
Interest Income	3,000	3,000	7,889	4,889
Other Revenues	226,000	576,000	514,327	(61,673)
TOTAL REVENUES RECEIVED	$ 881,700	$ 1,231,700	$ 1,000,871	$ (230,829)
EXPENDITURES PAID:				
Highway and Roads	$ 830,375	$ 1,160,375	$ 977,032	$ 183,343
TOTAL EXPENDITURES PAID	$ 830,375	$ 1,160,375	$ 977,032	$ 183,343
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	(20,000)	(20,000)	-
Total Other Financing Sources (Uses)	$ -	$ (20,000)	$ (20,000)	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 51,325	$ 51,325	$ 3,839	$ (47,486)
FUND BALANCE, January 1, 2010			38,297	
FUND BALANCE, December 31, 2010			$ 42,136	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 2

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
SPECIAL ROAD AND BRIDGE FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Intergovernmental	$ 395,000	$ 395,000	$ 447,373	$ 52,373
Fees and Charges	12,275	12,275	2,216	(10,059)
Interest Income	3,300	3,300	5,913	2,613
Other Revenues	171,000	171,000	88,396	(82,604)
TOTAL REVENUES RECEIVED	$ 581,575	$ 581,575	$ 543,898	$ (37,677)
EXPENDITURES PAID:				
Highway and Roads	$ 571,573	$ 621,573	$ 512,154	$ 109,419
TOTAL EXPENDITURES PAID	$ 571,573	$ 621,573	$ 512,154	$ 109,419
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ 57	$ 57
Operating Transfers Out	-	-	(70,757)	(70,757)
Total Other Financing Sources (Uses)	$ -	$ -	$ (70,700)	$ (70,700)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 10,002	$ (39,998)	$ (38,956)	$ 1,042
FUND BALANCE, January 1, 2009			77,253	
FUND BALANCE, December 31, 2009			$ 38,297	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 3

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
ASSESSMENT FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Intergovernmental	$ 113,190	$ 113,190	$ 28,405	$ (84,785)
Fees and Charges	3,600	3,600	74,459	70,859
Interest Income	6,800	6,800	8,277	1,477
Other Revenues	-	-	82	82
TOTAL REVENUES RECEIVED	$ 123,590	$ 123,590	$ 111,223	$ (12,367)
EXPENDITURES PAID:				
Assessor	$ 113,525	$ 113,525	$ 108,950	$ 4,575
TOTAL EXPENDITURES PAID	$ 113,525	$ 113,525	$ 108,950	$ 4,575
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 10,065	$ 10,065	$ 2,273	$ (7,792)
FUND BALANCE, January 1, 2010			95,409	
FUND BALANCE, December 31, 2010			$ 97,682	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 3

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
ASSESSMENT FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Intergovernmental	$ 55,840	$ 55,840	$ 72,934	$ 17,094
Fees and Charges	69,250	69,250	61,753	(7,497)
Interest Income	4,500	4,500	6,606	2,106
Other Revenues	-	-	-	-
TOTAL REVENUES RECEIVED	$ 129,590	$ 129,590	$ 141,293	$ 11,703
EXPENDITURES PAID:				
Assessor	$ 111,247	$ 111,247	$ 108,054	$ 3,193
TOTAL EXPENDITURES PAID	$ 111,247	$ 111,247	$ 108,054	$ 3,193
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 18,343	$ 18,343	$ 33,239	$ 14,896
FUND BALANCE, January 1, 2009			62,170	
FUND BALANCE, December 31, 2009			$ 95,409	

See Accompanying Notes to Budgetary Comparison Schedules.

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
LAW ENFORCEMENT SALES TAX FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Sales Tax	$ 425,000	$ 425,000	$ 447,934	$ 22,934
Intergovernmental	100,200	100,200	104,623	4,423
Fees and Charges	6,000	6,000	4,154	(1,846)
Interest Income	500	500	1,409	909
Other Revenues	-	-	2,275	2,275
TOTAL REVENUES RECEIVED	$ 531,700	$ 531,700	$ 560,395	$ 28,695
EXPENDITURES PAID:				
General County Government:				
Building and Grounds	$ 8,250	$ 8,250	$ 6,449	$ 1,801
Employee Fringe Benefits	40,000	40,000	38,097	1,903
Total General County Government	$ 48,250	$ 48,250	$ 44,546	$ 3,704
Judicial and Court Related:				
Prosecuting Attorney	$ 100,139	$ 100,139	$ 91,157	$ 8,982
Total Judicial and Court Related	$ 100,139	$ 100,139	$ 91,157	$ 8,982
Public Safety:				
Sheriff	$ 329,388	$ 329,388	$ 346,684	$ (17,296)
Jail	168,100	168,100	157,773	10,327
Juvenile Office	60,180	60,180	60,180	-
Coroner	23,520	23,520	18,695	4,825
Total Public Safety	$ 581,188	$ 581,188	$ 583,332	$ (2,144)
TOTAL EXPENDITURES PAID	$ 729,577	$ 729,577	$ 719,035	$ 10,542
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ 198,000	$ 198,000	$ 159,500	$ (38,500)
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ 198,000	$ 198,000	$ 159,500	$ (38,500)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 123	$ 123	$ 860	$ 737
FUND BALANCE, January 1, 2010			488	
FUND BALANCE, December 31, 2010			$ 1,348	

See Accompanying Notes to Budgetary Comparison Schedules.

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
LAW ENFORCEMENT SALES TAX FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Sales Tax	$ 445,000	$ 427,500	$ 427,518	$ 18
Intergovernmental	123,700	141,700	135,666	(6,034)
Fees and Charges	9,000	9,000	5,545	(3,455)
Interest Income	1,500	1,500	650	(850)
Other Revenues	-	-	18,864	18,864
TOTAL REVENUES RECEIVED	$ 579,200	$ 579,700	$ 588,243	$ 8,543
EXPENDITURES PAID:				
General County Government:				
Building and Grounds	$ 7,000	$ 7,000	$ 5,870	$ 1,130
Employee Fringe Benefits	40,000	47,500	38,788	8,712
Total General County Government	$ 47,000	$ 54,500	$ 44,658	$ 9,842
Judicial and Court Related:				
Prosecuting Attorney	$ 76,200	$ 92,200	$ 94,142	$ (1,942)
Total Judicial and Court Related	$ 76,200	$ 92,200	$ 94,142	$ (1,942)
Public Safety:				
Sheriff	$ 365,940	$ 377,071	$ 372,780	$ 4,291
Jail	157,300	189,800	189,307	493
Juvenile Office	63,000	63,000	60,033	2,967
Coroner	19,320	21,720	21,672	48
Total Public Safety	$ 605,560	$ 651,591	$ 643,792	$ 7,799
TOTAL EXPENDITURES PAID	$ 728,760	$ 798,291	$ 782,592	$ 15,699
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ 147,500	$ 184,000	$ 192,669	$ 8,669
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ 147,500	$ 184,000	$ 192,669	$ 8,669
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (2,060)	$ (34,591)	$ (1,680)	$ 32,911
FUND BALANCE, January 1, 2009			2,168	
FUND BALANCE, December 31, 2009			$ 488	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 5

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
CHILDREN'S TRUST FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 650	$ 650	$ 675	$ 25
Interest Income	20	20	13	(7)
TOTAL REVENUES RECEIVED	$ 670	$ 670	$ 688	$ 18
EXPENDITURES PAID:				
Health and Welfare	$ 800	$ 800	$ 613	$ 187
TOTAL EXPENDITURES PAID	$ 800	$ 800	$ 613	$ 187
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (130)	$ (130)	$ 75	$ 205
FUND BALANCE, January 1, 2010			288	
FUND BALANCE, December 31, 2010			$ 363	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 5

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
CHILDREN'S TRUST FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 650	$ 650	$ 515	$ (135)
Interest Income	15	15	14	(1)
TOTAL REVENUES RECEIVED	$ 665	$ 665	$ 529	$ (136)
EXPENDITURES PAID:				
Health and Welfare	$ 650	$ 650	$ 620	$ 30
TOTAL EXPENDITURES PAID	$ 650	$ 650	$ 620	$ 30
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 15	$ 15	$ (91)	$ (106)
FUND BALANCE, January 1, 2009			379	
FUND BALANCE, December 31, 2009			$ 288	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 6

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
DOMESTIC VIOLENCE FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 2,200	$ 2,200	$ 2,610	$ 410
Interest Income	40	40	47	7
TOTAL REVENUES RECEIVED	$ 2,240	$ 2,240	$ 2,657	$ 417
EXPENDITURES PAID:				
Health and Welfare	$ 3,000	$ 3,000	$ 2,314	$ 686
TOTAL EXPENDITURES PAID	$ 3,000	$ 3,000	$ 2,314	$ 686
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (760)	$ (760)	$ 343	$ 1,103
FUND BALANCE, January 1, 2010			1,102	
FUND BALANCE, December 31, 2010			$ 1,445	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 6

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
DOMESTIC VIOLENCE FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 2,500	$ 2,500	$ 2,200	$ (300)
Interest Income	50	50	42	(8)
TOTAL REVENUES RECEIVED	$ 2,550	$ 2,550	$ 2,242	$ (308)
EXPENDITURES PAID:				
Health and Welfare	$ 2,400	$ 2,400	$ 2,276	$ 124
TOTAL EXPENDITURES PAID	$ 2,400	$ 2,400	$ 2,276	$ 124
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 150	$ 150	$ (34)	$ (184)
FUND BALANCE, January 1, 2009			1,136	
FUND BALANCE, December 31, 2009			$ 1,102	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 7

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
ELECTION SERVICES FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Intergovernmental	$ -	$ -	$ 7,997	$ 7,997
Fees and Charges	30,000	30,000	4,112	(25,888)
Interest Income	-	-	1,773	1,773
TOTAL REVENUES RECEIVED	$ 30,000	$ 30,000	$ 13,882	$ (16,118)
EXPENDITURES PAID:				
Elections	$ 30,000	$ 30,000	$ 501	$ 29,499
TOTAL EXPENDITURES PAID	$ 30,000	$ 30,000	$ 501	$ 29,499
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out h	-	-	(7,595)	(7,595)
Total Other Financing Sources (Uses)	$ -	$ -	$ (7,595)	$ (7,595)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ -	$ -	$ 5,786	$ 5,786
FUND BALANCE, January 1, 2010			25,000	
FUND BALANCE, December 31, 2010			$ 30,786	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 7

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
ELECTION SERVICES FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Intergovernmental	$ -	$ -	$ 2,641	$ 2,641
Fees and Charges	20,750	20,750	2,090	(18,660)
Interest Income	1,000	1,000	1,559	559
TOTAL REVENUES RECEIVED	$ 21,750	$ 21,750	$ 6,290	$ (15,460)
EXPENDITURES PAID:				
Elections	$ 27,500	$ 27,500	$ 3,051	$ 24,449
TOTAL EXPENDITURES PAID	$ 27,500	$ 27,500	$ 3,051	$ 24,449
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	(1,939)	(1,939)
Total Other Financing Sources (Uses)	$ -	$ -	$ (1,939)	$ (1,939)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (5,750)	$ (5,750)	$ 1,300	$ 7,050
FUND BALANCE, January 1, 2009			23,700	
FUND BALANCE, December 31, 2009			$ 25,000	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 8

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
LAW ENFORCEMENT RESTITUTION FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 30,000	$ 30,000	$ 30,456	$ 456
Interest Income	-	-	747	747
TOTAL REVENUES RECEIVED	$ 30,000	$ 30,000	$ 31,203	$ 1,203
EXPENDITURES PAID:				
Sheriff	$ 30,000	$ 30,000	$ -	$ 30,000
TOTAL EXPENDITURES PAID	$ 30,000	$ 30,000	$ -	$ 30,000
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ -	$ -	$ 31,203	$ 31,203
FUND BALANCE, January 1, 2010			2,170	
FUND BALANCE, December 31, 2010			$ 33,373	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 8

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
LAW ENFORCEMENT RESTITUTION FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ -	$ -	$ 305	$ 305
Interest Income	-	-	121	121
TOTAL REVENUES RECEIVED	$ -	$ -	$ 426	$ 426
EXPENDITURES PAID:				
Sheriff	$ -	$ -	$ -	$ -
TOTAL EXPENDITURES PAID	$ -	$ -	$ -	$ -
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ -	$ -	$ 426	$ 426
FUND BALANCE, January 1, 2009			1,744	
FUND BALANCE, December 31, 2009			$ 2,170	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 9

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
LAW ENFORCEMENT TRAINING FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 1,100	$ 1,100	$ 1,418	$ 318
Interest Income	85	85	53	(32)
Other Revenue	600	600	595	(5)
TOTAL REVENUES RECEIVED	$ 1,785	$ 1,785	$ 2,066	$ 281
EXPENDITURES PAID:				
Sheriff	$ 2,500	$ 2,500	$ 2,001	$ 499
TOTAL EXPENDITURES PAID	$ 2,500	$ 2,500	$ 2,001	$ 499
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (715)	$ (715)	$ 65	$ 780
FUND BALANCE, January 1, 2010			1,133	
FUND BALANCE, December 31, 2010			$ 1,198	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 9

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
LAW ENFORCEMENT TRAINING FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 1,100	$ 1,100	$ 1,137	$ 37
Interest Income	100	100	89	(11)
Other Revenue	650	650	605	(45)
TOTAL REVENUES RECEIVED	$ 1,850	$ 1,850	$ 1,831	$ (19)
EXPENDITURES PAID:				
Sheriff	$ 3,700	$ 3,700	$ 2,630	$ 1,070
TOTAL EXPENDITURES PAID	$ 3,700	$ 3,700	$ 2,630	$ 1,070
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (1,850)	$ (1,850)	$ (799)	$ 1,051
FUND BALANCE, January 1, 2009			1,932	
FUND BALANCE, December 31, 2009			$ 1,133	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 10

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
PROSECUTING ATTORNEY BAD CHECK FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 26,000	$ 26,000	$ 24,210	$ (1,790)
Interest Income	400	400	102	(298)
TOTAL REVENUES RECEIVED	$ 26,400	$ 26,400	$ 24,312	$ (2,088)
EXPENDITURES PAID:				
Prosecuting Attorney	$ 24,300	$ 24,300	$ 5,393	$ 18,907
TOTAL EXPENDITURES PAID	$ 24,300	$ 24,300	$ 5,393	$ 18,907
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	(19,402)	(19,402)
Total Other Financing Sources (Uses)	$ -	$ -	$ (19,402)	$ (19,402)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 2,100	$ 2,100	$ (483)	$ (2,583)
FUND BALANCE, January 1, 2010			495	
FUND BALANCE, December 31, 2010			$ 12	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 10

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
PROSECUTING ATTORNEY BAD CHECK FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 33,000	$ 33,000	$ 26,969	$ (6,031)
Interest Income	-	-	404	404
Other Revenue	-	-	81	81
TOTAL REVENUES RECEIVED	$ 33,000	$ 33,000	$ 27,454	$ (5,546)
EXPENDITURES PAID:				
Prosecuting Attorney	$ 19,375	$ 19,375	$ 15,898	$ 3,477
TOTAL EXPENDITURES PAID	$ 19,375	$ 19,375	$ 15,898	$ 3,477
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	(20,250)	(20,250)	(18,782)	1,468
Total Other Financing Sources (Uses)	$ (20,250)	$ (20,250)	$ (18,782)	$ 1,468
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (6,625)	$ (6,625)	$ (7,226)	$ (601)
FUND BALANCE, January 1, 2009			7,721	
FUND BALANCE, December 31, 2009			$ 495	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 11

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
PROSECUTING ATTORNEY DELINQUENT TAX FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 325	$ 325	$ 501	$ 176
Interest Income	-	-	11	11
TOTAL REVENUES RECEIVED	$ 325	$ 325	$ 512	$ 187
EXPENDITURES PAID:				
Prosecuting Attorney	$ 325	$ 325	$ 132	$ 193
TOTAL EXPENDITURES PAID	$ 325	$ 325	$ 132	$ 193
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ -	$ -	$ 380	$ 380
FUND BALANCE, January 1, 2010			59	
FUND BALANCE, December 31, 2010			$ 439	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 11

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
PROSECUTING ATTORNEY DELINQUENT TAX FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 900	$ 900	$ 283	$ (617)
Interest Income	-	-	79	79
TOTAL REVENUES RECEIVED	$ 900	$ 900	$ 362	$ (538)
EXPENDITURES PAID:				
Prosecuting Attorney	$ 2,000	$ 2,000	$ 987	$ 1,013
TOTAL EXPENDITURES PAID	$ 2,000	$ 2,000	$ 987	$ 1,013
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	(1,000)	(1,000)
Total Other Financing Sources (Uses)	$ -	$ -	$ (1,000)	$ (1,000)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (1,100)	$ (1,100)	$ (1,625)	$ (525)
FUND BALANCE, January 1, 2009			1,684	
FUND BALANCE, December 31, 2009			$ 59	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 12

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
PROSECUTING ATTORNEY RETIREMENT FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Interest Income	$ 60	$ 60	$ 70	$ 10
TOTAL REVENUES RECEIVED	$ 60	$ 60	$ 70	$ 10
EXPENDITURES PAID:				
Prosecuting Attorney	$ 2,244	$ 2,244	$ 2,244	$ -
TOTAL EXPENDITURES PAID	$ 2,244	$ 2,244	$ 2,244	$ -
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ 2,200	$ 2,200	$ 2,200	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ 2,200	$ 2,200	$ 2,200	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 16	$ 16	$ 26	$ 10
FUND BALANCE, January 1, 2010			85	
FUND BALANCE, December 31, 2010			$ 111	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 12

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
PROSECUTING ATTORNEY RETIREMENT FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Interest Income	$ 50	$ 50	$ 61	$ 11
TOTAL REVENUES RECEIVED	$ 50	$ 50	$ 61	$ 11
EXPENDITURES PAID:				
Prosecuting Attorney	$ 2,244	$ 2,244	$ 2,244	$ -
TOTAL EXPENDITURES PAID	$ 2,244	$ 2,244	$ 2,244	$ -
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ 2,200	$ 2,200	$ 2,200	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ 2,200	$ 2,200	$ 2,200	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 6	$ 6	$ 17	$ 11
FUND BALANCE, January 1, 2009			68	
FUND BALANCE, December 31, 2009			$ 85	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 13

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
PROSECUTING ATTORNEY TRAINING FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 275	$ 275	$ 357	$ 82
Interest Income	10	10	15	5
TOTAL REVENUES RECEIVED	$ 285	$ 285	$ 372	$ 87
EXPENDITURES PAID:				
Prosecuting Attorney	$ 200	$ 200	$ 115	$ 85
TOTAL EXPENDITURES PAID	$ 200	$ 200	$ 115	$ 85
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 85	$ 85	$ 257	$ 172
FUND BALANCE, January 1, 2010			141	
FUND BALANCE, December 31, 2010			$ 398	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 13

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
PROSECUTING ATTORNEY TRAINING FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 350	$ 350	$ 289	$ (61)
Interest Income	-	-	7	7
TOTAL REVENUES RECEIVED	$ 350	$ 350	$ 296	$ (54)
EXPENDITURES PAID:				
Prosecuting Attorney	$ 350	$ 350	$ 186	$ 164
TOTAL EXPENDITURES PAID	$ 350	$ 350	$ 186	$ 164
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ -	$ -	$ 110	$ 110
FUND BALANCE, January 1, 2009			31	
FUND BALANCE, December 31, 2009			$ 141	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 14

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
RECORDER USER FEE FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 9,500	$ 9,500	$ 7,103	$ (2,397)
Interest Income	3,000	3,000	2,774	(226)
TOTAL REVENUES RECEIVED	$ 12,500	$ 12,500	$ 9,877	$ (2,623)
EXPENDITURES PAID:				
Recorder of Deeds	$ 23,500	$ 23,500	$ 20,154	$ 3,346
TOTAL EXPENDITURES PAID	$ 23,500	$ 23,500	$ 20,154	$ 3,346
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	(1,000)	(1,000)	(1,000)	-
Total Other Financing Sources (Uses)	$ (1,000)	$ (1,000)	$ (1,000)	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (12,000)	$ (12,000)	$ (11,277)	$ 723
FUND BALANCE, January 1, 2010			53,658	
FUND BALANCE, December 31, 2010			$ 42,381	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 14

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
RECORDER USER FEE FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 10,000	$ 10,000	$ 8,329	$ (1,671)
Interest Income	2,500	2,500	3,275	775
TOTAL REVENUES RECEIVED	$ 12,500	$ 12,500	$ 11,604	$ (896)
EXPENDITURES PAID:				
Recorder of Deeds	$ 32,000	$ 32,000	$ 12,344	$ 19,656
TOTAL EXPENDITURES PAID	$ 32,000	$ 32,000	$ 12,344	$ 19,656
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (19,500)	$ (19,500)	$ (740)	$ 18,760
FUND BALANCE, January 1, 2009			54,398	
FUND BALANCE, December 31, 2009			$ 53,658	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 15

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
SHERIFF'S REVOLVING FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 3,600	$ 3,600	$ 7,870	$ 4,270
Interest Income	250	250	427	177
TOTAL REVENUES RECEIVED	$ 3,850	$ 3,850	$ 8,297	$ 4,447
EXPENDITURES PAID:				
Sheriff	$ 6,110	$ 6,110	$ 2,133	$ 3,977
TOTAL EXPENDITURES PAID	$ 6,110	$ 6,110	$ 2,133	$ 3,977
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (2,260)	$ (2,260)	$ 6,164	$ 8,424
FUND BALANCE, January 1, 2010			2,814	
FUND BALANCE, December 31, 2010			$ 8,978	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 15

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
SHERIFF'S REVOLVING FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 3,500	$ 3,500	$ 3,450	$ (50)
Interest Income	400	400	259	(141)
TOTAL REVENUES RECEIVED	$ 3,900	$ 3,900	$ 3,709	$ (191)
EXPENDITURES PAID:				
Sheriff	$ 7,800	$ 7,800	$ 1,609	$ 6,191
TOTAL EXPENDITURES PAID	$ 7,800	$ 7,800	$ 1,609	$ 6,191
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	(4,000)	(4,000)
Total Other Financing Sources (Uses)	$ -	$ -	$ (4,000)	$ (4,000)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (3,900)	$ (3,900)	$ (1,900)	$ 2,000
FUND BALANCE, January 1, 2009			4,714	
FUND BALANCE, December 31, 2009			$ 2,814	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 16

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
SHERIFF CIVIL FEES FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 18,594	$ 20,220	$ 20,482	$ 262
Interest Income	130	130	269	139
TOTAL REVENUES RECEIVED	$ 18,724	$ 20,350	$ 20,751	$ 401
EXPENDITURES PAID:				
Sheriff	$ 20,850	$ 23,000	$ 22,357	$ 643
TOTAL EXPENDITURES PAID	$ 20,850	$ 23,000	$ 22,357	$ 643
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (2,126)	$ (2,650)	$ (1,606)	$ 1,044
FUND BALANCE, January 1, 2010			2,674	
FUND BALANCE, December 31, 2010			$ 1,068	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 16

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
SHERIFF CIVIL FEES FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 16,400	$ 16,400	$ 19,174	$ 2,774
Interest Income	366	366	123	(243)
Other Revenue	864	864	193	(671)
TOTAL REVENUES RECEIVED	$ 17,630	$ 17,630	$ 19,490	$ 1,860
EXPENDITURES PAID:				
Sheriff	$ 18,260	$ 18,260	$ 18,264	$ (4)
TOTAL EXPENDITURES PAID	$ 18,260	$ 18,260	$ 18,264	$ (4)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (630)	$ (630)	$ 1,226	$ 1,856
FUND BALANCE, January 1, 2009			1,448	
FUND BALANCE, December 31, 2009			$ 2,674	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 17

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
FOREST SERVICE TITLE III FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Intergovernmental	$ 25,574	$ 25,574	$ 25,574	$ -
Interest Income	426	426	1,518	1,092
TOTAL REVENUES RECEIVED	$ 26,000	$ 26,000	$ 27,092	$ 1,092
EXPENDITURES PAID:				
Highway and Roads	$ -	$ -	$ -	$ -
TOTAL EXPENDITURES PAID	$ -	$ -	$ -	$ -
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	(26,000)	(26,000)	(26,000)	-
Total Other Financing Sources (Uses)	$ (26,000)	$ (26,000)	$ (26,000)	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ -	$ -	$ 1,092	$ 1,092
FUND BALANCE, January 1, 2010			-	
FUND BALANCE, December 31, 2010			$ 1,092	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 17

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
FOREST SERVICE TITLE III FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Intergovernmental	$ 36,000	$ 36,000	$ 27,322	$ (8,678)
Interest Income	500	500	347	(153)
TOTAL REVENUES RECEIVED	$ 36,500	$ 36,500	$ 27,669	$ (8,831)
EXPENDITURES PAID:				
Highway and Roads	$ -	$ -	$ -	$ -
TOTAL EXPENDITURES PAID	$ -	$ -	$ -	$ -
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	(36,500)	(36,500)	(27,669)	8,831
Total Other Financing Sources (Uses)	$ (36,500)	$ (36,500)	$ (27,669)	$ 8,831
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ -	$ -	$ -	$ -
FUND BALANCE, January 1, 2010			-	
FUND BALANCE, December 31, 2010			$ -	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 18

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
COLLECTOR'S TAX MAINTENANCE FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 15,800	$ 15,800	$ 15,824	$ 24
Interest Income	2,200	2,200	2,509	309
TOTAL REVENUES RECEIVED	$ 18,000	$ 18,000	$ 18,333	$ 333
EXPENDITURES PAID:				
Collector	$ 40,000	$ 40,000	$ 14,608	$ 25,392
TOTAL EXPENDITURES PAID	$ 40,000	$ 40,000	$ 14,608	$ 25,392
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (22,000)	$ (22,000)	$ 3,725	$ 25,725
FUND BALANCE, January 1, 2010			40,731	
FUND BALANCE, December 31, 2010			$ 44,456	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 18

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
COLLECTOR'S TAX MAINTENANCE FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 13,500	$ 13,500	$ 15,581	$ 2,081
Interest Income	2,000	2,000	2,173	173
TOTAL REVENUES RECEIVED	$ 15,500	$ 15,500	$ 17,754	$ 2,254
EXPENDITURES PAID:				
Collector	$ 40,000	$ 40,000	$ 12,035	$ 27,965
TOTAL EXPENDITURES PAID	$ 40,000	$ 40,000	$ 12,035	$ 27,965
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (24,500)	$ (24,500)	$ 5,719	$ 30,219
FUND BALANCE, January 1, 2009			35,012	
FUND BALANCE, December 31, 2009			$ 40,731	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 19

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
RIPLEY COUNTY MEMORIAL HOSPITAL PROJECT FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ 150,000	$ 150,000	$ 24,045	$ (125,955)
TOTAL REVENUES RECEIVED	$ 150,000	$ 150,000	$ 24,045	$ (125,955)
EXPENDITURES PAID:				
Health and Welfare	$ 150,000	$ 150,000	$ 24,045	$ 125,955
TOTAL EXPENDITURES PAID	$ 150,000	$ 150,000	$ 24,045	$ 125,955
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ 300	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ 300	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ -	$ -	$ 300	$ -
FUND BALANCE, January 1, 2010			-	
FUND BALANCE, December 31, 2010			$ 300	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 19

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
RIPLEY COUNTY MEMORIAL HOSPITAL PROJECT FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Fees and Charges	$ -	$ -	$ -	$ -
TOTAL REVENUES RECEIVED	$ -	$ -	$ -	$ -
EXPENDITURES PAID:				
Circuit Clerk	$ -	$ -	$ -	$ -
TOTAL EXPENDITURES PAID	$ -	$ -	$ -	$ -
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ -	$ -	$ -	$ -
FUND BALANCE, January 1, 2009			-	
FUND BALANCE, December 31, 2009			$ -	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 20

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
PURNAM CDBG FUND

For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Intergovernmental	$ -	$ -	$ -	$ -
TOTAL REVENUES RECEIVED	$ -	$ -	$ -	$ -
EXPENDITURES PAID:				
Capital Outlay	$ -	$ -	$ -	$ -
TOTAL EXPENDITURES PAID	$ -	$ -	$ -	$ -
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ -	$ -	$ -	$ -
FUND BALANCE, January 1, 2010			-	
FUND BALANCE, December 31, 2010			$ -	

See Accompanying Notes to Budgetary Comparison Schedules.

SCHEDULE 20

RIPLEY COUNTY, MISSOURI

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
PURNAM CDBG FUND

For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES RECEIVED:				
Intergovernmental	$ 338,392	$ 338,392	$ 238,392	$ (100,000)
TOTAL REVENUES RECEIVED	$ 338,392	$ 338,392	$ 238,392	$ (100,000)
EXPENDITURES PAID:				
Capital Outlay	$ 338,892	$ 338,892	$ 238,892	$ 100,000
TOTAL EXPENDITURES PAID	$ 338,892	$ 338,892	$ 238,892	$ 100,000
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	$ -	$ -	$ -	$ -
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	$ -	$ -	$ -	$ -
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (500)	$ (500)	$ (500)	$ -
FUND BALANCE, January 1, 2009			500	
FUND BALANCE, December 31, 2009			$ -	

See Accompanying Notes to Budgetary Comparison Schedules.

RIPLEY COUNTY, MISSOURI

NOTES TO BUDGETARY COMPARISON SCHEDULES

December 31, 2010 and 2009

1. BUDGETARY INFORMATION

The 2010 and 2009 annual budget, prepared under the cash basis of accounting, was adopted on January 29, 2010 and January 30, 2009, respectively for all revenues and expenditures of the General Revenue Fund and all special revenue funds of the County. Any increase in appropriations during the fiscal year must be approved by the County Commission. The 2010 and 2009 budget was amended on December 29, 2010 and December 23, 2009, respectively to authorize expenditures of unanticipated revenues received during the year. Any remaining unencumbered appropriations lapse at the end of each fiscal year.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

During the year ended December 31, 2010, actual expenditures of the following funds exceeded budgetary limits by:

Fund	Amount Exceeding Budgetary Limits
Prosecuting Attorney Bad Check Fund	$495

During the year ended December 31, 2009, actual expenditures of the following funds exceeded budgetary limits by:

Fund	Amount Exceeding Budgetary Limits
Sheriff Civil Fees Fund	$4

SUPPLEMENTARY INFORMATION

RIPLEY COUNTY, MISSOURI

COMBINING BALANCE SHEET - CASH BASIS
OTHER GOVERNMENTAL FUNDS

December 31, 2010

	Children's Trust Fund	Domestic Violence Fund	Election Services Fund	Law Enforcement Restitution Fund	Law Enforcement Training Fund	Prosecuting Attorney Bad Check Fund	Prosecuting Attorney Delinquent Tax Fund	Prosecuting Attorney Retirement Fund	Prosecuting Attorney Training Fund
ASSETS									
Cash and Cash Equivalents	$ 363	$ 1,445	$ 30,786	$ 33,373	$ 1,198	$ 12	$ 439	$ 111	$ 398
TOTAL ASSETS	$ 363	$ 1,445	$ 30,786	$ 33,373	$ 1,198	$ 12	$ 439	$ 111	$ 398
LIABILITIES AND FUND BALANCE									
TOTAL LIABILITIES	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FUND BALANCE:									
Unreserved Fund Balance	$ 363	$ 1,445	$ 30,786	$ 33,373	$ 1,198	$ 12	$ 439	$ 111	$ 398
TOTAL FUND BALANCE	$ 363	$ 1,445	$ 30,786	$ 33,373	$ 1,198	$ 12	$ 439	$ 111	$ 398
TOTAL LIABILITIES AND FUND BALANCE	$ 363	$ 1,445	$ 30,786	$ 33,373	$ 1,198	$ 12	$ 439	$ 111	$ 398

- Continued -
See Independent Auditors' Report.

RIPLEY COUNTY, MISSOURI

COMBINING BALANCE SHEET - CASH BASIS
OTHER GOVERNMENTAL FUNDS

December 31, 2010

	Recorder User Fee Fund	Sheriff's Revolving Fund	Sheriff's Civil Fees Fund	F/S Title III Fund	Collector's Tax Maintenance Fund	RCMH Project Fund	Totals (Memorandum Only)
ASSETS							
Cash and Cash Equivalents	$ 42,381	$ 8,978	$ 1,068	$ 1,092	$ 44,456	$ 300	$ 166,400
TOTAL ASSETS	$ 42,381	$ 8,978	$ 1,068	1,092	$ 44,456	$ 300	$ 166,400
LIABILITIES AND FUND BALANCE							
TOTAL LIABILITIES	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FUND BALANCE:							
Unreserved Fund Balance	$ 42,381	$ 8,978	$ 1,068	$ 1,092	$ 44,456	$ 300	$ 166,400
TOTAL FUND BALANCE	$ 42,381	$ 8,978	$ 1,068	$ 1,092	$ 44,456	$ 300	$ 166,400
TOTAL LIABILITIES AND FUND BALANCE	$ 42,381	$ 8,978	$ 1,068	$ 1,092	$ 44,456	$ 300	$ 166,400

See Independent Auditors' Report.

RIPLEY COUNTY, MISSOURI

COMBINING BALANCE SHEET - CASH BASIS
OTHER GOVERNMENTAL FUNDS

December 31, 2009

	Children's Trust Fund	Domestic Violence Fund	Election Services Fund	Law Enforcement Restitution Fund	Law Enforcement Training Fund	Prosecuting Attorney Bad Check Fund	Prosecuting Attorney Delinquent Tax Fund	Prosecuting Attorney Retirement Fund	Prosecuting Attorney Training Fund
ASSETS									
Cash and Cash Equivalents	$ 288	$ 1,102	$ 25,000	$ 2,170	$ 1,133	$ 495	$ 59	$ 85	$ 141
TOTAL ASSETS	$ 288	$ 1,102	$ 25,000	$ 2,170	$ 1,133	$ 495	$ 59	$ 85	$ 141
LIABILITIES AND FUND BALANCE									
TOTAL LIABILITIES	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FUND BALANCE:									
Unreserved Fund Balance	$ 288	$ 1,102	$ 25,000	$ 2,170	$ 1,133	$ 495	$ 59	$ 85	$ 141
TOTAL FUND BALANCE	$ 288	$ 1,102	$ 25,000	$ 2,170	$ 1,133	$ 495	$ 59	$ 85	$ 141
TOTAL LIABILITIES AND FUND BALANCE	$ 288	$ 1,102	$ 25,000	$ 2,170	$ 1,133	$ 495	$ 59	$ 85	$ 141

- Continued -
See Independent Auditors' Report.

RIPLEY COUNTY, MISSOURI

COMBINING BALANCE SHEET - CASH BASIS
OTHER GOVERNMENTAL FUNDS

December 31, 2009

	Sheriff's Revolving Fund	Sheriff's Civil Fees Fund	F/S Title III Fund	Collector's Tax Maintenance Fund	RCMH Project Fund	Purman CDBG Fund	Totals (Memorandum Only)
ASSETS							
Cash and Cash Equivalents	$ 2,814	$ 2,674	$ -	$ 40,731	$ -	$ -	$ 76,692
TOTAL ASSETS	$ 2,814	$ 2,674	$ -	$ 40,731	$ -	$ -	$ 76,692
LIABILITIES AND FUND BALANCE							
TOTAL LIABILITIES	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FUND BALANCE:							
Unreserved Fund Balance	$ 2,814	$ 2,674	$ -	$ 40,731	$ -	$ -	$ 76,692
TOTAL FUND BALANCE	$ 2,814	$ 2,674	$ -	$ 40,731	$ -	$ -	$ 76,692
TOTAL LIABILITIES AND FUND BALANCE	$ 2,814	$ 2,674	$ -	$ 40,731	$ -	$ -	$ 76,692

See Independent Auditors' Report.

RIPLEY COUNTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - CASH BASIS - OTHER GOVERNMENTAL FUNDS

For the Year Ended December 31, 2010

	Children's Trust Fund	Domestic Violence Fund	Election Services Fund	Law Enforcement Restitution Fund	Law Enforcement Training Fund	Prosecuting Attorney Bad Check Fund	Prosecuting Attorney Delinquent Tax Fund	Prosecuting Attorney Retirement Fund	Prosecuting Attorney Training Fund
REVENUES RECEIVED:									
Property Tax	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	7,997	-	-	-	-	-	-
Fees and Charges	675	2,610	4,112	30,456	1,418	24,210	501	-	357
Interest Income	13	47	1,773	747	53	102	11	70	15
Other Revenue	-	-	-	-	595	-	-	-	-
TOTAL REVENUES RECEIVED	$ 688	$ 2,657	$ 13,882	$ 31,203	$ 2,066	$ 24,312	$ 512	$ 70	$ 372
EXPENDITURES PAID:									
General County Government	$ -	$ -	$ 501	$ -	$ -	$ -	$ -	$ -	$ -
Judicial and Court Related	-	-	-	-	-	5,393	132	2,244	115
Health and Welfare	613	2,314	-	-	-	-	-	-	-
Public Safety	-	-	-	-	2,001	-	-	-	-
TOTAL EXPENDITURES PAID	$ 613	$ 2,314	$ 501	$ -	$ 2,001	$ 5,393	$ 132	$ 2,244	$ 115
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 75	$ 343	$ 13,381	$ 31,203	$ 65	$ 18,919	$ 380	$ (2,174)	$ 257
OTHER FINANCING SOURCES (USES):									
Operating Transfers In (Out)	-	-	(7,595)	-	-	(19,402)	-	2,200	-
EXCESS (DEFICIENCY) OF REVENUES RECEIVED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	$ 75	$ 343	$ 5,786	$ 31,203	$ 65	$ (483)	$ 380	$ 26	$ 257
FUND BALANCE, January 1, 2010	288	1,102	25,000	2,170	1,133	495	59	85	141
FUND BALANCE, December 31, 2010	$ 363	$ 1,445	$ 30,786	$ 33,373	$ 1,198	$ 12	$ 439	$ 111	$ 398

- Continued -
See Independent Auditors' Report.

RIPLEY COUNTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - CASH BASIS - OTHER GOVERNMENTAL FUNDS

For the Year Ended December 31, 2010

	Recorder User Fee Fund	Sheriff's Revolving Fund	Sheriff Civil Fees Fund	F/S Title III Fund	Collector's Tax Maintenance Fund	RCMH Project Fund	Totals (Memorandum Only)
REVENUES RECEIVED:							
Property Tax	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	25,574	-	24,045	57,616
Fees and Charges	7,103	7,870	20,482	-	15,824	-	115,618
Interest Income	2,774	427	269	1,518	2,509	-	10,328
Other Revenue	-	-	-	-	-	-	595
TOTAL REVENUES RECEIVED	$ 9,877	$ 8,297	$ 20,751	$ 27,092	$ 18,333	$ 24,045	$ 184,157
EXPENDITURES PAID:							
General County Government	$ 20,154	$ -	$ -	$ -	$ 14,608	$ -	$ 35,263
Judicial and Court Related	-	-	-	-	-	-	7,884
Health and Welfare	-	-	-	-	-	24,045	26,972
Public Safety	-	2,133	22,357	-	-	-	26,491
TOTAL EXPENDITURES PAID	$ 20,154	$ 2,133	$ 22,357	$ -	$ 14,608	$ 24,045	$ 96,610
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (10,277)	$ 6,164	$ (1,606)	$ 27,092	$ 3,725	$ -	$ 87,547
OTHER FINANCING SOURCES (USES):							
Operating Transfers In (Out)	(1,000)	-	-	(26,000)	-	300	(51,497)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	$ (11,277)	$ 6,164	$ (1,606)	$ 1,092	$ 3,725	$ 300	$ 36,050
FUND BALANCE, January 1, 2010	53,658	2,814	2,674	-	40,731	-	130,350
FUND BALANCE, December 31, 2010	$ 42,381	$ 8,978	$ 1,068	$ 1,092	$ 44,456	$ 300	$ 166,400

See Independent Auditors' Report.

RIPLEY COUNTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - CASH BASIS - OTHER GOVERNMENTAL FUNDS

For the Year Ended December 31, 2009

	Children's Trust Fund	Domestic Violence Fund	Election Services Fund	Law Enforcement Restitution Fund	Law Enforcement Training Fund	Prosecuting Attorney Bad Check Fund	Prosecuting Attorney Delinquent Tax Fund	Prosecuting Attorney Retirement Fund	Prosecuting Attorney Training Fund
REVENUES RECEIVED:									
Property Tax	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	2,641	-	-	-	-	-	-
Fees and Charges	515	2,200	2,090	305	1,137	26,969	283	-	289
Interest Income	14	42	1,559	121	89	404	79	61	7
Other Revenue	-	-	-	-	605	81	-	-	-
TOTAL REVENUES RECEIVED	$ 529	$ 2,242	$ 6,290	$ 426	$ 1,831	$ 27,454	$ 362	$ 61	$ 296
EXPENDITURES PAID:									
General County Government	$ -	$ -	$ 3,051	$ -	$ -	$ -	$ -	$ -	$ -
Judicial and Court Related	-	-	-	-	-	15,898	987	2,244	186
Health and Welfare	620	2,276	-	-	-	-	-	-	-
Public Safety	-	-	-	-	2,630	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES PAID	$ 620	$ 2,276	$ 3,051	$ -	$ 2,630	$ 15,898	$ 987	$ 2,244	$ 186
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ (91)	$ (34)	$ 3,239	$ 426	$ (799)	$ 11,556	$ (625)	$ (2,183)	$ 110
OTHER FINANCING SOURCES (USES):									
Operating Transfers In (Out)	-	-	(1,939)	-	-	(18,782)	(1,000)	2,200	-
EXCESS (DEFICIENCY) OF REVENUES RECEIVED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	$ (91)	$ (34)	$ 1,300	$ 426	$ (799)	$ (7,226)	$ (1,625)	$ 17	$ 110
FUND BALANCE, January 1, 2009	379	1,136	23,700	1,744	1,932	7,721	1,684	68	31
FUND BALANCE, December 31, 2009	$ 288	$ 1,102	$ 25,000	$ 2,170	$ 1,133	$ 495	$ 59	$ 85	$ 141

- Continued -
See Independent Auditors' Report.

RIPLEY COUNTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - CASH BASIS - OTHER GOVERNMENTAL FUNDS

For the Year Ended December 31, 2009

	Sheriff's Revolving Fund	Sheriff Civil Fees Fund	F/S Title III Fund	Collector's Tax Maintenance Fund	RCMH Project Fund	Purnam CDBG Fund	Totals (Memorandum Only)
REVENUES RECEIVED:							
Property Tax	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	27,322	-	-	238,392	268,355
Fees and Charges	3,450	19,174	-	15,581	-	-	71,993
Interest Income	259	123	347	2,173	-	-	5,278
Other Revenue	-	193	-	-	-	-	879
TOTAL REVENUES RECEIVED	$ 3,709	$ 19,490	$ 27,669	$ 17,754	$ -	$ 238,392	$ 346,505
EXPENDITURES PAID:							
General County Government	$ -	$ -	$ -	$ 12,035	$ -	$ -	$ 15,086
Judicial and Court Related	-	-	-	-	-	-	19,315
Health and Welfare	-	-	-	-	-	-	2,896
Public Safety	1,609	18,264	-	-	-	-	22,503
Capital Outlay	-	-	-	-	-	238,892	238,892
TOTAL EXPENDITURES PAID	$ 1,609	$ 18,264	$ -	$ 12,035	$ -	$ 238,892	$ 298,692
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER EXPENDITURES PAID	$ 2,100	$ 1,226	$ 27,669	$ 5,719	$ -	$ (500)	$ 47,813
OTHER FINANCING SOURCES (USES):							
Operating Transfers In (Out)	(4,000)	-	(27,669)	-	-	-	(51,190)
EXCESS (DEFICIENCY) OF REVENUES RECEIVED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	$ (1,900)	$ 1,226	$ -	$ 5,719	$ -	$ (500)	$ (3,377)
FUND BALANCE, January 1, 2009	4,714	1,448	-	35,012	-	500	80,069
FUND BALANCE, December 31, 2009	$ 2,814	$ 2,674	$ -	$ 40,731	$ -	$ -	$ 76,692

See Independent Auditors' Report.

FEDERAL COMPLIANCE SECTION

Cook & Hamlin, LLC
Certified Public Accountants
2820 E. Jackson Blvd., Suite B | Jackson, Missouri 63755 | p: 573.204.3557 | f: 573.204.3559

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission and
Officeholders of Ripley County, Missouri

Compliance

We have audited Ripley County, Missouri's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of Ripley County, Missouri's major federal programs for the years ended December 31, 2010 and 2009. Ripley County, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Ripley County, Missouri's management. Our responsibility is to express an opinion on Ripley County, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Ripley County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Ripley County, Missouri's compliance with those requirements.

As described in item 10-3 in the accompanying Schedule of Findings and Questioned Costs, Ripley County, Missouri did not comply with requirements regarding allowable costs/cost principles that are applicable to its Schools and Roads – Grants to States program. Compliance with such requirements is necessary, in our opinion, for Ripley County, Missouri to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Ripley County, Missouri complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and 2009.

Internal Control Over Compliance

Management of Ripley County, Missouri is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Ripley County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 10-1 and 10-3 to be material weaknesses.

This report is intended solely for the information and use of the County Commission and Officeholders, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

COOK & HAMLIN, LLC

Cook and Hamlin, LLC

Jackson, Missouri
July 15, 2011

RIPLEY COUNTY, MISSOURI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Years Ended December 31, 2010 and 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Pass-Through Grantors' Number	Expenditures of Federal Awards 2010	2009
U.S. DEPARTMENT OF AGRICULTURE:				
Passed-Through Missouri Department of Agriculture Forest Service				
School and Roads - Grants to States (1)	10.665	N/A	$ 459,384	$ 566,161
Passed-Through Missouri Department of Rural Housing Service				
Community Facilities Loans and Grants	10.766	N/A	18,700	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			$ 478,084	$ 566,161
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Passed-Through Missouri Department of Economic Development				
Community Development Block Grants/State's Program				
and Non-Entitlement Grants in Hawaii	14.228	N/A	$ 24,045	$ 238,392
Passed-Through Missouri Office Planning and Development				
Emergency Shelter Grants Program	14.231	ERO1641020	-	10,462
		ERO1642044	9,569	-
Passed-Through Missouri Department of Social Services				
Homeless Prevention and Rapid Re-Housing Program (1)	14.257A	N/A	38,880	10,636
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			$ 72,494	$ 259,490
U.S. DEPARTMENT OF INTERIOR				
Payments in Lieu of Taxes	15.226	PILOT	$ 97,356	$ 83,533
TOTAL U.S. DEPARTMENT OF INTERIOR			$ 97,356	$ 83,533
U.S. DEPARTMENT OF JUSTICE:				
Passed-Through Missouri Department of Public Safety				
Edward Byrne Memorial Justice Assistance Grant Program	16.579	MOSMART	-	29,318
Violence Against Women Formula Grant (1)	16.588	DVERT	-	129,929
Total Passed-Through Missouri Department of Public Safety			$ -	$ 159,247
Passed-Through Missouri Sheriff's Association				
Domestic Cannabis Eradication/Suppression Program	16.000	N/A	$ -	$ 7,891
		2010DCESP11	6,000	-
TOTAL U.S. DEPARTMENT OF JUSTICE			$ 6,000	$ 167,138
U.S. DEPARTMENT OF TRANSPORTATION:				
Passed-Through Missouri Department of Transportation				
Highway Planning and Construction	20.205	BRO-B091(9)	$ 34,579	$ -

-Continued-

The Accompanying Notes to Schedule of Expenditures of Federal Awards
Are an Integral Part of This Report.

RIPLEY COUNTY, MISSOURI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Years Ended December 31, 2010 and 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Pass-Through Grantors' Number	Expenditures of Federal Awards 2010	2009
U.S. DEPARTMENT OF TRANSPORTATION continued:				
Passed-Through Missouri Department of Public Safety				
State and Community Highway Safety	20.600	N/A	$ -	$ 979
Alcohol Safety and Drunk Driving Prevention Incentive Grant	20.601	N/A	2,872	-
Alcohol Open Container Requirements	20.607	N/A	-	997
Interagency Hazardous Materials Public Sector Training And Planning Grants	20.703	N/A	2,000	1,000
Total Passed-Through Missouri Department of Public Safety			$ 4,872	$ 2,976
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			$ 39,451	$ 2,976
U.S. GENERAL SERVICES ADMINISTRATION:				
Election Reform Payments	39.011	N/A	$ 1,784	$ -
TOTAL U.S. GENERAL SERVICES ADMINISTRATION			$ 1,784	$ -
U.S. ELECTION ASSISTANCE COMMISSION:				
Passed Through Missouri Secretary of State's Office Elections Division				
Help America Vote Act Requirements Payments	90.401	N/A	$ 914	$ 919
TOTAL U.S. ELECTION ASSISTANCE COMMISSION			$ 914	$ 919
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Passed-Through Missouri Department of Social Services				
Child Support Enforcement	93.563	N/A	$ 26,852	$ 28,589
Polling Place Accessibility	93.617		-	1,082
Total Passed-Through Missouri Department of Social Services			$ 26,852	$ 29,671
Passed-Through Administration for Children and Families				
Children's Justice Grants to State	93.643	N/A	$ 10,801	$ 24,244
Child Abuse and Neglect State Grants	93.669	N/A	3,888	8,728
Total Passed-Through Administration for Children and Families			$ 14,689	$ 32,972
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			$ 41,541	$ 62,643
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Passed Through Missouri Department of Public Safety				
Disaster Grants - Public Assistance Grants (1)	97.036	FEMA 1822-DR-MO	$ 175,700	$ 112,035
Homeland Security Grant	97.067	N/A	-	20,000
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			$ 175,700	$ 132,035
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 913,324	$ 1,274,895

(1) Identified Major Program.
A American Recovery and Revitalization Act Funds

The Accompanying Notes to Schedule of Expenditures of Federal Awards
Are an Integral Part of This Report.

RIPLEY COUNTY, MISSOURI

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2010 and 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Purpose of Schedule and Reporting Entity:

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with OMB Circular A-133. This circular requires a Schedule of Expenditures of Federal Awards showing total expenditures for each federal financial assistance program as identified in the Catalog of Federal Domestic Assistance (CFDA) and identification of programs that have not been assigned a CFDA number as "Other Federal Assistance."

The schedule includes all expenditures of federal awards administered by the County.

B. Basis of Presentation:

The schedule is presented in accordance with OMB Circular A-133, which defines federal financial assistance "…assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals."

C. Basis of Accounting:

The schedule is presented on the cash basis of accounting, which recognizes expenditures only when cash is disbursed. This is the same basis of accounting presented in the financial statements.

D. Federal Assurances:

Ripley County, Missouri did not have federal insurance in effect during the year, or have federal loans or loan guarantees outstanding at year end which are required to be reported in accordance with OMB Circular A-133.

RIPLEY COUNTY, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2010 and 2009

1. SUMMARY OF AUDITORS' RESULTS:

Financial Statements

Type of Auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? X yes ____ no
- Significant deficiencies identified that are not considered to be material weaknesses? X yes ____ none reported

Noncompliance material to financial statements noted? ____ yes X no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? X yes ____ no
- Significant deficiencies identified that are not considered to be material weaknesses? ____ yes X none reported

Type of Auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? X yes ____ no

Identification of major program:

CFDA Number	Name of Federal Program
10.665	School and Roads – Grants to States
14.257A	Homeless Prevention and Rapid Re-Housing Program
16.588	Violence Against Women Formula Grant
97.036	Disaster Grants – Public Assistance Grants

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee: ____ yes __X__ no

2. FINANCIAL STATEMENT FINDINGS:

10-1 Segregation of Duties

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Condition: Some employees have access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Cause: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties.

Recommendation: We recognize that the County may not have the resources to have an accounting professional with the knowledge, experience, and training to prepare governmental financial statements in conformity with Governmental Accounting Standards. However, we recommend that management continue to increase their knowledge of financial reporting.

Views of Responsible Officials: The limited number of available personnel prohibits segregation of incompatible duties.

10-2 Preparation of Basic Financial Statements

Criteria: A properly designed system of internal control, which includes preparation of financial statements in conformity with Governmental Accounting Standards, includes having accounting professionals as part of the system to perform that function.

Condition: The County has personnel in place to perform all bookkeeping functions necessary to maintain a general ledger and prepare internal use statements for management and the County Commission. However, the County does not have personnel with the knowledge, experience and training to prepare governmental financial statements in conformity with Governmental Accounting Standards as part of their internal control system.

Effect: The County employs the auditors that perform the biannual audit of the financial statements to prepare the biannual financial statements.

Cause: The County does not have personnel with sufficient knowledge to prepare governmental financial statements in conformity with Governmental Accounting Standards as part of their internal control system.

Recommendation: We recognize that the County may not have the resources to hire personnel with the knowledge to prepare governmental financial statements in conformity with Governmental Accounting Standards. However, we recommend that management continue to increase their knowledge of financial reporting.

Views of Responsible Officials: The County does not have the resources to hire additional accounting personnel with the knowledge, experience, and training solely to prepare governmental financial statements in conformity with Governmental Accounting Standards. The County does have personnel with sufficient knowledge to understand and take responsibility for the basic financial statements.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

This section includes the audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

10-3 Schools and Roads – Grants to States

Federal Grantor -	U.S. Department of Agriculture
Pass-Through Grantor -	State Office of Administration
Federal CFDA Number -	10.665
Program Title -	Schools and Roads – Grants to States
Pass-Through Entity Identifying Number -	Not Applicable

Award Years - 2010 and 2009
Questioned Costs - $50,895

Criteria: Federal guidelines indicate Title III monies may be used for reimbursement for emergency service costs on public lands, costs for supervising mandatory community service work on public lands, easements for non-motorized access or conservation, forest-related educations, fire prevention and planning, and community forestry.

Condition: During the years ended December 31, 2010 and 2009, Ripley County received $1,025,545 through the Schools and Roads – Grants to States Program and retained $50,895 for Title III projects. Seventy-five percent of the remaining amount was disbursed to the school districts in the county and twenty-five percent was retained for the Road and Bridge (Unapportioned) Fund.

The $50,895 was credited to the Law Enforcement Sales Tax Fund. Supporting documentation was not available to indicate Title III monies were spent as allowed by the Schools and Roads – Grants to States Program. No other documentation is available to support Title III expenditures.

Effect: As a result, we question costs of $50,895 which represent Title III monies without adequate supporting documentation. Without adequate supporting documentation, the County cannot ensure Title III monies were expended as allowed by federal guidelines.

Cause: Responsible officials believe call logs are sufficient to document expenditure of Title III funds.

Recommendation: We recommend that the County Commission ensure Title III expenditures are supported by adequate documentation and work with the grantor agency to resolve the questioned costs.

Views of Responsible Officials: As indicated above, federal guidelines indicate Title III monies may be used for reimbursement for emergency service costs on public lands. There is approximately 100,000 acres of land in Ripley County owned by the Federal Forest Service. This equates to about one-fourth of the total land mass. There are several sites for which the Sheriff's department receives a multitude of calls for disturbances, thefts, fights, etc. The amount of monies received from Title III is less than 10% of the Sheriff's operating budget. Call logs are available to document the number of calls that would be attributable to emergencies on Federal lands. Therefore, we disagree with the aforementioned finding.

RIPLEY COUNTY, MISSOURI

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended December 31, 2010 and 2009

1. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings in the audit of the years ended December 31, 2008 and 2007.

2. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

08-1 Schools and Roads – Grants to States.

Federal Grantor -	U.S. Department of Agriculture
Pass-Through Grantor -	State Office of Administration
Federal CFDA Number -	10.665
Program Title -	Schools and Roads – Grants to States
Pass-Through Entity Identifying Number -	Not Applicable
Award Years -	2008 and 2007
Questioned Costs -	$71,829

Condition: During the two years ended December 31, 2008, Ripley County received Schools and Roads – Grants to States Program and retained $71,829 for Title III projects. The $71,829 was credited to the Law Enforcement Sales Tax Fund. Supporting documentation was not available to indicate Title III monies were spent as allowed by the Schools and Roads – Grants to States Program.

No other documentation is available to support Title III expenditures. As a result, we question costs of $71,829 which represent Title III monies without adequate documentation. Without adequate supporting documentation, the County cannot ensure Title III monies were expended as allowed by federal guidelines.

Status: Not implemented and is repeated as Finding 10-03.

08-2 Violence Against Women Formula Grants

Federal Grantor -	U.S. Department of Justice
Pass-Through Grantor -	State Department of Public Safety
Federal CFDA Number -	16.588
Program Title -	Violence Against Women Formula Grants (DVERT)

Pass-Through Entity Identifying Number -	2005 WEAX 005
Award Years -	2008 and 2007
Questioned Costs -	Unknown

Condition: The director of the Violence Against Women program was reimbursed mileage for commuting from his home to workplace. Reimbursements should only be made for mileage from his regular workplace to other locations as required in the performance of his duties. Any reimbursement for commuting should be included as wages on the employee's W-2. These reimbursements were not reported on the employee's W-2.

Status: Implemented.

08-3 Violence against Women Formula Grants

Federal Grantor -	U.S. Department of Justice
Pass-Through Grantor -	State Department of Public Safety
Federal CFDA Number -	16.588
Program Title -	Violence Against Women Formula Grants (DVERT)
Pass-Through Entity Identifying Number -	2005 WEAX 005
Award Years -	2008 and 2007
Questioned Costs -	Unknown

Condition: Salaries paid to an employee from the Violence Against Women Grant Funds are not properly documented by time entry. The employee has duties under both the LEST and DVERT programs but does not document how much time she spends on each duty. Therefore, the County must arbitrarily allocate a percentage of her time to the DVERT program in order to determine amounts to be paid from grant funds.

Status: Implemented.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Harrison County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Harrison County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Kevin G. Hudson, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

October 2011
Report No. 2011-85

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

HARRISON COUNTY, MISSOURI
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE TWO YEARS ENDED
DECEMBER 31, 2010

Harrison County, Missouri
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Independent Auditors' Report

To the County Commission of
Harrison County, Missouri
Bethany, Missouri

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Harrison County, Missouri, (the County) as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As discussed more fully in Note 1, the County prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2010 and 2009, and the respective changes in financial position-cash basis, thereof for the years then ended in conformity with the basis of accounting described in Note 1.

Independent Auditors' Report
(Concluded)

In accordance with *Government Auditing Standards,* I have also issued my report dated August 31, 2011, on my consideration of the County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information, budgetary comparison information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements of Harrison County, Missouri. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Original Signed by Auditor

Kevin G. Hudson, C.P.A.
Trenton, Missouri
August 31, 2011

Harrison County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2010

The discussion and analysis of Harrison County's financial performance provides an overall review of the County's financial activities for the years ended December 31, 2010 and 2009. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements, including the notes to the financial statements, to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2010 and 2009 are as follows:

- The county's total governmental revenues exceeded total expenditures by $462,143 for the year ended December 31, 2010. The total expenditures exceeded governmental receipts by $135,798 for the year ended December 31, 2009.

- The county's governmental funds ended the year ended December 31, 2010 with a combined cash balance of $2,432,666 and the year ended December 31, 2009 of $1,970,523.

- County revenues for the year ended December 31, 2010 of $4,552,337 increased by $282,591 over the county revenues for the year ended December 31, 2009 of $4,269,746. This increase is related to FEMA grants received during 2010.

.

- County expenditures for the year ended December 31, 2010 of $4,090,194 decreased by $315,530 over the county expenditures for the year ended December 31, 2009 of $4,405,544.

Overview of the Financial Statements

The contents of this report comply with the presentation requirements of Statement No.34 of the Governmental Accounting Standards Board, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments,* as applicable to the cash basis of accounting. The county's basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. The notes are an integral part of the government-wide and fund financial statements and provide more detail about the information presented in the statements. This report also contains other financial information in addition to the basic financial statements.

The county has elected to present its financial statements on the cash basis of accounting, a basis of accounting other than accounting principles generally accepted in the United States of America. "Basis of accounting" refers to when financial events are recorded. Under the cash basis of accounting, revenues are recorded when received rather than when earned, and expenditures are recorded when paid rather than when the related liabilities are incurred. Therefore, when reviewing the financial information and discussion in this report, the reader should recall the limitations resulting from use of the cash basis of accounting.

Government-Wide Financial Statements

The Government-Wide Statement of Net Assets and the Government-Wide Statement of Activities report information about the county as a whole. These statements present the county's net assets and show how they have changed. Over time, increases or decreases in the county's net assets are one indicator of whether its financial health or position is improving or deteriorating. However, to assess the county's overall financial health, the reader needs to consider additional nonfinancial factors. The government-wide financial statements report only governmental activities - activities such as general government operations, public safety, and health and welfare that are usually financed through taxes and intergovernmental receipts. The county has no business-like activities-activities financed wholly or partially by fees charged to external parties for goods or services.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the county as a whole. Some funds are required to be established by state law or by bond covenants. However, the County Commission establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, or other sources of receipts. The fund financial statements include only governmental funds, which focus on the flow of money into and out of those funds and the balances left at year end that are available for spending. The governmental fund statements provide a detailed view of the county's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether more or fewer financial resources can be spent in the near future to finance the county's programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages18-26 of this report.

Other Information

This report also includes as required supplementary information this Management's Discussion and Analysis and the Budgetary Comparison Schedules for all governmental, special revenue funds and capital projects funds - cash basis. Such information is intended to supplement the government-wide financial statements, fund financial statements, and notes to the financial statements but is not a part of those statements.

In addition, the report includes the following components that are not a required part of the financial statements: the Schedule of Expenditures of Federal Awards, required for audits of federal program expenditures conducted in accordance with Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.*

Government-wide Financial Analysis

Below is a chart showing assets, receipts and disbursements for the years ended December 31, 2010 and 2009.

	Year Ended December 31, 2010	2009
Net Assets	$2,432,666	$ 1,970,523
Program Receipts	2,381,231	1,958,989
General Receipts	2,171,106	2,310,757
Disbursements	4,090,194	4,405,544
Change in Net Assets	462,143	(135,798)

For the two years disclosed in the audit, the change in Net Assets is primarily due to the General Fund. This fund had net assets of $1,029,929 in 2009 as compared to $1,211,214 in 2010. The FEMA/SEMA fund also had an increase in net assets of $291,481 for the year ended December 31, 2010. Most of this increase in net assets can be attributed to unexpended grant funds. General receipts did not fluctuate much between 2010 and 2009. Program receipts increased in 2010 due to the county receiving grant funds for the bridge construction project as well as FEMA grant funds for storm cleanup. Disbursements decreased between 2010 and 2009 due to the Special Road and Bridge fund and the bridge project that was in process during 2009. There was an increase of $92,321 in disbursements in this fund between the two years.

Financial Analysis of the County's Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of December 31, 2010, the county's governmental funds reported combined ending fund balances of $2,432,666, an increase of $462,143 over the prior years fund balance of $1,970,523. The unreserved portion of fund balance was $1,211,214 for 2010 and $1,029,929 for the year ended 2009. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the County. At the end of the fiscal year 2010, unreserved fund balance of the General Fund was $1,211,214 and the unreserved fund balance of the General Fund for fiscal year 2009 was $1,029,929. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

The unreserved fund balance of the General Fund increased by $181,285 for fiscal year 2010 as compared to an increase of $111,246 for fiscal year 2009.

County Revenue Fund Budgeting Highlights

The County's budget is prepared according to Missouri law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the county's General Fund.

The original and final budgeted revenues for the general fund were $1,012,172 for 2010 and $1,463,144 for 2009. The original and final budgeted expenditures were $1,099 844 for 2010 and $1,601,752 for 2009.

The County did not make any budget amendments to various funds.

Economic Factors and Next Year's Budgets

The county sales taxes and property taxes have increased slightly in the past two years, which is a positive sign for revenue growth.

The County's General Fund has increased $292,531 over the two year period that was audited. This is encouraging due to the current economic times. The increased costs for fuel, materials, equipment, utilities, and operating expenditures continues to be a source of concern as well as the general state of the economy.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the County Clerk, P.O. Box 525, Bethany, Missouri 64424, (660) 425-6424.

GOVERNMENT WIDE FINANCIAL STATEMENTS

Harrison County, Missouri
Government Wide Statement of Net Assets
Cash Basis
For the Year Ended December 31, 2010

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 2,432,666
Total Assets	$ 2,432,666
NET ASSETS:	
Restricted	$ 1,221,452
Unrestricted	1,211,214
Total Net Assets	$ 2,432,666

The accompanying notes to the financial statements
are an integral part of this financial statement

Harrison County, Missouri
Government Wide Statement of Net Assets
Cash Basis
For the Year Ended December 31, 2009

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 1,970,523
Total Assets	$ 1,970,523
NET ASSETS:	
Restricted	$ 940,594
Unrestricted	1,029,929
Total Net Assets	$ 1,970,523

The accompanying notes to the financial statements
are an integral part of this financial statement

Harrison County, Missouri
Government-Wide Statement of Activities
Cash Basis
For the Year Ended December 31, 2010

	Expenses	Program Revenues: Charges for Services	Program Revenues: Intergovernmental	Net (Disbursements) Receipts and Changes in Cash Balances: Governmental Activities
Governmental Activities:				
General County Government	$ 1,388,723	$ 342,763	$ 784,681	$ (261,279)
Roads and Bridges	1,753,661	-	1,068,698	(684,963)
Harrison County Lake	44,342	-	-	(44,342)
911 Fund	238,963	55,512	85,121	(98,330)
1/2 Cent Law Enforcement Sales Tax	664,505	44,456	-	(620,049)
Total Governmental Activities	$ 4,090,194	$ 442,731	$ 1,938,500	$ (1,708,963)
Total Harrison County	$ 4,090,194	$ 442,731	$ 1,938,500	$ (1,708,963)
General Revenues:				
Property Taxes				380,515
Sales Taxes				1,367,494
Interest				32,372
Other				390,725
Transfers				-
Total General Revenues				2,171,106
Change in Net Assets				462,143
Net Assets - Beginning				1,970,523
Net Assets - Ending				$ 2,432,666

The accompanying notes to the financial statements are an integral part of this financial statement

Harrison County, Missouri
Government-Wide Statement of Activities
Cash Basis
For the Year Ended December 31, 2009

	Expenses	Program Revenues: Charges for Services	Program Revenues: Intergovernmental	Net (Disbursements) Receipts and Changes in Cash Balances: Governmental Activities
Governmental Activities:				
General County Government	$ 1,541,442	$ 350,595	$ 490,519	$ (700,328)
Roads and Bridges	1,845,982	-	943,462	(902,520)
Harrison County Lake	48,238	-	-	(48,238)
911 Fund	239,038	50,962	88,084	(99,992)
1/2 Cent Law Enforcement Sales Tax	730,844	35,367	-	(695,477)
Total Governmental Activities	$ 4,405,544	$ 436,924	$ 1,522,065	$ (2,446,555)
Total Harrison County	$ 4,405,544	$ 436,924	$ 1,522,065	$ (2,446,555)
General Revenues:				
Property Taxes				384,155
Sales Taxes				1,421,691
Interest				25,850
Other				479,061
Transfers				-
Total General Revenues				2,310,757
Change in Net Assets				(135,798)
Net Assets - Beginning				2,106,321
Net Assets - Ending				$ 1,970,523

The accompanying notes to the financial statements are an integral part of this financial statement

FUND FINANCIAL STATEMENTS

Harrison County, Missouri
Balance Sheet - Cash Basis
Governmental Fund
For the Year Ended December 31, 2010

	General Fund	Special Road & Bridge Fund	Harrison County Lake Fund	911 Fund	1/2 Cent Law Enforcement Sales Tax Fund	Other Governmental Funds	2010 Total Government Funds
ASSETS							
Cash and Cash Equivalents	$ 1,211,214	$ 259,246	$ 267,708	$ 17,878	$ 29,297	$ 647,323	$ 2,432,666
TOTAL ASSETS	$ 1,211,214	$ 259,246	$ 267,708	$ 17,878	$ 29,297	$ 647,323	$ 2,432,666
LIABILITIES AND FUND BALANCES							
FUND BALANCES							
Unreserved, Reported in:							
General Fund	$ 1,211,214	$ -	$ -	$ -	$ -	$ -	$ 1,211,214
Special Revenue Funds	-	259,246	267,708	17,878	29,297	-	574,129
Nonmajor Funds	-	-	-	-	-	647,323	647,323
TOTAL FUND BALANCES	$ 1,211,214	$ 259,246	$ 267,708	$ 17,878	$ 29,297	$ 647,323	$ 2,432,666

The accompanying notes to the financial statements are an integral part of this financial statement

Harrison County, Missouri
Balance Sheet - Cash Basis
Governmental Fund
For the Year Ended December 31, 2009

	General Fund	Special Road & Bridge Fund	Harrison County Lake Fund	911 Fund	1/2 Cent Law Enforcement Sales Tax Fund	Other Governmental Funds	2009 Total Government Funds
ASSETS							
Cash and Cash Equivalents	$ 1,029,929	$ 256,993	$ 295,335	$ 38,101	$ 2,912	$ 347,253	$ 1,970,523
TOTAL ASSETS	$ 1,029,929	$ 256,993	$ 295,335	$ 38,101	$ 2,912	$ 347,253	$ 1,970,523
LIABILITIES AND FUND BALANCES							
FUND BALANCES							
Unreserved, Reported in:							
General Fund	$ 1,029,929	$ -	$ -	$ -	$ -	$ -	$ 1,029,929
Special Revenue Funds	-	256,993	295,335	38,101	2,912	-	593,341
Nonmajor Funds	-	-	-	-	-	347,253	347,253
TOTAL FUND BALANCES	$ 1,029,929	$ 256,993	$ 295,335	$ 38,101	$ 2,912	$ 347,253	$ 1,970,523

The accompanying notes to the financial statements are an integral part of this financial statement

Harrison County, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
Cash Basis - Governmental Funds
For the Year Ended December 31, 2010

	General Fund	Special Road & Bridge Fund	Harrison County Lake Fund	911 Fund	1/2 Cent Law Enforcement Sales Tax Fund	Other Governmental Funds	2010 Total Government Funds
REVENUES:							
Taxes - Sales	$ 327,809	$ 519,841	$ -	$ -	$ 519,844	$ -	$ 1,367,494
Taxes - Property	334,356	-	-	-	-	46,159	380,515
Intergovernmental Revenues	10,615	1,068,698	-	85,121	-	774,066	1,938,500
Charges for Services	292,045	-	-	55,512	44,456	50,718	442,731
Interest Income	18,473	4,153	4,030	118	168	5,430	32,372
Other	92,949	158,222	12,685	-	111,301	15,568	390,725
TOTAL REVENUES	1,076,247	1,750,914	16,715	140,751	675,769	891,941	4,552,337
EXPENDITURES:							
General County Government	793,171	-	-	-	-	595,552	1,388,723
Roads and Bridges	-	1,753,661	-	-	-	-	1,753,661
Harrison County Lake Fund	-	-	44,342	-	-	-	44,342
911 Fund	-	-	-	238,963	-	-	238,963
1/2 Cent Law Enforcement Sales Tax	-	-	-	-	664,505	-	664,505
TOTAL EXPENDITURES	793,171	1,753,661	44,342	238,963	664,505	595,552	4,090,194
Excess (Deficiency) of Revenues Over Expenditures	283,076	(2,747)	(27,627)	(98,212)	11,264	296,389	462,143
OTHER FINANCING SOURCES (USES)							
Transfer To/From Other Funds	(101,791)	5,000	-	77,989	15,121	3,681	-
TOTAL OTHER FINANCING SOURCES (USES)	(101,791)	5,000	-	77,989	15,121	3,681	-
Net Change in Fund Balances	181,285	2,253	(27,627)	(20,223)	26,385	300,070	462,143
Fund Balance - Beginning of Year	1,029,929	256,993	295,335	38,101	2,912	347,253	1,970,523
Fund Balance - End of Year	$ 1,211,214	$ 259,246	$ 267,708	$ 17,878	$ 29,297	$ 647,323	$ 2,432,666

The accompanying notes to the financial statementsa are an integral part of this financial statement

Harrison County, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
Cash Basis - Governmental Funds
For the Year Ended December 31, 2009

	General Fund	Special Road & Bridge Fund	Harrison County Lake Fund	911 Fund	1/2 Cent Law Enforcement Sales Tax Fund	Other Governmental Funds	2009 Total Government Funds
REVENUES:							
Taxes - Sales	$ 350,881	$ 535,419	$ -	$ -	$ 535,391	$ -	$ 1,421,691
Taxes - Property	337,982	-	-	-	-	46,173	384,155
Intergovernmental Revenues	9,406	943,462	-	88,084	-	481,113	1,522,065
Charges for Services	306,881	-	-	50,962	35,367	43,714	436,924
Interest Income	14,248	3,484	3,963	68	58	4,029	25,850
Other	187,806	145,678	11,208	1,502	112,163	20,704	479,061
TOTAL REVENUES	1,207,204	1,628,043	15,171	140,616	682,979	595,733	4,269,746
EXPENDITURES:							
General County Government	966,717	-	-	-	-	574,725	1,541,442
Roads and Bridges	-	1,845,982	-	-	-	-	1,845,982
Harrison County Lake Fund	-	-	48,238	-	-	-	48,238
911 Fund	-	-	-	239,038	-	-	239,038
1/2 Cent Law Enforcement Sales Tax	-	-	-	-	730,844	-	730,844
TOTAL EXPENDITURES	966,717	1,845,982	48,238	239,038	730,844	574,725	4,405,544
Excess (Deficiency) of Revenues Over Expenditures	240,487	(217,939)	(33,067)	(98,422)	(47,865)	21,008	(135,798)
OTHER FINANCING SOURCES (USES)							
Transfer To/From Other Funds	(129,241)	5,000	-	117,885	10,000	(3,644)	-
TOTAL OTHER FINANCING SOURCES (USES)	(129,241)	5,000	-	117,885	10,000	(3,644)	-
Net Change in Fund Balances	111,246	(212,939)	(33,067)	19,463	(37,865)	17,364	(135,798)
Fund Balance - Beginning of Year	918,683	469,932	328,402	18,638	40,777	329,889	2,106,321
Fund Balance - End of Year	$ 1,029,929	$ 256,993	$ 295,335	$ 38,101	$ 2,912	$ 347,253	$ 1,970,523

The accompanying notes to the financial statements are an integral part of this financial statement

Harrison County, Missouri
Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31, 2010

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 4,807,637
Total Assets	$ 4,807,637
NET ASSETS:	
Restricted	$ 4,807,637
Unrestricted	-
Total Net Assets	$ 4,807,637

The accompanying notes to the financial statements
are an integral part of this financial statement

Harrison County, Missouri
Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31, 2009

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 4,721,335
Total Assets	$ 4,721,335
NET ASSETS:	
Restricted	$ 4,721,335
Unrestricted	-
Total Net Assets	$ 4,721,335

The accompanying notes to the financial statements
are an integral part of this financial statement

Note 1: Summary of Significant Accounting Policies

The financial statements of Harrison County, Missouri (the County) have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has adopted the reporting model as required by GASB Statement 34, for the presentation of information in the government-wide financial statements and the major fund statements. The more significant of the County's accounting policies are described below.

A. Reporting Entity

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County's financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization's government board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose specific financial burden on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such at exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the application of the above criteria, the county has no component units.

B. Basis of Presentation

Government-wide Statements

The Statement of Net Assets and the Statement of Activities present financial information about the County's governmental activities. These statements include the financial activities of the primary government in its entirety. Eliminations have been made to minimize the double-counting of internal transactions. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-like activities are financed wholly or partially by fees charged to external parties for goods or services. For the years ended December 31, 2010 and 2009, the county had only governmental activities.

Note 1: Summary of Significant Accounting Policies (Continued)

The Government-Wide Statement of Net Assets presents the financial condition of the county's governmental activities at year-end. The Government-Wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) intergovernmental receipts that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenue. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the county.

Fund Financial Statements

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The county uses funds to segregate transactions related to certain functions or activities in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the county primary government at this detailed level. The fund financial statements focus on major funds. Each major fund is presented in a separate column, and nonmajor funds are aggregated and presented in a single column. Major funds include (a) the county's primary operating fund, (b) any fund for which total cash, receipts or disbursements of an individual fund are at least 10% of the corresponding element total for all funds of that type, and © any other fund that county officials believe is particularly important to financial statement users.

The accompanying financial statements are structured into one category of funds - governmental. Governmental funds are those through which most governmental functions are typically financed. Reporting for such funds focuses on the sources, uses, and balances of current resources. The county's major governmental funds are as follows:

General Fund - The General Fund is used to account for all revenues and expenditures applicable to the general operations of county government that are not properly accounted for in another fund. All general operating revenues that are not restricted or designated as to their use by outside sources are recorded in the General Fund. Revenues are derived primarily from taxes and intergovernmental revenues.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue that are legally restricted to expenditure for specified purposes. The Special Road and Bridge Fund, Harrison County Lake Fund, 911 Fund and ½ Cent Law Enforcement Sales Tax Fund are all considered Special Revenue Funds.

The county's nonmajor governmental funds are also special revenue funds.

Note 1: Summary of Significant Accounting Policies (Continued)

Fiduciary funds account for assets held by the county as a trustee or an agent for individuals, private organizations, other governments, or other funds. Fiduciary fund reporting focuses on net assets and changes in net assets; fiduciary assets are reported in a separate Statement of Fiduciary Net Assets because the county cannot use those assets to finance its operations. The county's fiduciary funds consist of agency funds, which report assets held in a purely custodial capacity and do not involve measurement of results of operations.

The agency funds include the County Collector's Fund, School Fines Fund, Intangible Tax Fund and County Employees Retirement Fund. These funds are all included in the accompanying Statement of Fiduciary Net Assets.

C. Basis of Accounting

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. The government-wide and fund financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. Consequently, certain assets and their related revenues (such as accounts receivable and revenues billed but not yet collected for goods and services provided) and certain liabilities and their related expenditures (such as accounts payable and expenditures for goods and services received but not yet paid for) are not recorded in these financial statements. Generally accepted accounting principles for state and local governments require revenues to be recognized when they are earned or when they become available and measurable and expenditures or expenses to be recognized when the related liabilities are incurred.

Equity classifications: On the Government-Wide Statement of Net Assets, equity is classified as net assets and displayed in two components: restricted and unrestricted. Net assets are reported as restricted when limitations are imposed on their use through either the enabling legislation adopted by the County Commission or external restrictions imposed by creditors, grantors, or the laws and regulations of other governments. All other net assets are reported as unrestricted. The county applies restricted resources first when a disbursement is made for which both restricted and unrestricted net assets are available.

In the fund financial statements, equity is classified as fund balance and also may be displayed in two components: reserved and unreserved. Fund balance is reported as reserved to indicate that a portion of the fund balance is not available for appropriation or is legally segregated for a specific future use. When such restrictions do not exist, fund balance is reported as unreserved.

D. Vacation, Personal and Sick Leave

Vacation time, personal time is considered as expenditures in the year paid. Vacation time is awarded based on years of service and must be used in its entirety prior to the employee's next anniversary date. The county does not have personal days, but comp time can be earned by working overtime.

Note 1: Summary of Significant Accounting Policies (Continued)

E. Budgets and Budgetary Accounting

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

1) In accordance with Chapter 50, (Sections 50.525 through 50.745, RSMo 2000), the County adopts a budget for various County funds.

2) Prior to December 31, each department, office, institution, commission, or court of the County submits to the budget officer its requirements for expenditures and its estimated revenues for the next budget year. These figures are presented with corresponding figures for the last completed year and an estimate of the current year.

3) The budget officer holds public hearings prior to presentation of the budget document to the County Commission no later than January 15th of each year.

4) A public hearing is held not earlier than 10 days after the budget document is made available to the public and with at least 5 days notice of the hearing.

5) Amendments to the budget are made by the County Commission as required to allow for appropriation of increased revenues and adjustments between line items within the budget. No budget amendments were made for 2010 and 2009. Please see budgetary comparison schedules in required supplementary information for further details.

The County's policy is to prepare the annual operating budget on a cash basis.

F. Prior Period Adjustments

In the prior year, the County was required to include the Circuit Clerk Interest Fund, the Law Library Fund and the Passport Fund in the County's financial statements. For the two years ended December 31, 2010, the County is no longer required to include these funds in the financial statements. The omission of these funds caused the beginning fund balance to be adjusted by $24,274.

G. Inventories and Capital Assets

Inventories include office equipment, road and vehicle maintenance supplies, and fuel. Capital assets consist of land, buildings, furniture, equipment, vehicles, and infrastructure such as roads and bridges. Both inventories and capital assets are recorded as disbursements when they are purchased or constructed.

Note 1: Summary of Significant Accounting Policies (Continued)

H. Long-Term Debt

Consistent with the cash basis of accounting, long-term debt is not reported in the government-wide or fund financial statements. Proceeds from debt issuances are reported when received, and payments of principle and interest are reported when disbursements are made.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

J. Risk of Loss

The County protects itself from risk of loss by purchasing commercial insurance for property damage and liability risks. The County does not self insure its risks.

Note 2: Stewardship, Compliance and Accountability

Compliance with Finance Related Legal and Contractual Provisions

The County incurred no material violations of finance related legal and contractual provisions.

Excess of Expenditures Over Appropriations in Individual Funds

For the year ended December 31, 2010, the County had an excess of expenditures over appropriations in the Post Commission Training Fund, Prosecuting Attorney Bad Check Fund, Harrison County Lake Fund, Victims of Domestic Violence Fund, Over-Surplus Fund and Senior Citizens Tax Fund. For the year ended December 31, 2009, the County had an excess of expenditures over appropriations in the Sheriff Training Fund, Prosecuting Attorney Training Fund, Harrison County Lake Fund, Victims of Domestic Violence Fund and LEPC Fund.

Net Assets/Fund Balance Deficit

The County had no funds with a deficit fund balance for the two years ended December 31, 2010.

Note 3: Cash and Investments

Deposits - At December 31, 2010 and 2009, the carrying amount of the County's deposits was $2,540,783 and $2,098,039 respectively. The bank balance for the year ended December 31, 2010 and 2009 was $2,425,838 and $1,967,136 respectively. Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The County's deposit policy for custodial credit risk requires compliance with the provisions of state law. County policy further requires that all securities that serve as collateral against the deposits of a depository institution must be held in safekeeping at a non-affiliated custodial facility. Of the bank balance, $250,000 was covered by federal depository insurance and $2,290,783 was covered by collateral held by the County's safekeeping agent in the County's name at December 31, 2010 and $1,848,039 for the year ended December 31, 2009.

The Senior Citizens Tax Fund deposits at December 31, 2010 and 2009, and the County's Collector's deposits at December 31, 2010 and 2009, were not exposed to custodial credit risk because they were entirely covered by federal depositary insurance, by collateral securities held by the county's or board's custodial bank in the county's or board's name.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Missouri; bonds of any city having a population of not less than two thousand, county, school district, or special road district of the State of Missouri; bonds of any state, tax anticipation notes issued by any first class county, or a surety bond having an aggregate value at least equal to the amount of the deposits

Investments - The county may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within ninety days secured by U.S. Treasury obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County has no formal investment policy regarding interest rate risk.

Investment Credit Risk - The County has no investment policy that limits its investment choices other than the limitation of state law as follows:

a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.

b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

Concentration of Credit Risk - The County places no limit on the amount it may invest in any one issuer. For the two years ended December 31, 2010, the County had no concentration of credit risk.

Note 4: Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on November 1st and payable by December 31st of each year. Taxes paid after December 31 are subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments (except some cities). The assessed valuation of the tangible taxable property for the calendar years 2010 and 2009 for purposes of County taxation was as follows:

	2010	2009
Real Estate	$ 61,708,350	$ 64,115,520
Personal Property	25,401,670	25,830,550
Railroad and Utilities	8,660,994	8,020,412
Total	$ 95,771,014	$ 97,966,482

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

The tax levy per $100 of the assessed valuation of tangible taxable property for the calendar years 2010 and 2009 for purposes of County taxation was:

	2010	2009
General Revenue Fund	$ .3773	$ .3773
Total	$ .3773	$ .3773

Note 5: Commitments and Contingencies

The county is a party to various legal proceedings. At the date of these financial statements, the County cannot estimate its liability, if any, from losses that may result from certain proceedings. In the opinion of management and the County attorneys, the potential adverse impact of these proceedings would not be material to the combined financial statements of the County.

The County has several federal and state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. County management is not aware of any potential losses from such disallowance and believes that reimbursements, if any, would not be material.

Note 6: County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit by calculating using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for vested employees.

Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, Missouri 65102-2271, or by calling 1-573-632-9203.

Note 6: County Employees' Retirement Fund (CERF) (Concluded)

C. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in the CERF. During 2010 and 2009, the County collected and remitted to CERF, employee contributions of approximately $94,792 and $94,102 respectively, for the years then ended.

REQUIRED SUPPLEMENTARY INFORMATION

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
General Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ 303,335	$ 303,335	$ 327,809	$ 24,474	$ 317,500	$ 317,500	$ 350,881	$ 33,381
Taxes - Property	316,215	316,215	334,356	18,141	329,496	329,496	337,982	8,486
Intergovernmental Revenues	12,165	12,165	10,615	(1,550)	8,665	8,665	9,406	741
Charges for Services	295,500	295,500	292,045	(3,455)	259,300	259,300	306,881	47,581
Interest Income	10,000	10,000	18,473	8,473	20,000	20,000	14,248	(5,752)
Other	74,957	74,957	92,949	17,992	528,183	528,183	187,806	(340,377)
Total Revenue	1,012,172	1,012,172	1,076,247	64,075	1,463,144	1,463,144	1,207,204	(255,940)
Expenditures:								
County Commission	85,858	85,858	83,341	2,517	84,886	84,886	83,679	1,207
County Clerk	78,311	78,311	74,060	4,251	77,608	77,608	74,994	2,614
Elections	83,546	83,546	58,410	25,136	49,385	49,385	34,923	14,462
Buildings and Grounds	142,984	142,984	94,832	48,152	205,424	205,424	261,639	(56,215)
County Treasurer/Collector	112,708	112,708	96,835	15,873	114,171	114,171	103,169	11,002
Ex Officio Record of Deed	48,893	48,893	33,531	15,362	48,393	48,393	30,809	17,584
Associate Circuit Court	2,000	2,000	3,248	(1,248)	2,250	2,250	2,968	(718)
Court Administration	16,712	16,712	3,109	13,603	15,139	15,139	7,491	7,648
Public Administrator	53,177	53,177	48,457	4,720	53,176	53,176	49,323	3,853
Prosecuting Attorney	86,756	86,756	82,506	4,250	78,867	78,867	72,712	6,155
Juvenile Office	35,094	35,094	4,706	30,388	35,094	35,094	15,499	19,595
County Coroner	20,500	20,500	12,964	7,536	19,465	19,465	16,904	2,561
Other General County Government	233,305	233,305	175,718	57,587	717,894	717,894	189,949	527,945
Emergency Fund	100,000	100,000	2,206	97,794	100,000	100,000	4,308	95,692
Victims Advocate	-	-	19,248	(19,248)	-	-	18,350	(18,350)
Total Expenditures	1,099,844	1,099,844	793,171	306,673	1,601,752	1,601,752	966,717	635,035
Excess (Deficiency) of Revenues Over Expenditures	(87,672)	(87,672)	283,076	370,748	(138,608)	(138,608)	240,487	379,095
Fund Balance - Beginning of Year	1,029,929	1,029,929	1,029,929	-	918,683	918,683	918,683	-
Transfers In	7,990	7,990	2,684	(5,306)	-	-	5,930	5,930
Transfers Out	(122,500)	(122,500)	(104,475)	18,025	(134,215)	(134,215)	(135,171)	(956)
Fund Balance - End of Year	$ 827,747	$ 827,747	$ 1,211,214	$ 383,467	$ 645,860	$ 645,860	$ 1,029,929	$ 384,069

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Class III Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ 530,000	$ 530,000	$ 519,841	$ (10,159)	$ 535,000	$ 535,000	$ 535,419	$ 419
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	986,108	986,108	1,068,698	82,590	1,352,039	1,352,039	943,462	(408,577)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	3,773	3,773	4,153	380	7,000	7,000	3,484	(3,516)
Other	570,642	570,642	158,222	(412,420)	94,895	94,895	145,678	50,783
Total Revenue	2,090,523	2,090,523	1,750,914	(339,609)	1,988,934	1,988,934	1,628,043	(360,891)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associat Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Victims Advocate	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Highway and Roads	1,954,057	1,954,057	1,753,661	200,396	2,487,281	2,487,281	1,845,982	641,299
Other	-	-	-	-	-	-	-	-
Total Expenditures	1,954,057	1,954,057	1,753,661	200,396	2,487,281	2,487,281	1,845,982	641,299
Excess (Deficiency) of Revenues Over Expenditures	136,466	136,466	(2,747)	(139,213)	(498,347)	(498,347)	(217,939)	280,408
Fund Balance - Beginning of Year	256,993	256,993	256,993	-	469,932	469,932	469,932	-
Transfers In	5,000	5,000	5,000	-	37,000	37,000	5,000	32,000
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 398,459	$ 398,459	$ 259,246	$ (139,213)	$ 8,585	$ 8,585	$ 256,993	$ 248,408

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Assessment Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 20 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	150,484	150,484	120,873	(29,611)	128,400	128,400	138,949	10,549
Charges for Services	4,500	4,500	14,122	9,622	-	-	6,350	6,350
Interest Income	1,000	1,000	1,189	189	1,028	1,028	734	(294)
Other	4,515	4,515	7,698	3,183	12,494	12,494	10,013	(2,481)
Total Revenue	160,499	160,499	143,882	(16,617)	141,922	141,922	156,046	14,124
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Victims Advocate	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	160,500	160,500	133,569	26,931	166,709	166,709	127,917	38,792
Other	-	-	-	-	-	-	-	-
Total Expenditures	160,500	160,500	133,569	26,931	166,709	166,709	127,917	38,792
Excess (Deficiency) of Revenues Over Expenditures	(1)	(1)	10,313	10,314	(24,787)	(24,787)	28,129	52,916
Fund Balance - Beginning of Year	53,966	53,966	53,966	-	25,837	25,837	25,837	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 53,965	$ 53,965	$ 64,279	$ 10,314	$ 1,050	$ 1,050	$ 53,966	$ 52,916

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Post Commission Training Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	260	260	207	(53)	200	200	222	22
Other	3,500	3,500	2,025	(1,475)	3,000	3,000	2,777	(223)
Total Revenue	3,760	3,760	2,232	(1,528)	3,200	3,200	2,999	(201)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	3,600	3,600	6,064	(2,464)	13,500	13,500	4,800	8,700
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Victims Advocate	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	3,600	3,600	6,064	(2,464)	13,500	13,500	4,800	8,700
Excess (Deficiency) of Revenues Over Expenditures	160	160	(3,832)	(3,992)	(10,300)	(10,300)	(1,801)	8,499
Fund Balance - Beginning of Year	17,703	17,703	17,703	-	19,504	19,504	19,504	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 17,863	$ 17,863	$ 13,871	$ (3,992)	$ 9,204	$ 9,204	$ 17,703	$ 8,499

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Special Poor Fund
For the Two Years Ended December 31, 2010

	Original 2009 Budget	Final 2009 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	5,000	5,000	15,000	10,000	8,000	8,000	-	(8,000)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	664	664	643	(21)	855	855	658	(197)
Other	-	-	1,000	1,000	-	-	-	-
Total Revenue	5,664	5,664	16,643	10,979	8,855	8,855	658	(8,197)
Expenditures:								
County Commission	19,500	19,500	12,393	7,107	16,100	16,100	12,765	3,335
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasuer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Victims Advocate	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	19,500	19,500	12,393	7,107	16,100	16,100	12,765	3,335
Excess (Deficiency) of Revenues Over Expenditures	(13,836)	(13,836)	4,250	18,086	(7,245)	(7,245)	(12,107)	(4,862)
Fund Balance - Beginning of Year	45,560	45,560	45,560	-	57,667	57,667	57,667	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 31,724	$ 31,724	$ 49,810	$ 18,086	$ 50,422	$ 50,422	$ 45,560	$ (4,862)

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Sheriff Training Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	180	180	189	9	175	175	195	20
Other	4,300	4,300	4,300	-	6,000	6,000	5,588	(412)
Total Revenue	4,480	4,480	4,489	9	6,175	6,175	5,783	(392)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	4,300	4,300	606	3,694	-	-	1,049	(1,049)
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Victims Advocate	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	4,300	4,300	606	3,694	-	-	1,049	(1,049)
Excess (Deficiency) of Revenues Over Expenditures	180	180	3,883	3,703	6,175	6,175	4,734	(1,441)
Fund Balance - Beginning of Year	12,015	12,015	12,015	-	13,140	13,140	13,140	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	(2,384)	(2,384)	-	-	(5,859)	(5,859)
Fund Balance - End of Year	$ 12,195	$ 12,195	$ 13,514	$ 1,319	$ 19,315	$ 19,315	$ 12,015	$ (7,300)

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Training Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	1,323	1,323	1,073	(250)	2,000	2,000	1,324	(676)
Interest Income	64	64	77	13	-	-	71	71
Other	-	-	-	-	-	-	-	-
Total Revenue	1,387	1,387	1,150	(237)	2,000	2,000	1,395	(605)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	5,000	5,000	1,752	3,248	700	700	1,095	(395)
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Victims Advocate	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	5,000	5,000	1,752	3,248	700	700	1,095	(395)
Excess (Deficiency) of Revenues Over Expenditures	(3,613)	(3,613)	(602)	3,011	1,300	1,300	300	(1,000)
Fund Balance - Beginning of Year	5,814	5,814	5,814	-	5,514	5,514	5,514	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 2,201	$ 2,201	$ 5,212	$ 3,011	$ 6,814	$ 6,814	$ 5,814	$ (1,000)

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Bad Check Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	12,000	12,000	15,868	3,868	11,000	11,000	15,522	4,522
Interest Income	213	213	244	31	-	-	189	189
Other	-	-	-	-	-	-	-	-
Total Revenue	12,213	12,213	16,112	3,899	11,000	11,000	15,711	4,711
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasuer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	10,678	10,678	15,794	(5,116)	26,839	26,839	21,272	5,567
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Victims Advocate	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	10,678	10,678	15,794	(5,116)	26,839	26,839	21,272	5,567
Excess (Deficiency) of Revenues Over Expenditures	1,535	1,535	318	(1,217)	(15,839)	(15,839)	(5,561)	10,278
Fund Balance - Beginning of Year	14,506	14,506	14,506	-	20,067	20,067	20,067	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 16,041	$ 16,041	$ 14,824	$ (1,217)	$ 4,228	$ 4,228	$ 14,506	$ 10,278

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Retirement Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	16	16	2	2	12	10
Other	-	-	-	-	-	-	-	-
Total Revenue	-	-	16	16	2	2	12	10
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	2,500	2,500	2,244	256	2,215	2,215	2,057	158
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	2,500	2,500	2,244	256	2,215	2,215	2,057	158
Excess (Deficiency) of Revenues Over Expenditures	(2,500)	(2,500)	(2,228)	272	(2,213)	(2,213)	(2,045)	168
Fund Balance - Beginning of Year	199	199	199	-	29	29	29	-
Transfers In	2,500	2,500	4,275	1,775	2,215	2,215	2,215	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 199	$ 199	$ 2,246	$ 2,047	$ 31	$ 31	$ 199	$ 168

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Delinquent Tax Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	15	15	-	-	12	12
Other	-	-	83	83	-	-	660	660
Total Revenue	-	-	98	98	-	-	672	672
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff				-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	98	98	-	-	672	672
Fund Balance - Beginning of Year	996	996	996	-	324	324	324	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 996	$ 996	$ 1,094	$ 98	$ 324	$ 324	$ 996	$ 672

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
911 Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	87,000	87,000	85,121	(1,879)	88,900	88,900	88,084	(816)
Charges for Services	53,000	53,000	55,512	2,512	53,000	53,000	50,962	(2,038)
Interest Income	10	10	118	108	-	-	68	68
Other	-	-	-	-	-	-	1,502	1,502
Total Revenue	140,010	140,010	140,751	741	141,900	141,900	140,616	(1,284)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	243,646	243,646	238,963	4,683	243,681	243,681	239,038	4,643
Total Expenditures	243,646	243,646	238,963	4,683	243,681	243,681	239,038	4,643
Excess (Deficiency) of Revenues Over Expenditures	(103,636)	(103,636)	(98,212)	5,424	(101,781)	(101,781)	(98,422)	3,359
Fund Balance - Beginning of Year	38,101	38,101	38,101	-	18,638	18,638	18,638	-
Transfers In	105,000	105,000	78,000	(27,000)	85,000	85,000	117,956	(32,956)
Transfers Out	-	-	(11)	(11)	-	-	(71)	(71)
Fund Balance - End of Year	$ 39,465	$ 39,465	$ 17,878	$(21,587)	$ 1,857	$ 1,857	$ 38,101	$ 36,244

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Recorder Preservation Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	3,000	3,000	3,204	204	3,500	3,500	3,240	(260)
Interest Income	95	95	91	(4)	150	150	111	(39)
Other	-	-	-	-	-	-	-	-
Total Revenue	3,095	3,095	3,295	200	3,650	3,650	3,351	(299)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	7,900	7,900	6,471	1,429	7,900	7,900	3,555	4,345
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	7,900	7,900	6,471	1,429	7,900	7,900	3,555	4,345
Excess (Deficiency) of Revenues Over Expenditures	(4,805)	(4,805)	(3,176)	1,629	(4,250)	(4,250)	(204)	4,046
Fund Balance - Beginning of Year	8,546	8,546	8,546	-	8,750	8,750	8,750	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 3,741	$ 3,741	$ 5,370	$ 1,629	$ 4,500	$ 4,500	$ 8,546	$ 4,046

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Harrison County Lake Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	4,335	4,335	4,030	(305)	3,500	3,500	3,963	463
Other	11,504	11,504	12,685	1,181	8,200	8,200	11,208	3,008
Total Revenue	15,839	15,839	16,715	876	11,700	11,700	15,171	3,471
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	40,000	40,000	44,342	(4,342)	46,132	46,132	48,238	(2,106)
Total Expenditures	40,000	40,000	44,342	(4,342)	46,132	46,132	48,238	(2,106)
Excess (Deficiency) of Revenues Over Expenditures	(24,161)	(24,161)	(27,627)	(3,466)	(34,432)	(34,432)	(33,067)	1,365
Fund Balance - Beginning of Year	295,335	295,335	295,335	-	328,402	328,402	328,402	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 271,174	$ 271,174	$ 267,708	$ (3,466)	$ 293,970	$ 293,970	$ 295,335	$ 1,365

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Lottie Wilson Estate Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	425	425	396	(29)	445	445	361	(84)
Other	-	-	-	-	-	-	-	-
Total Revenue	425	425	396	(29)	445	445	361	(84)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	1,200	1,200	390	810	1,200	1,200	750	450
Total Expenditures	1,200	1,200	390	810	1,200	1,200	750	450
Excess (Deficiency) of Revenues Over Expenditures	(775)	(775)	6	781	(755)	(755)	(389)	366
Fund Balance - Beginning of Year	28,489	28,489	28,489	-	28,878	28,878	28,878	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 27,714	$ 27,714	$ 28,495	$ 781	$ 28,123	$ 28,123	$ 28,489	$ 366

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Victims of Domestic Violence Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	450	450	465	15	400	400	500	100
Interest Income	-	-	1	1	2	2	1	(1)
Other	-	-	-	-	-	-	-	-
Total Revenue	450	450	466	16	402	402	501	99
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	450	450	466	(16)	400	400	501	(101)
Total Expenditures	450	450	466	(16)	400	400	501	(101)
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	2	2	-	(2)
Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -	$ 2	$ 2	$ -	$ (2)

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Crestview Depreciation & Replacement Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	-	-	-	-	-	-	-	-
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Over Surplus Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	1	1	1	-	1	1	1	-
Other	-	-	-	-	-	-	-	-
Total Revenue	1	1	1	-	1	1	1	-
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	101	(101)	60	60	-	60
Total Expenditures	-	-	101	(101)	60	60	-	60
Excess (Deficiency) of Revenues Over Expenditures	1	1	(100)	(101)	(59)	(59)	1	60
Fund Balance - Beginning of Year	100	100	100	-	99	99	99	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 101	$ 101	$ -	$ (101)	$ 40	$ 40	$ 100	$ 60

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
LEPC Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	3,000	3,000	-	(3,000)	2,286	2,286	3,088	802
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	142	142	74	(68)	50	50	122	72
Other	-	-	-	-	-	-	-	-
Total Revenue	3,142	3,142	74	(3,068)	2,336	2,336	3,210	874
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	6,082	6,082	5,300	782	6,100	6,100	7,527	(1,427)
Total Expenditures	6,082	6,082	5,300	782	6,100	6,100	7,527	(1,427)
Excess (Deficiency) of Revenues Over Expenditures	(2,940)	(2,940)	(5,226)	(2,286)	(3,764)	(3,764)	(4,317)	(553)
Fund Balance - Beginning of Year	9,694	9,694	9,694	-	14,011	14,011	14,011	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 6,754	$ 6,754	$ 4,468	$ (2,286)	$ 10,247	$ 10,247	$ 9,694	$ (553)

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Recorders Technology Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance Wit Final Budget 2(Favorable (Unfavorable
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	2,000	2,000	1,793	(207)	2,200	2,200	1,744	(456)
Interest Income	90	90	92	2	100	100	107	7
Other	-	-	-	-	-	-	-	-
Total Revenue	2,090	2,090	1,885	(205)	2,300	2,300	1,851	(449)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	6,000	6,000	5,402	598	6,000	6,000	1,625	4,375
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	6,000	6,000	5,402	598	6,000	6,000	1,625	4,375
Excess (Deficiency) of Revenues Over Expenditures	(3,910)	(3,910)	(3,517)	393	(3,700)	(3,700)	226	3,926
Fund Balance - Beginning of Year	8,860	8,860	8,860	-	8,634	8,634	8,634	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 4,950	$ 4,950	$ 5,343	$ 393	$ 4,934	$ 4,934	$ 8,860	$ 3,926

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Election Services Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	2,448	2,448
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	40	40	51	11	20	20	47	27
Other	-	-	342	342	2,448	2,448	1,440	(1,008)
Total Revenue	40	40	393	353	2,468	2,468	3,935	1,467
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	4,000	4,000	2,236	1,764	87	87	-	87
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	4,000	4,000	2,236	1,764	87	87	-	87
Excess (Deficiency) of Revenues Over Expenditures	(3,960)	(3,960)	(1,843)	2,117	2,381	2,381	3,935	1,554
Fund Balance - Beginning of Year	4,197	4,197	4,197	-	262	262	262	-
Transfers In	-	-	1,790	1,790	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 237	$ 237	$ 4,144	$ 3,907	$ 2,643	$ 2,643	$ 4,197	$ 1,554

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
1/2 Cent Law Enforcement Sales Tax
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ 530,000	$ 530,000	$ 519,844	$ (10,156)	$ 535,000	$ 535,000	$ 535,391	$ 391
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	35,000	35,000	44,456	9,456	45,000	45,000	35,367	(9,633)
Interest Income	-	-	168	168	600	600	58	(542)
Other	110,000	110,000	111,301	1,301	115,500	115,500	112,163	(3,337)
Total Revenue	675,000	675,000	675,769	769	696,100	696,100	682,979	(13,121)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	326,277	326,277	315,557	10,720	362,237	362,237	330,724	31,513
Jail	189,553	189,553	181,324	8,229	216,336	216,336	220,779	(4,443)
Law Enforcement Center	170,573	170,573	167,624	2,949	167,800	167,800	179,341	(11,541)
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	686,403	686,403	664,505	21,898	746,373	746,373	730,844	15,529
Excess (Deficiency) of Revenues Over Expenditures	(11,403)	(11,403)	11,264	22,667	(50,273)	(50,273)	(47,865)	2,408
Fund Balance - Beginning of Year	2,912	2,912	2,912	-	40,777	40,777	40,777	-
Transfers In	50,000	50,000	50,410	410	50,000	50,000	50,000	-
Transfers Out	(35,000)	(35,000)	(35,289)	(289)	(40,000)	(40,000)	(40,000)	-
Fund Balance - End of Year	$ 6,509	$ 6,509	$ 29,297	$ 22,788	$ 504	$ 504	$ 2,912	$ 2,408

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Tax Maintenance Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	15,500	15,500	14,193	(1,307)	14,000	14,000	15,034	1,034
Interest Income	300	300	403	103	250	250	245	(5)
Other	60	60	-	(60)	60	60	-	(60)
Total Revenue	15,860	15,860	14,596	(1,264)	14,310	14,310	15,279	969
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	18,000	18,000	4,767	13,233	18,500	18,500	7,873	10,627
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	18,000	18,000	4,767	13,233	18,500	18,500	7,873	10,627
Excess (Deficiency) of Revenues Over Expenditures	(2,140)	(2,140)	9,829	11,969	(4,190)	(4,190)	7,406	11,596
Fund Balance - Beginning of Year	20,743	20,743	20,743	-	13,337	13,337	13,337	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 18,603	$ 18,603	$ 30,572	$ 11,969	$ 9,147	$ 9,147	$ 20,743	$ 11,596

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Eagleville Memorial Cemetery Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	700	700	742	42	810	810	673	(137)
Other	-	-	-	-	-	-	-	-
Total Revenue	700	700	742	42	810	810	673	(137)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	1,700	1,700	1,650	50	1,700	1,700	1,400	300
Total Expenditures	1,700	1,700	1,650	50	1,700	1,700	1,400	300
Excess (Deficiency) of Revenues Over Expenditures	(1,000)	(1,000)	(908)	92	(890)	(890)	(727)	163
Fund Balance - Beginning of Year	53,904	53,904	53,904	-	54,631	54,631	54,631	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 52,904	$ 52,904	$ 52,996	$ 92	$ 53,741	$ 53,741	$ 53,904	$ 163

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Juvenile Restitution
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	18	18	27	9	-	-	21	21
Other	200	200	120	(80)	1,569	1,569	225	(1,344)
Total Revenue	218	218	147	(71)	1,569	1,569	246	(1,323)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	1,731	1,731	-	1,731	1,500	1,500	-	1,500
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	1,500	1,500	-	1,500
Total Expenditures	1,731	1,731	-	1,731	3,000	3,000	-	3,000
Excess (Deficiency) of Revenues Over Expenditures	(1,513)	(1,513)	147	1,660	(1,431)	(1,431)	246	1,677
Fund Balance - Beginning of Year	1,817	1,817	1,817	-	1,571	1,571	1,571	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 304	$ 304	$ 1,964	$ 1,660	$ 140	$ 140	$ 1,817	$ 1,677

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
FEMA/SEMA Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	375,000	375,000	638,193	263,193	688,103	688,103	336,628	(351,475)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	642	642	941	299	-	-	219	219
Other	-	-	-	-	-	-	-	-
Total Revenue	375,642	375,642	639,134	263,492	688,103	688,103	336,847	(351,256)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	418,642	418,642	347,653	70,989	688,103	688,103	343,083	345,020
Total Expenditures	418,642	418,642	347,653	70,989	688,103	688,103	343,083	345,020
Excess (Deficiency) of Revenues Over Expenditures	(43,000)	(43,000)	291,481	334,481	-	-	(6,236)	(6,236)
Fund Balance - Beginning of Year	43,772	43,772	43,772	-	50,008	50,008	50,008	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 772	$ 772	$ 335,253	$ 334,481	$ 50,008	$ 50,008	$ 43,772	$ (6,236)

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Senior Citizens Tax Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	43,335	43,335	46,159	2,824	43,350	43,350	46,173	2,823
Intergovernmental Revenues	2,839	2,839	-	(2,839)	2,500	2,500	-	(2,500)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	1	1
Total Revenue	46,174	46,174	46,159	(15)	45,850	45,850	46,174	324
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	46,174	46,174	48,694	(2,520)	45,850	45,850	37,456	8,394
Total Expenditures	46,174	46,174	48,694	(2,520)	45,850	45,850	37,456	8,394
Excess (Deficiency) of Revenues Over Expenditures	-	-	(2,535)	(2,535)	-	-	8,718	8,718
Fund Balance - Beginning of Year	14,142	14,142	14,142	-	5,424	5,424	5,424	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 14,142	$ 14,142	$ 11,607	$ (2,535)	$ 5,424	$ 5,424	$ 14,142	$ 8,718

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
CAFO Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	1,000	1,000	-	(1,000)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	33	33	31	(2)	35	35	28	(7)
Other	-	-	-	-	-	-	-	-
Total Revenue	33	33	31	(2)	1,035	1,035	28	(1,007)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	300	300	-	300
Total Expenditures	-	-	-	-	300	300	-	300
Excess (Deficiency) of Revenues Over Expenditures	33	33	31	(2)	735	735	28	(707)
Fund Balance - Beginning of Year	2,230	2,230	2,230	-	2,202	2,202	2,202	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 2,263	$ 2,263	$ 2,261	$ (2)	$ 2,937	$ 2,937	$ 2,230	$ (707)

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Notes to the Required Supplementary Information
For the Two Years Ended December 31, 2010

Note 1: Budgeting and Budgetary Practices

The County Commissioners and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo, the county budget law.

Note 2: Budgetary Basis of Accounting

The County budget is adopted on the cash basis of accounting.

Note 3: Expenditures in Excess of Appropriations

For the two years ended December 31, 2010, expenditures exceeded final budget amounts as follows:

	Amount Over Budget	
	2010	2009
Post Commission Training Fund	$ 2,464	$ -
Sheriff Training Fund	$ -	$ 1,049
Prosecuting Attorney Training Fund	$ -	$ 395
Prosecuting Attorney Bad Check Fund	$ 5,116	$ -
Harrison County Lake Fund	$ 4,342	$ 2,106
Victims of Domestic Violence Fund	$ 16	$ 101
Over Surplus Fund	$ 101	$ -
LEPC Fund	$ -	$ 1,427
Senior Citizens Tax Fund	$ 2,520	$ -

FEDERAL COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the County Commission of
Harrison County, Missouri
Bethany, Missouri

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Harrison County, Missouri as of and for the two years ended December 31, 2010, which collectively comprise of the County's basic financial statements and have issued my report thereon dated August 31, 2011. In my report, the county prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Missouri, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the County's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with Government Auditing Standards (Concluded)

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the Board of Commissioners, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Original Signed by Auditor

Kevin G. Hudson, C.P.A.
Certified Public Accountant
August 31, 2011

Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

To the County Commissioners
Harrison County, Missouri
Bethany, Missouri

Compliance

I have audited the compliance of the Harrison County, Missouri with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the two years ended December 31, 2010. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. My responsibility is to express an opinion on the County's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. *Those standards and OMB* Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the County's compliance with those requirements.

In my opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the two years ended December 31, 2010.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance*, is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, I identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2010-1 that I consider to be a significant deficiency in internal control over compliance.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Harrison County, Missouri's response to the finding identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit Harrison County, Missouri's response and, accordingly, I express no opinion on the response.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Original Signed by Auditor

Kevin G. Hudson, C.P.A.
Certified Public Accountant
August 31, 2011

Harrison County, Missouri
Schedule of Expenditures of Federal Awards
For the Years Ending December 31, 2010 and 2009

Federal CFDA Number	Federal Grantor/Pass Through Grantor/Program Title	Pass Through Granters Number	Federal Expenditures Year Ended December 31, 2010	2009
	U.S. DEPARTMENT OF JUSTICE			
	Passed through state:			
	State Department of Public Safety			
16.575	Crime Victim Assistance	VOCA0017	$ 12,743	$ 12,873
	Total U.S. Department of Justice		12,743	12,873
	U. S. DEPARTMENT OF AGRICULTURE			
	Passed through state:			
	Office of Administration			
10.923	Natural Resources Conservation Service Levy Repairs		10,877	-
	Total U.S. Department of Agriculture		10,877	-
	ELECTION ASSISTANCE COMMISSION			
	Passed through state:			
	Office of the Secretary of State			
	Help America Vote Act Requirements Payments	HAVA	-	2,447
	Total Election Assistance Commission		-	2,447
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
	Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO- (30)	195,482	134,557
		BRO-(29)	-	16,339
		STP9900 (108)	-	129,585
	Total U.S. Department of Transportation		195,482	280,481
	U.S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through state Department of Public Safety:			
97.067	Homeland Security Grant Program	FEMA	345,171	-
97.036	Public Assistance Grants	LEPC-CEFP	-	3,087
97.042	Emergency Management Performance Grants		-	284,058
	Total U.S. Department of Homeland Security		345,171	287,145
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through the Department of Economic Development -			
14.228	Community Development Block Grant/States Program	PWSD #2	500,000	-
	Total U.S. Department of Housing & Urban Development		500,000	-
	Total Expenditures of Federal Awards		$ 1,064,273	$ 582,946

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule

Harrison County, Missouri
Notes to the Supplementary Schedule
For the Years Ended December 31, 2010 and 2009

Note 1: Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Harrison County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of cash awards.

C. Basis of Accounting

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Note 2: Subrecipients

The county provided a Community Development Block Grant to the Public Water Supply District No.2 of Harrison County in the amount of $500,000 during the year ended December 31, 2010.

Harrison County, Missouri
Schedule of Findings and Questioned Costs
Years Ended December 31, 2010 and 2009

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified	_Yes X No
Significant deficiencies identified not considered to be material weaknesses?	_Yes X None Reported
Noncompliance material to financial statements noted	_Yes X No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_Yes X No
Significant deficiencies identified not considered to be material weaknesses?	X Yes __None Reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	X Yes _No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
97.067	Homeland Security Grant Program
14.228	Community Development Block Grant/States Program

Dollar threshold used to distinguish between Type A and Type B programs:	$ 300,000
Auditee qualified as low-risk auditee	_Yes X No

Harrison County, Missouri
Schedule of Findings and Questioned Costs
Years Ended December 31, 2010 and 2009

Section II - Financial Statement Findings

This section contains no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Section III - Federal Award Findings and Questioned Costs

Finding No. 2010-1 Incorrect Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Housing and Urban Development
Pass-through Grantor: Missouri Department of Economic Development
Federal CFDA Number: 14.228
Program Title: Community Development Block Grant/States Program
Award Year: 2010
Questioned Costs: None

Condition: As a recipient of federal grant funds, the County is required to comply with Office of Management and Budget (OMB) Circular A-133. Subpart C, Section 300(A) of the Circular requires the recipient of federal funds to accurately report the amount of federal funds expended each year on a Schedule of Expenditures of Federal Awards (SEFA). The SEFA for the year ended December 31, 2010 was inaccurate in that the County failed to include expenditures incurred for the Community Development Block Grant. This grant was passed through the County to the Public Water Supply District No.2 of Harrison County. This resulted in federal expenditures being understated by $500,000 for 2010. The SEFA included in this report has been adjusted to correct this condition.

Recommendation: I recommend that the County Clerk ensure that all federal programs are included in the SEFA.

County's Response - The SEFA will be reviewed and all programs and appropriate expenditures will be recorded.

Harrison County, Missouri
Follow-Up on Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

In accordance with *Government Auditing Standards,* this section reports the auditor's follow-up on action taken by Harrison County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2008. There were no prior audit findings that *Government Auditing Standards* requires to have follow up action taken by Harrison County, Missouri for the two years ended December 31, 2008.

Harrison County, Missouri
Summary Schedule of Prior Audit Findings In Accordance with OMB Circular A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133, requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the two years ended December 31, 2008, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

Thomas A. Schweich

Missouri State Auditor

Twentieth Judicial Circuit

City of Pacific
Municipal Division

October 2011

Report No. 2011-84

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Twentieth Judicial Circuit, City of Pacific Municipal Division

Controls and Procedures	The municipal division needs to improve its internal controls and procedures. An independent comparison of receipt slips issued to deposits is not performed, deposits are not made timely, and the police department does not transmit bond monies to the municipal division promptly, all of which make it difficult to ensure transactions are accounted for properly and assets are protected. The municipal division does not account for the numerical sequence of receipt slips and does not follow up on outstanding checks. The municipal division does not ensure insufficient funds checks are collected and posted to the defendant's case file as amounts still owed.
Bond Liabilities	The municipal division does not adequately reconcile the bond account to the bond liabilities list. The bond account is short $357 due to five instances over the past 8 years where a defendant was refunded too much money. Also, 41 bonds (totaling $8,977) have been held for more than a year, and four of these date back more than 10 years.
Ticket Accountability	Neither the municipal division nor the police department account for the numerical sequence of tickets issued, so there is no assurance all tickets have been properly submitted to the municipal division for processing.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The Twentieth Judicial Circuit, City of Pacific Municipal Division, did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

Twentieth Judicial Circuit
City of Pacific Municipal Division
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Management Advisory Report - State Auditor's Findings

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THOMAS A. SCHWEICH
Missouri State Auditor

Presiding Judge
Twentieth Judicial Circuit
and
Municipal Judge
Pacific, Missouri

We have audited certain operations of the City of Pacific Municipal Division of the Twentieth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2011. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.

2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Pacific Municipal Division of the Twentieth Judicial Circuit.

A petition audit of the City of Pacific, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Chris Vetter, CPA
	Carl Zilch, Jr., CIA
Audit Staff:	Jay Dowell, MBA

1. Controls and Procedures

Improvements are needed with the municipal division's internal controls and procedures.

1.1 Segregation of duties

Although the municipal division has established some procedures to segregate duties, no one independent of the receipt process performs a comparison of receipts slips issued to amounts deposited. As a result, there is less assurance all transactions are accounted for properly and assets are adequately safeguarded. The City Administrator receives, reviews, and signs the bank statements, and the City Clerk reviews monthly bank reconciliations to ensure the reconciled balance agrees to the book balance.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, an independent review of the work performed by the Court Clerk is necessary.

1.2 Deposits/transmittals

Fines and court costs collected by the municipal division are not deposited timely and bond monies collected by the police department are not transmitted to the municipal division in a timely manner. As a result, there is less assurance monies received are accounted for properly and adequately safeguarded.

Our review of deposits in February 2011, identified several instances when receipts were deposited several weeks after monies were collected. For example, receipts collected from February 4 through February 11, 2011, totaling $2,324, were not deposited until February 25, 2011, and receipts collected from February 14 through February 17, 2011, totaling $6,275, were not deposited until March 2, 2011. Also, only three transmittals of bonds, totaling $10,937, were made from the police department to the municipal division in March 2011. The police department normally collects bond monies on a daily basis.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, all monies should be transmitted and deposited in a timely manner.

1.3 Numerical sequence of receipt slips

The municipal division does not account for the numerical sequence of manual receipt slips issued, and as a result, there is less assurance all monies received have been accounted for properly. In addition, the municipal division does not indicate the computer system receipt number on the manual receipt to indicate it has been posted to the system.

A receipt slip is generated when payment is posted to the municipal division's computer system; however, municipal division personnel issue manual receipt slips when the Court Clerk is unavailable, the ticket has not been received from the police department and posted to the computer

system, or a dropped charge fee is received. The manual receipt slips are posted to the computer system at a later date. Our review of manual receipt slips issued noted several receipt slip numbers and some blocks of sequential receipt slips were skipped in the sequence used. The municipal division could not locate the skipped receipt slips to determine if the receipt slips had been issued or were unused.

Without accounting for the numerical sequence of manual receipt numbers issued, the municipal division cannot ensure all monies are properly recorded and deposited. In addition, documenting the computer receipt number on the manual receipts would provide assurance all monies have been posted to the computer system.

1.4 Outstanding checks

Follow up on outstanding checks has not been performed for the bond account or the fines and court costs account. In addition, the outstanding check lists of both accounts for older checks only include a calculator tape of the amount of the checks without corresponding check numbers or dates issued. As a result, the municipal division may not be able to efficiently and effectively follow-up on outstanding checks to ensure all monies are appropriately disbursed. At March 31, 2011, 41 checks, totaling $2,162, in the bond account and 19 checks, totaling $875, in the fines and court cost account had been outstanding for over a year.

Follow up on outstanding checks is necessary to ensure monies are appropriately disbursed to the payee or as otherwise provided by state law. In addition, to ensure an effective and efficient follow up can be performed outstanding check lists should include all necessary information such as the amount and the corresponding check number.

1.5 Non-sufficient funds checks

The municipal division does not have adequate procedures in place to ensure non-sufficient funds (NSF) checks are collected, adjustments are made to the distribution of fines and court costs, and NSF checks are posted to the defendant's computerized case file to reflect amounts still owed. As a result, the court may be unaware of action which should be taken regarding these cases, such as issuing warrants. In addition, the fines and costs account is short by $588, which is the total overpaid to the city and state for the NSF checks. The court has been able to cover this shortage with the $500 startup money in the account.

The municipal division does not post the NSF checks to the computer system to indicate the defendant's check was returned and payment is still due from the defendant or adjust the checkbook balance. In addition, adjustments are not made to deduct NSF check amounts from monthly disbursements of fines and costs to the city and state. Restitution for NSF checks may not be received until several months after the receipt was initially collected and, in some instances, restitution may never be received.

The fines and court cost account book balance is overstated and has to be adjusted each month for the same NSF checks in order to reconcile the book balance to the bank balance. On the March 31, 2011, bank reconciliation, the book balance was reduced for seven NSF checks which date back to April 2009. Warrants had not been issued for some of the NSF checks noted on the reconciliations.

Without adequate procedures for the collection and recording of NSF checks, the municipal division cannot ensure amounts due from defendants are properly tracked in the computer system.

Recommendations

The City of Pacific Municipal Division:

1.1 Ensure a periodic independent review of the municipal division's records is performed and documented. Any unusual items or discrepancies should be investigated.

1.2 Ensure all municipal division receipts and bond monies are transmitted and deposited timely.

1.3 Establish procedures to account for the numerical sequence of manual receipt slips issued and ensure manual receipt slips are used in numerical sequence. In addition, the computer generated receipt number should be noted on the manual receipt slips.

1.4 Old outstanding checks should be voided and reissued to payees who can be readily located. In addition, outstanding check lists should include all necessary information including amounts, check numbers, and dates.

1.5 Establish a policy for the collection of NSF checks and ensure accounting records accurately document the status of cases involving bad checks.

Auditee's Response

The Municipal Judge and Court Administrators provided the following written responses:

1.1 The Municipal Judge has confirmed that the Municipal City Clerk and treasurer (as Deputy Court Clerk) perform these duties as a review of the court clerk. This has now been confirmed in writing to these individuals to further document these duties. In addition, the City Administrator reviews and signs all bank statements monthly before filing.

1.2 The City agrees that the procedure needs supplementation so that all deposits are made on a more strict timely basis. The Court

Clerk has been instructed to make such timely deposits to conform to this requirement, and the City Clerk has been instructed in writing to review this to ensure that this supplemented policy is maintained.

1.3 The Municipal Division now uses computer generated receipts and fully addresses this Auditor comment.

1.4 The Court Clerk has been instructed to follow proper procedures in disposing of unclaimed funds in both the Bond Account and the Fine and Costs Account.

1.5 The Court Clerk has been instructed to make sure all NSF checks are posted, charges are issued, and/or warrants obtained to insure proper reconciliations are made.

2. Bond Liabilities

The municipal division has not adequately followed up on reconciling items between the bond account and the bond liabilities list. In addition, the division has not properly followed up on old bonds remaining on the bond liabilities list. As a result, there is a $357 shortage in the bond account and some monies have not been disposed of properly. At March 31, 2011, the reconciled balance of the bond account was $24,954, while bond liabilities totaled $25,311. The bond liabilities list shows five adjustments totaling $357 dating back as far as April 2002 and most recently as of April 2010. The adjustments are for errors made by the municipal division in which defendants were refunded more than the remaining bond amount. In addition, as of March 31, 2011, 41 cash bonds, totaling $8,977, have been held by the municipal division in excess of a year. Four bonds held at March 31, 2011 totaling $750, dated back to 1999.

Procedures should be established to prevent overpayment of bond monies to defendants and identified errors should be corrected timely. To properly monitor bonds and ensure monies are appropriately disbursed as provided by state law, procedures should be established to routinely investigate bonds remaining on the liabilities list over a specified period of time. Section 479.210, RSMo, authorizes bonds to be forfeited and paid over to the city treasury if the defendant failed to appear in court. If the bond is to be refunded but the payee cannot be located, Section 447.595, RSMo, requires bonds remaining unclaimed for a year after disposition of the case be turned over to the state Unclaimed Property Section.

Recommendation

The City of Pacific Municipal Division develop procedures to prevent overpayment of bond monies and investigate and dispose of old bonds in accordance with state law. In addition, the municipal division should investigate the old bond overpayments shown as reconciling items and attempt to collect the amounts overpaid.

Auditee's Response

The Municipal Judge and Court Administrators provided the following written response:

The Municipal Division shall conduct an investigation into this Auditor Comment and establish additional or different proper procedures in handling bond funds if so warranted.

3. Ticket Accountability

The municipal division and police department do not account for the numerical sequence of tickets issued. As a result, there is no assurance all tickets have been submitted to the municipal division for processing. The police department and municipal division personnel post tickets issued to the computer system; however, neither the municipal division nor the police department ensure the numerical sequence of all tickets issued is accounted for properly.

Without a proper accounting for the numerical sequence and ultimate disposition of tickets issued, the municipal division and the police department cannot be assured all tickets issued were properly submitted for processing.

Recommendation

The City of Pacific Municipal Division work with the police department to ensure adequate records are maintained to account for the numerical sequence and ultimate disposition of all tickets issued.

Auditee's Response

The Municipal Judge and Court Administrators provided the following written response:

The Municipal Division has accountability for tickets that have been submitted for prosecution through the Pacific Municipal Court. All tickets submitted for prosecution to other Courts have accountability through the Pacific Police Department. Tickets that were not maintained in the Municipal Court, were maintained pursuant to required procedures with the Circuit Court because prosecuted instead under state law, and with the Chief of Police. Please see Model Traffic Code R.S.Mo. 300.575 (Chief of Police to maintain such tickets). In addition, the Court Clerk and Police Clerk regularly communicate regarding the status of and placement of the tickets. However, as an additional review, the Police Department has determined it will also at least annually deliver the complete list of tickets to the Court Clerk for an additional cross-check of all ticket numbers.

Twentieth Judicial Circuit
City of Pacific Municipal Division
Organization and Statistical Information

The City of Pacific Municipal Division is in the Twentieth Judicial Circuit, which consists of Franklin, Gasconade, and Osage Counties. The Honorable Gael Wood serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At June 30, 2011, the municipal division employees were as follows:

Title	Name
Municipal Judge	Ronald F. Reed, Sr.
Court Administrator	Nina Adams
Court Administrator	Mary Wideman

Financial and Caseload Information

	Year Ended June 30, 2011
Receipts	$207,927
Number of cases filed	1,707

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The City of Pacific Municipal Division did not receive any federal stimulus monies during the year ended June 30, 2011.

Thomas A. Schweich

Missouri State Auditor

City of North Kansas City

October 2011

Report No. 2011-83

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of North Kansas City

Financial Condition	The financial condition of the General Fund has declined significantly, with the fund balance falling from almost $7 million to $2.8 million from fiscal year 2008 to fiscal year 2010 and is expected to decrease further during 2011. The city is taking steps to balance expenditures and revenues and is transferring monies from the Gaming Fund to supplement the General Fund.
LiNKCity	Operational costs of the city's fiber optic data network (LiNKCity) have significantly exceeded operational revenues, and the city's investment of $13.5 million for the LiNKCity network may not be an effective use of city resources. A business performance plan said the original plan outlined, "expectations and assumptions that are neither realistic nor attainable." The city should evaluate whether it makes sense to continue investing public funds in the system.
Disbursements	The city pays more overtime than required by law because it counts nonworking (leave) hours when determining overtime. Overtime paid in fiscal year 2010 totaled $432,500. In fiscal year 2010, the city paid over $56,000 in vehicle allowances for 24 city officials and employees. The City Council voted in July 2011 to stop paying vehicle allowances for elected officials, but it is still making such payments for 11 city employees.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The City of North Kansas City was awarded $138,517 and received $125,752 through the Edward Byrne Memorial Justice Assistance Grant Program. It spent $18,619 for law enforcement equipment, and passed through $107,133 to Clay County and the cities of Gladstone, Excelsior Springs, and Liberty.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

City of North Kansas City
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THOMAS A. SCHWEICH
Missouri State Auditor

To the Honorable Mayor
and
Members of the City Council
City of North Kansas City, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of North Kansas City. We have audited certain operations of the city in fulfillment of our duties. The city engaged McGladrey & Pullen LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended September 30, 2010. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended September 30, 2010. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.

2. Evaluate the city's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of North Kansas City.

An additional report, No. 2011-33, *Seventh Judicial Circuit, City of North Kansas City, Municipal Division*, was issued in July 2011.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Robert Showers, CPA
In-Charge Auditor:	Robert L. McArthur II
	Lori Bryant
Audit Staff:	Robert Graham

City of North Kansas City
Management Advisory Report
State Auditor's Findings

1. Financial Condition

The financial condition of the General Fund has declined significantly during the last 4 years. The following table presents General Fund activity and balances for the years ended September 30:

General Fund		Budgeted (1) 2011	Actual (2) 2010	2009	2008
Beginning fund balance	$	2,802,843	4,891,167	6,959,808	7,472,841
Revenues		12,039,300	12,640,781	12,838,649	14,236,525
Expenditures		(14,283,152)	(14,729,105)	(14,907,290)	(14,749,558)
Ending fund balance	$	558,991	2,802,843	4,891,167	6,959,808

(1) Source: City budget documents. Budgeted receipts for 2011 do not include the $2.3 million transfer budgeted from the Gaming Fund.
(2) Source: Audited financial statements

General Fund expenditures have significantly exceeded revenues for four consecutive fiscal years (from 2007 through 2010) and are budgeted to do so in fiscal year 2011. The City Council has tasked the new City Administrator to balance the General Fund budget by the year ended September 30, 2013. The City Administrator and the Finance Manager met with the City Council in June 2011 to formally present options to address the General Fund budget. Since approximately 88 percent of General Fund expenditures are wage-related, the Council approved one of the City Administrator's recommendations to implement a voluntary retirement and resignation incentive program and to reduce the portion of premiums paid by the city for group medical insurance for retirees. The Council also recently voted to eliminate vehicle allowances for elected officials (see MAR finding number 3).

Another change made to improve the financial condition of the General Fund was to transfer monies from the Gaming Fund to the General Fund to make up for lost property tax revenues. When the local casino was built in 1995, the City Council voted to voluntarily stop assessing the General Fund tax levy on personal property. This resulted in approximately $300,000 less in property taxes for the General Fund annually from 1995 to 2010, or a total of approximately $5 million. In July 2011, the Council voted to reinstitute the property tax levy. In addition, to make up for a portion of the revenues lost and to balance the General Fund budget, the City Council recently approved the transfer of $5.9 million from the Gaming Fund to the General Fund over a 3 year period, starting with a $2.3 million transfer during the year ended September 30, 2011. Although Gaming Fund revenues are unrestricted and may be used for any purpose, the City Council has indicated it does not wish to depend on Gaming Fund revenues to balance the General Fund budget.

In addition, the city has historically paid for residential trash pickup from the General Fund without billing residents for the service. This service costs

the city approximately $500,000 per year. For the year ended September 30, 2011, the City Council approved continuing the payment of trash expenses, but voted to move the costs to the Gaming Fund.

Also, some disbursements do not appear to be necessary uses of city funds. For example, the city spent $15,060 on an employee appreciation day at Worlds of Fun, and $3,200 on holiday turkeys for employees. Public funds should be spent only on items which are necessary and beneficial to the city. City residents have placed a fiduciary trust in their public officials to spend city funds in a prudent and necessary manner.

It is essential that the City Council continue to address the General Fund financial condition, both in the immediate and long-term future. By evaluating fund revenues and disbursements, and maximizing revenues to the extent possible the council can ensure the fund is on a more secure footing going forward.

Recommendation

The City Council continue to closely monitor the city's financial condition and take the necessary steps to improve the financial condition of the General Fund.

Auditee's Response

The City Council provided the following written response:

As stated in the audit findings, the Council and staff are very much aware of the declining financial condition of the General Fund. Also stated in the report, transfers from the Gaming Fund have been used to maintain a balanced budget starting in fiscal 2010-11. These transfers are set to stop in 2013. Missouri State Statues place very few restrictions on gaming revenues and this is an allowable use for those funds.

The Council does not wish to depend on the gaming revenues to balance the General Fund budget in the future and has taken many recent actions to reduce and eventually eliminate the General Funds reliance on gaming revenues. The fiscal year 2011-12 budget, passed on September 13, 2011, reduced the General Fund structural operating imbalance to $374,112 down from $2,243,852 in the prior year's approved budget. The fiscal 2011-12 short-fall does not include the planned $2 million transfer from the Gaming Fund. The second and third transfers of gaming money will continue as approved by the City Council in 2010 in order to improve the unappropriated General Fund balance in case of an emergency.

Besides the budget balancing steps mentioned in the findings, the Council recently approved increasing a variety of service fees, increasing the administrative fees charged by the General Fund to special revenue and enterprise funds and added fees to those same funds for services provided by Public Works' divisions.

The voluntary retirement and resignation incentive program mentioned in the findings, not only reduced staffing, but also allowed for a reorganization of the Public Works Department to more efficiently meet the needs of the community.

The finding states that $18,260, or 0.07 percent, of the City's total operating budget was spent to recognize the efforts of City employees in fiscal 2009-10. It also goes on to state that such an expenditure "does not appear to be necessary". The City believes such a small investment in our employees during a time when raises are not an option, cost of living increases have been eliminated and benefits have been reduced in some cases is "a prudent and necessary" expenditure to maintain morale and no matter how small of a gesture show appreciation for the work that they do for this community.

The City Council of North Kansas City values its employees and deems it necessary to recognize their contributions when no other means of recognition is available.

2. LiNKCity

Operational costs of the city's fiber optic data network (LiNKCity) have significantly exceeded operational revenues, and the city's investment of $13.5 million[1] for the LiNKCity network may not be an effective use of city resources.

While initial plans were for LiNKCity's revenues to cover its operational costs, the system had a combined operating loss of $971,783 in fiscal years 2009 and 2010, and is expecting an additional operating loss of approximately $450,000 in fiscal year 2011. The initial investment and operational shortfall have been paid from the Gaming Fund. Total Gaming Fund transfers of approximately $1.5 million were made to cover LiNKCity activity during the 2 fiscal years ended September 30, 2010, with an additional transfer of $542,300 in fiscal year 2011. According to a business performance evaluation paid for by the city, the reason for the operating deficit of the LiNKCity system is "a result of the original plan outlining expectations and assumptions that are neither realistic nor attainable". The evaluation also states that technology upgrades are also necessary, requiring additional investment by the city.

The LiNKCity network is the first municipally owned and operated fiber optic system in the state of Missouri, and competes with existing broadband and cable data service providers. According to city documents, the purpose of the network is to provide economic development, educational and employment opportunities, and advanced health care. However, with city

[1] The city's initial investment was approximately $10.5 million, with an additional $3 million investment going towards operations.

residents already having alternative service provider options, the necessity of the system is questionable.

It is the City Council's duty to ensure city investments such as LiNKCity are an effective use of city resources. More evaluation is needed to determine if additional investment into the system is warranted.

Recommendation

The City Council continue to evaluate whether continued involvement in LiNKCity is in the best interest of the city.

Auditee's Response

The City Council provided the following written response:

The City Council has concerns about the feasibility of an on-going subsidy of LiNKCity and directed staff in late 2010 to identify ways to reduce the current operating deficit to whatever extent possible.

The actual operating shortfall for fiscal 2010-11 is expected to be $451,149. The subsidy to LiNKCity is in the form of a transfer from the Gaming Fund. The Gaming Fund transfer subsidy is budgeted at $430,000 in fiscal 2011-12. This amount includes a $265,000 operational subsidy and $165,000 for capital expenditures.

It is true that the residents had an alternative service provider prior to LiNKCity but many of the City's businesses did not have a high speed internet option. The existing provider would not offer service south of Armour Road, thus placing businesses that located or wanted to locate within the City at a distinct disadvantage when attempting to operate a 21st century business and compete in a global economy where dial up is no longer acceptable technology.

To begin the process of generating additional revenue, the City Council approved a Dark Fiber Lease program in the summer of 2011. This new program has generated a lot of interest in our system and has yielded a number of new leases and additional income for LiNKCity. LiNKCity has also taken a more focused approach in targeting multi-dwelling units as large scale customers that will yield greater revenue and profit for each dollar invested.

3. Disbursements

Our review identified issues with overtime calculations and vehicle allowances.

3.1 Overtime calculations

The city overtime policy results in potentially unnecessary overtime costs. Current city policy considers nonworking time, such as vacation, sick leave, and compensatory time taken, as hours worked when calculating employee overtime. This practice is not required by the Fair Labor Standards Act of 1938 (FLSA) and as a result, the city is paying more overtime to employees

than required. For example, we noted an instance in which an employee worked 8.33 hours for the week and claimed 35.03 nonworking hours (personal and vacation) for a weekly total of 43.36 hours. The city calculated overtime based on the total hours recorded on the timesheet rather than actual hours worked; and as a result, paid the employee time and one half for 3.36 hours. During the year ended September 30, 2010, the city paid approximately $432,500 in overtime. Of the total paid, 48 percent was to the Fire Department and 31 percent to the Police Department, both of which are paid from the General Fund.

3.2 Vehicle allowances

Vehicle allowance payments by the city appear excessive. Vehicle allowance payments totaling approximately $27,300 were paid to 13 elected officials and an additional $29,200 was paid to 11 city employees during the year ended September 30, 2010. Vehicle allowance payments ranged from $650 annually to the City Treasurer to $4,200 to the Parks and Recreation Director. The city began paying a $2,400 annual vehicle allowance to the Economic Development Manager in October 2010, despite the fact that he was paid only $538 in actual mileage reimbursement in the previous year. In July 2011, the City Council voted to stop paying vehicle allowances to elected officials effective August 2011. However, the payments are still paid from the General Fund to the 11 city employees.

While vehicle allowances are reported as taxable income, reimbursing officials and employees for actual vehicle use ensures the city is neither overpaying for vehicle use or underpaying the employee for unreimbursed use.

Recommendation

The City Council:

3.1 Consider revising the current overtime policy to ensure employee overtime and compensatory time calculations do not include nonworking time such as leave and compensatory time used.

3.2 Reimburse city employees for actual vehicle use.

Auditee's Response

The City Council provided the following written response:

3.1 Due to the current environment, such action would take time if a focus were placed upon its implementation. Implementation of this recommendation may or may not be pursued depending upon a variety of factors.

3.2 As reported in the findings, City Council voted to stop receiving car allowances as of August 1, 2011.

Many city employees receiving a car allowance use personal vehicles daily for travel among the City's 11 locations, to obtain goods or attend meetings not available within the city limits. Tracking, recording and reimbursing on a trip by trip basis would administratively cost more than the allowances.

Most of the employees receiving car allowances receive them as a part of their compensation package set out by contract with the City. The compensation is treated the same as salary compensation as it is taxed, etc. The execution of such a recommendation would take time if a focus were placed upon its implementation and potentially cost the City both in productivity as well as financially.

City of North Kansas City
Organization and Statistical Information

The City of North Kansas City is located in Clay County. The city was incorporated in 1912 and is currently a third-class city. The city employed 196 full-time employees and 119 part-time or seasonal employees on September 30, 2010.

City operations include fire services, law enforcement services, utilities (water/sewer and communications), and recreational facilities (parks, community center, etc.).

Mayor and City Council

The city government consists of a mayor and eight-member city council. The members are elected for 2-year terms. The mayor is elected for a 4-year term, presides over the city council, and votes only in the case of a tie. The Mayor and City Council members, at September 30, 2010, are identified below. The Mayor is paid $600 per month, plus $3,249 in annual travel allowances. City Council members are paid $200 per month, plus annual travel allowances of $2,599. The compensation of these officials is established by ordinance.

William Biggerstaff, Mayor
James Martino, First Ward Councilmember
Jerry Barham, First Ward Councilmember
David A. Silvers, Second Ward Councilmember
Bill Sanders, Second Ward Councilmember
Chris Hertling, Third Ward Councilmember
Amy Rutledge, Third Ward Councilmember
Bettie Miller, Fourth Ward Councilmember
Fred Steffen, Fourth Ward Councilmember

Other Elected Officials

Name and Title	Compensation Paid for the Year Ended September 30, 2010
J.W. Brewer, City Collector	$9,204
Ron Ball, City Treasurer	3,650

This compensation included a $2,599 annual travel allowance for the City Collector and a $650 annual travel allowance for the City Treasurer.

American Recover and Reinvestment Act of 2009 (Federal Stimulus)

The City was awarded $138,517 and received $125,752 in American Recovery and Reinvestment Act funding as part of the Edward Byrne Memorial Justice Assistance Grant Program through the United States Department of Justice during the year ended September 30, 2010. According to city documentation, the city spent $18,619 for law enforcement equipment. In addition, the City of North Kansas City, serving as the fiscal agent for this award, passed through $107,133 to Clay County, and the Cities of Gladstone, Excelsior Springs, and Liberty.

Thomas A. Schweich

Missouri State Auditor

Kansas City 33 School District

October 2011

Report No. 2011-82

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Kansas City 33 School District (KCSD)

Service Contracts	The KCSD did not always competitively bid or effectively monitor contracts, and cost benefit analyses were not performed to determine how to best provide some services. Some contracts had not been signed, and some contract amendments were not in writing.
Disbursements	During the 3 years ended June 30, 2010, the KCSD spent nearly $2 million on student incentives and over $2 million on food and meals purchased while not on travel status, but it does not maintain adequate documentation to support the disbursements. The KCSD should also review the Superintendent's $800 per month car allowance.
Capital Assets and Surplus Property	The KCSD does not maintain a complete list of, and has not regularly disposed of, surplus property. The district spends over $2 million a year for utilities and insurance on the 38 closed schools, but has recently hired an employee to coordinate, manage and oversee the repurposing of the closed schools. Property movement procedures are not followed, making it difficult to track capital assets and ensure they are not misappropriated. Also, the KCSD was paying to lease 11 copiers that were not in use.
Board Procedures	The KCSD did not always comply with the Sunshine Law. Open meeting minutes did not always document the vote to close meetings and the reason for closing, and it appears closed meetings were not limited to the topics allowed by law. Also, board members did not always abstain from voting when a conflict of interest existed.
Personnel Issues	The KCSD does not adequately identify related employees. The KCSD paid excessive amounts of overtime, and although a new policy requiring pre-approval for overtime has helped reduce overtime costs, it is not always enforced.
Accounting Controls	The KCSD lacked adequate controls over student activity funds, which allowed the former principal of Lincoln College Preparatory Academy to make unauthorized disbursements and unauthorized cash withdrawals totaling approximately $58,000 in 2009. The KCSD should perform timely bank account reconciliations to detect errors or theft promptly.
Textbook Procedures	The KCSD should establish formal written policies and procedures to account for all textbooks purchased and ensure students are held accountable for lost or stolen textbooks.
Transportation Costs	The KCSD has not performed an analysis of the potential cost savings of increasing their walk-zone from the current 1.5 miles. State law only requires the district provide free transportation for students living at least 3.5 miles from school. In addition, the transportation contractor hired by the district indicated cost savings could be realized by returning to the three-tier bell schedule, rather than the two-tier bell schedule recently adopted.

Financial Condition

The KCSD reduced expenditures to stabilize the financial condition, which should continue to be monitored.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The KCSD was awarded the following Federal Stimulus funding:

$8,598,741 Title I Grant to Local Education Agencies: $4,136,291 received and $4,768,621 expended during the year ended June 30, 2010 (FY2010) for salaries and benefits for 83 supplemental teachers, paraprofessionals, instructional coaches, after school tutoring, and student targeted instructional materials and technology.

$79,554 Title I, Part D Grant to Local Education Agencies: $4,962 received and $2,003 expended during FY2010 for two teachers, a paraprofessional, and classroom supplies.

$5,785,160 Special Education Grant to States: $2,538,232 received and $4,573,042 expended in FY2010 for salaries and benefits for 19 classroom positions, 1 part-time nurse and 1 administrator; professional development; and assistive technologies and computer equipment, supplies, and instructional materials.

$178,094 Early Childhood Special Education Grant: $6,320 received and $33,408 expended during FY2010 for specialized educational services.

$17,572,996 State Fiscal Stabilization Fund - Education State Grants: $16,435,592 received and expended during FY2010 for salary and benefits for 262 staff members, a stipend for certified staff voluntarily participating in professional development, and bus transportation of students for a portion of a month.

$239,940 Education Technology State Grant: $209,364 received and $179,308 expended during FY2010 for salaries and benefits for three resource teachers.

$216,371 Head Start Grant: $0 received and $18,657 expended during FY2010 for playground equipment, classroom furniture, and supplies.

$109,066 Education for Homeless Children and Youth Grant to Local Education Agencies: $0 received and expended during FY2010.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Kansas City 33 School District
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THOMAS A. SCHWEICH
Missouri State Auditor

To the Board of Education
Kansas City 33 School District

The State Auditor conducted an audit of the Kansas City 33 School District under authority granted in Section 29.205, RSMo. We have audited certain operations of the district in fulfillment of our duties. The district engaged McGladrey & Pullen, LLP, Certified Public Accountants (CPAs), to audit the district's financial statements for the year ended June 30, 2010. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2010. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.

2. Evaluate the district's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Kansas City 33 School District.

Thomas A. Schweich
State Auditor

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Management Advisory Report
State Auditor's Findings
Kansas City 33 School District

1. Service Contracts

Under prior administrations, the district issued some contracts for services without soliciting requests for proposals from vendors. Some contracts provided little or no monitoring criteria to allow for the evaluation of the services provided, and some services were provided without a formal written contract. The current administration canceled or re-negotiated numerous contracts during the past year that were either unnecessary or provided services that could be performed in-house by district staff. The district spent approximately $80 million during the year ended June 30, 2010, on contracts with vendors to provide a variety of services. We reviewed contracts totaling approximately $19.5 million.

1.1 Requests for proposals

The district has awarded numerous service contracts in the past several years without soliciting proposals from other service providers or clearly documenting why proposals were not sought. The district had not performed cost analyses to determine the most cost beneficial method of providing some services. The following are examples of service contracts in effect during the year ended June 30, 2010, for which the district did not solicit competitive requests for proposals and/or did not perform a cost analysis to determine if the service could have been provided in-house more efficiently:

- The company which operates the before and after school program, was paid $5.5 million during fiscal year 2010 and proposals were not solicited for these services. The contract was renegotiated for the 2011 school year, and while services were reduced, the payment is anticipated to be $1.6 million.

- The district's outside legal counsel was paid $1.8 million during fiscal year 2010 and has served the district for the past 20 years without the district seeking proposals from other firms. The district restructured the legal department and now performs more of this work internally. The district anticipates $1.2 million in payments to this firm for fiscal year 2011.

- A company providing both a reading curriculum and professional reading curriculum development was paid $613,577 during fiscal year 2010 and proposals were not sought. Both contracts were terminated at June 30, 2010.

- The company which manages and operates the district transportation department was paid $506,124 during fiscal year 2010. The contract was renegotiated for $485,050 for fiscal year 2011. Proposals were not sought for this service and a cost analysis has not been conducted.

- The company which managed the Human Resources Department from August 2007 to September 2009 was paid $892,906, including $138,848 in fiscal year 2010. The new administration canceled this

contract in September 2009, and these services are now performed by the district.

- The district paid a contractor $1,149,162 between January 2006 and December 2009 to install computers. It is unclear from meeting minutes why this vendor was selected. Proposals for these services were not solicited, nor did the board attempt to determine whether these services could be provided in-house during this contract period. The new administration canceled this contract and these services are now provided by the district IT department.

- The district contracted with two different vendors to provide food service from 2007 to 2010. Losses from food service operations exceeded $2 million each year during that time period. Prior to 2007, food service was provided by the district and based on data provided by the district, losses during the 2 fiscal years prior to contracting out these services were under $500,000 each year. Although a formal cost analysis was not performed, the new administration determined it would be more efficient and less costly to provide these services in house and for fiscal year 2011, the district expects the food service to make a small profit.

Soliciting proposals for services is a good business practice, helps provide a range of possible choices, and allows the district to make better-informed decisions to ensure necessary services are obtained from the best qualified provider taking expertise, experience, and cost into consideration. Contracts for services which could be provided more economically are a drain on resources of the district. Continued examination of contracts by the district administration will help ensure district funds are spent wisely and in the best interests of the students and taxpayers.

1.2 Monitoring

The district did not always include monitoring criteria and/or monitor service contracts effectively. Some contracts had monitoring criteria which were vague or non-existent.

- The contract with the organization that operated the K-12 African Centered Education (ACE) Program during fiscal year 2010 and 2009 was for $1.2 million per year and contained minimal performance criteria. The ACE contractor was required to submit quarterly financial reports to the board which were to include detailed statements of all revenues received from the district and all other sources and direct expenditures rendered to or on behalf of students. The contactor did not submit these reports. In addition, the contractor did not submit detailed invoices as required in the contract.

- The $1.2 million contract for alternative education during fiscal year 2009 stated the program would be measured by comparing levels and trends of student attendance and achievement before and after, and in some cases during, program intervention. District administration stated this was not done.

- The $40,000 contract for student violence and gang prevention services for fiscal year 2009 and the transportation management services contract for $500,000 per year during fiscal year 2010 and 2009 contained no performance assurances or measures. These programs and services have not been formally evaluated to ensure the programs are effective and the services contracted for are provided.

- The contract for Human Resources Department management, totaling over $850,000 between August 2007 and September 2009, contained some performance criteria and measures; however, the district did not formally evaluate the contractors' performance monthly as required by the contract.

- As indicated above, losses on food service operations exceeded $2 million each year from 2007 to 2010. The district did not monitor the food service management contractor to ensure the department was operated efficiently and effectively. Accounting personnel for the district indicated the contractor failed to hold students accountable for unpaid meals.

Considering the amount the district spends on service contracts, clearly stating performance measures and monitoring performance closely will help the district ensure limited resources are spent wisely by holding the contractor accountable for quality and reliable services.

1.3 Written contracts

Some service contractors were allowed to operate without a signed contract. In addition, the board approved additional payments on several contracts without formally amending the contracts.

- The former board President failed to sign agreements with the contractors hired to provide computer installation and setup services and violence and gang prevention services.

- The district had a 7 month contract (December 1, 2007 to June 30, 2008) with the African Centered Education (ACE) Program for $524,685 to operate the center. In October 2008, this contract was extended for the year ended June 30, 2009, and the contract amount was increased to $1,197,036, but the contract was not formally amended by the board. On May 26, 2010, the board renewed the

contract for the year ended June 30, 2010, at the same cost as the prior year and again the contract was not formally renewed.

- During fiscal years 2009 and 2010, payments to the contractor for asbestos remediation and environmental cleanup services exceeded the contract amount by $925,345. The original $100,000 contract was for the period June 2008 through July 2009. An additional $540,000 was approved by the board in July 2008 due to an unforeseen emergency and an additional $77,080 was approved by the board in December 2008; however, the contract was not amended for these additional payments. In May 2009, the board approved an additional $988,941 for services needed at one school and a separate agreement was signed. In addition, in May 2010, the board approved a payment of $308,265 in excess of the amount contracted for the same services at a different school without formally amending the contract.

- The district contracts for elevator repairs and maintenance. In June 2010, the board approved an additional $167,121 in excess of the contract amount of $175,000. The board did not amend the contract.

- Payments to the former food service management contractor exceeded the contract amount of $5,219,250 by $923,694 or 17.7 percent during fiscal year 2009 and $1,216,702 or 23.3 percent during fiscal year 2010. Accounting personnel indicated the overpayments were, at least in part, the result of the district underestimating the number of meals to be provided to students. The contract was amended twice, but the amendments were not sufficient to cover the full cost of the service.

The failure of the district to obtain signed contracts prior to authorizing contractors to perform services exposes the district to unnecessary risks. If these contractors fail to perform the duties required in the contracts, the district may not be able to enforce the requirements of the agreements.

Further, any changes to an original contract should be properly documented in a formal written contract amendment to ensure all parties are aware of their responsibilities and to prevent misunderstandings.

Recommendations

The Kansas City School Board:

1.1 Periodically solicit proposals for all services and ensure adequate documentation is maintained to support the evaluation and selection process. In addition, the district should continue to examine the need for certain service contracts and take appropriate action as necessary.

1.2 Ensure service contracts include appropriate criteria which provide a means to monitor contractor performance and ensure each contract is monitored properly.

1.3 Ensure contract agreements are signed by all necessary parties prior to the effective date. In addition, any changes should be properly documented in formal written contract amendments.

Auditee's Response

The Kansas City School Board provided the following written responses:

1.1 Procurement procedures require all construction projects over $15,000, and all other contracts over $25,000 to be formally bid. For contracts under these thresholds, procedures require three formal bids on company letterhead. If the District is able to utilize an existing contract bid by another governmental entity such as the city of Kansas City, or the state of Missouri the bid process may be waived. If the vendor's service is determined to be "sole source", the contract is exempt from bid requirements.

1.2 In 2010 the district implemented a procedure requiring the larger term and supply multi-year contact vendors to attend quarterly meetings with the procurement department's contract compliance staff, the accounts payable manager, the department head or designee for whom the contract is assigned, and when needed, a member of the District's legal staff.

Small vendor contracts are monitored by the department being serviced by the vendor, with support by the procurement contract compliance staff when requested.

The procurement department requires the department utilizing the vendor's services to submit a vendor annual evaluation. If the evaluation is not completed, the contract will not be renewed.

1.3 The District's legal and procurement staff monitor the signature pages for contracts to ensure that the superintendent and board president both sign all contracts. Contract language has been modified so that the contact does not go into effect until all signatures are received.

2. Disbursements

The district spent almost $2 million on student incentives between fiscal years 2008 and 2010, with few controls in place to ensure the awards and incentives were actually given to students. A policy has not been adopted to establish controls over non-travel food. In addition, Superintendent Covington's car allowance appeared excessive.

2.1 Incentives

The district does not maintain documentation to support the distribution of student incentives purchased by teachers and school administrators. In addition, the total amount expended on student incentives appears excessive.

Student incentives reviewed included awards such as trophies, plaques, medals, and certificates; gift cards to restaurants, movies, and shopping malls; tickets to baseball games and amusement parks; t-shirts; and electronics such as DVD players and iPods. Students are given these incentives for academic and athletic achievements, and most of the incentives we reviewed were given at the end of the school year. The district expended funds for student incentives during fiscal years 2008 through 2010 as follows:

Fiscal Year		Amount
2008	$	929,154
2009		707,686
2010		187,360

Incentives were reduced in 2009 due to the elimination of procurement cards (the majority of incentives were purchased by teachers and school administrators with procurement cards) and by requiring the use of purchase orders for all purchases. Incentives were further reduced in 2010 through budget cuts (student incentives were cut 70 percent).

For future incentives, maintaining adequate records to support the distribution will provide assurance that all gifts and awards are distributed to students and used for the intended purposes.

2.2 Food and meals

The district does not have a formal policy regarding the purchase of food and meals while not on travel status and adequate documentation was not usually available to support these purchases. The amounts spent by the district on food and meals, excluding child nutrition and employee meal costs while on travel status, were as follows:

Fiscal Year		Amount
2008	$	924,367
2009		778,605
2010		330,497

The amount expended on food and meals was reduced in 2010 as a result of two policy changes. Internal controls were improved through the elimination of procurement cards (the majority of food and meals were purchased with these cards) and by requiring the use of purchase orders for all purchases. Food and meals were further reduced in 2010 through budget cuts (food and meals were cut 50 percent). We identified the following

concerns when reviewing food and meal charges made by board members and district employees.

- Between July 2008 and June 2010, board members and former Superintendent Coleman purchased food totaling $3,707 with district procurement cards. While some of these purchases were for catering for meetings at the Board of Education office, the majority were for meetings held at restaurants in Kansas City. For example, one board member charged $103 to a procurement card on April 18, 2009, and another charged $70 to a card on March 2, 2010. Detailed receipts were included with the procurement card logs, but there was nothing to indicate who attended and the purpose of the meetings.

- District employees purchased food and meals for staff meetings; staff appreciation events; retirement parties; staff trainings; and student field trips, award ceremonies, banquets, dances, graduation ceremonies, and performances. For most purchases reviewed, the names of those in attendance were not documented and, in some instances, the purpose was not documented. For example, $938 was paid to a vendor in May 2009 for a staff meeting lunch; however, those in attendance were not documented.

Without detailed supporting documentation, including the purpose of the event and the attendees, the district cannot determine if the expenditures were reasonable and necessary uses of public funds. The district should develop a comprehensive policy establishing guidelines for food purchases, including a requirement that the purpose of all food and meal purchases be sufficiently documented to ensure public funds are spent only when necessary for the operation of the district.

2.3 Superintendent car allowance

The $800 monthly car allowance included in Superintendent Covington's contract did not appear reasonable, especially considering the district owns a car available for administrative staff to use, including the Superintendent's use. The payment was intended to cover the Superintendent's in-district travel costs. The mileage rate allowed by the Internal Revenue Service for business travel during 2010 was 50 cents per mile, down from 55 cents in 2009. At 50 cents per mile, the Superintendent would have to travel an average of 1,600 business-related miles per month to earn $800 in reimbursement.

The Superintendent's car allowance appeared unreasonable and did not appear to be an efficient use of district funds. The car allowance should be based on a reasonable estimate of miles driven in-district monthly.

Recommendations

The Kansas City School Board:

2.1 Ensure adequate documentation is maintained for the distribution of student incentives.

2.2 Develop a comprehensive policy regarding food purchases. This policy should establish specific guidelines regarding proper and allowable expenditures, along with documentation requirements including the purpose of meetings and individuals in attendance.

2.3 Set the Superintendent's car allowance at a more reasonable level.

Auditee's Response

The Kansas City School Board provided the following written responses:

2.1 Under current guidelines, student incentive programs, awarding items of nominal value, are handled primarily by the school, paid with local school fund-raisers and donations.

2.2 Purchase of food, unless there is a demonstrated need or requirement is discouraged. Certain grants require the district to meet family involvement and participation standards, and recommend food be provided as an encouragement to attend. On a limited basis, professional development activities, funded by state and federal grants allow for the purchase of food. District procedures now require the meeting agenda and attendee sign-in sheets be submitted to the Business office to document the need for the food purchased.

2.3 The travel allowance for Dr. Covington was negotiated with the Board of Directors when he was hired in 2009. The vehicle was purchased for the use of administrators for travel both within the district and out of town. The superintendent does not use the vehicle for his exclusive use.

3. Capital Assets and Surplus Property

An excessive amount of surplus property is kept in storage and is not adequately tracked. The district maintains 38 closed schools, and significant costs are incurred to maintain these schools. Controls and procedures over the annual inventory process for district-wide capital assets need to be improved, and leases for assets should be reviewed more closely.

3.1 Surplus property

The district currently maintains excessive amounts of surplus property and does not maintain a list of surplus property not capitalized, such as lunch tables, student desks, and chairs. A former school building is used as a storage facility by the district. Many rooms at the school contain classroom and office furniture and computer equipment, most of which is obsolete. The property is stored in an unorganized manner, and it is difficult to tell exactly what is available for use.

In February 2011, the district disposed of 19 vehicles and surplus food service equipment through online auctions, and the proceeds from these sales totaled $15,390. Prior to that, the district had not had a surplus property sale since 2005. In addition, while the district recently disposed of some obsolete computer equipment, there is still a significant amount of this equipment on hand. The current administration indicated this is an area it plans to address as soon as time allows.

By maintaining a complete and accurate inventory of surplus property and making all schools aware of surplus property items available, the district helps ensure any school in need of such property can have access to it and purchases of equipment already on hand can be avoided. Any unused or obsolete equipment should be disposed of properly to generate revenues and/or clear out storage space.

3.2 Unused buildings

The district maintains a large number of unused buildings and paid a significant amount for utilities for these closed schools during the last fiscal year. According to district officials, approximately $2.2 million was paid for utilities and insurance at the closed schools during the year ended June 30, 2011. At June 30, 2010, the district had 38 closed schools with a total net book value of approximately $49 million, and seven vacant lots. Twenty-one buildings were closed in 2010 (one was reopened); nine were closed in 2009; and nine were closed prior to 2009.

The district has recently increased its efforts to sell most of the properties, but must deal with significant constraints. The buildings are owned by the Kansas City Missouri School District (KCMSD) Building Corporation, a not for profit entity, and any sales must be approved by the KCMSD Building Corporation. In addition, some of the buildings must be sold to a not for profit entity, as required in the bond indenture documents.

According to district officials, 8 closed buildings are being retained for future district use and the district is currently evaluating the other 30 closed buildings to determine their potential for alternative uses. In addition, the district hired an individual in January 2011, who will be responsible for the coordination, management, and oversight of the repurposing of the closed schools.

By allowing many of these buildings to remain unused and to deteriorate, the district will not receive maximum value for the properties and will pay significant amounts for utilities and insurance in buildings that are not being used to educate students.

3.3 Inventory

Property movement procedures are not followed. As a result, the capital asset list is inaccurate and a large number of assets cannot be accounted for each year during the annual inventory. In addition, the annual inventory is not completed in a timely manner.

Equipment, furniture, and vehicles were valued at $31.1 million at June 30, 2010. The annual physical inventory for fiscal year 2010 was performed at 58 district buildings, included 56,600 items, and took 8 months to complete. The district contracted with a vendor at a cost of $24,000 to perform physical inventories at 36 locations to speed up the inventory process, and the contractor almost always completed the inventories of each location within 2 months. The remaining 22 locations were inventoried by property custodians including teachers, administrators, custodians, etc. who were paid $500 each ($11,000 total) and the inventories at each location took about 5 months to complete.

Our review of fiscal year 2009 and 2010 inventory records revealed a large numbers of assets at various locations could not be located during the inventory process. The results of the 2010 inventory indicated 4,420 items (8 percent), valued at $2.6 million, were not located. In 2009, 54,244 items were inventoried at 54 locations, and the results indicated 4,649 items (9 percent), valued at $2.7 million, were not located. The Asset Manager indicated that after a school's annual inventory is completed the Principal and the Property Custodian must complete an Asset Validation form to verify the assets were not located at that building. No other documentation was available to indicate the misplaced items were investigated. The majority of the misplaced items listed on the Asset Validation forms are laptop computers, other computers, cameras, and other electronic equipment.

The Asset Manager indicated one reason the asset list is not accurate is that procedures in place for property movement are not followed. Property transfer forms, which notify the Asset Manager of property movement, are not always accurate or complete or are not sent to him in a timely manner. We discussed the missing items with the Asset Manager who indicted these items were most likely moved to the district's storage facility, and no property movement form was completed or submitted to him as required. However, we found no documentation to indicate that any of the misplaced items were later located at the district's storage location. In addition, the district has not developed procedures to determine if misplaced items from the annual inventory at a certain location were moved to another location (other than the storage facility) without completion of a property transfer form. During our test of property at the district's storage facility, four of five items tested were not on the district's inventory list at that location, and had apparently been moved there without notifying the Asset Manager. Instead, the property items were still listed at the schools where they had been previously located.

District assets represent a considerable investment and should be adequately safeguarded from loss or theft. The district should consider conducting more frequent inventories of sensitive items which are highly susceptible to loss or theft or have a high level of desirability for personal use. Any items not located should be investigated immediately. Failure to do so reduces the

possibility the items will be located. Without documentation of property changes and movements, the capital asset records are likely to be inaccurate.

3.4 Leased copiers

Leased assets are not controlled and accounted for properly. The district had a contract to lease 282 digital copiers at an estimated total cost of $2.75 million over 4 years ($9,750 per copier). The contract expired on June 30, 2011.

Accounting personnel indicated copiers are inventoried prior to awarding a new contract and replaced based on usage needs. We obtained a list of the leased copiers and their original locations from the Board Services office. Fourteen copiers were listed as being located at five closed schools. At our request, the district attempted to locate these 14 copiers. The Purchasing Manager found that three of the copiers had been moved to another building, two were still at a closed school, and nine were moved to storage. Eleven copiers in total were not in use and the district continued to incur expenditures for these copiers.

To eliminate unnecessary expenditures, leased copier contracts should be monitored and contracts for unused copiers canceled.

Recommendations

The Kansas City School Board:

3.1 Maintain an inventory of surplus property and make a list of surplus property available to the schools. Any unusable items should be disposed of properly.

3.2 Continue efforts to identify alternative uses for surplus real estate properties and sell the properties which cannot be utilized for another purpose.

3.3 Ensure the annual physical inventory is performed in a timely manner, and missing items are promptly investigated and compared to lists of assets located at locations other than the one listed in the inventory system. Appropriate controls should be implemented to safeguard assets highly susceptible to loss or theft. In addition, the board should ensure property movement forms are complete, accurate, and submitted in a timely manner.

3.4 Conduct periodic inventories of leased copiers and consider amending the copier lease to allow for the return of unused copiers or relocate them to another building where they may be utilized.

Auditee's Response

The Kansas City School Board provided the following written responses:

3.1 In June 2010, the district closed 30 buildings, and in the ensuing months has been cleaning out the closed buildings, transferring property to open schools, and auctioning off surplus property the

district no longer needs. The Fixed Assets, Purchasing, Information Technology, and Facilities Departments have jointly worked to audit the contents of each closed building. Remaining items determined to be re-utilized in the schools have been inventoried, made available for school administrators to review, and are moved into their schools.

An inventory company was hired to work with the Property Manager to validate all items moved from closed to open schools. All items were scanned when leaving a closed school and rescanned at their final destination. The receiving school verified the items they received. A detailed listing of items moved was provided to the Property Manager to update the database. To date, the process has resulted in 100% accountability of moved items, with nothing stolen or lost.

The district has contracted with the City of Kansas City, Missouri to inventory and auction off assets that were jointly determined by the district and the City's Surplus Property Manager to have a resale value. The City moves the assets to their secured warehouse where the items are available for the public to preview. Upon sale of asset, the City provides the Property Manager a bill of sale, checks and summary of items sold. The district to date has received approximately $50,000 for these items.

3.2 *The Board of Directors established an Office for Repurposing in January 2011. The board funded a repurposer and staff to oversee the transformation of the 38 closed buildings resulting from several years of school closures. The plan is to involve the community in decisions for the most effective use of the buildings for either education or non-education use. The repurposer has proposals for the Board of Directors to either lease or sell the remaining closed sites, unless the buildings have been moth-balled for future district use. The goal is to not only prevent neighborhood blight caused by closed buildings, but also generate revenues from the lease and or sale of buildings. This will enable the District to save significant dollars currently paid for utilities and insurance for these buildings.*

3.3 *To ensure inventories are completed timely, all inventories, taken after July 1, 2011, will be performed by the third party vendor. The inventories are scheduled in the buildings from the beginning of October through the end of April. Each high school takes three to four days and an elementary school two days. Two days after the vendor completes the inventory, the fixed asset manager issues a report to the principal/site administrator, providing the results of the inventory. Depending on the size of the building, the principal/administrator is given fourteen to twenty one days to*

investigate unlocated items and report the result back to the fixed asset manager.

The district tags and tracks approximately 56,000 items ranging from small electronics to curriculum tools to cafeteria equipment. These items are located in 58 school and administrative sites. Annually every site is inventoried to account for each item. Each inventory item is tracked by building and room location.

In 2008, the Board of Directors voted to re-align grade configuration in the school buildings, moving from an elementary, middle and high school format to K-8, 9-12 configurations. As the results of this change, approximately 40% of all inventoried items were moved to a new room in a building or from one building to another or deemed surplus and moved into storage for future disposition.

In May, 2010 the Board of Directors voted to right-size the district by closing 30 schools at the end of school year 2010 and change the grade configuration from a Pre-K, K to 8 and 9 to 12, to a Pre-K to 6, and 7 to 12 configuration. As soon as the 2010 school year ended, the district had a few short months to prepare the remaining open buildings to handle the increased enrollment from students transferring from the closed buildings. Massive amounts of property were moved from the closed schools to open schools. Elementary schools now needed desks, books and equipment for three and four year old students as well as middle school students. As the FY11 school year opened, inventoried items were moved between classrooms to address student needs. The massive amount of movement of property during the short time did not allow for a comprehensive and orderly inventory of property movement. Rather than engage in a special inventory, the regular annual inventory process was used to update the movement of property. Because every site is not done at once, an item moved from one site to another, would be classified as unlocated at the original site until the receiving site where it was moved was inventoried.

Beginning in early 2010, to improve the safekeeping of mobile electronic devices, the district began utilizing various technologies tracking and monitoring options. The district utilizes an asset recovery service whereby software is loaded on every district computer. When the computer connects to the internet, the IP address where the computer is located is recorded. Reports are generated daily notifying the Property Manager of computer locations. Email alerts are sent to the Property Manger when the computer is used somewhere other than authorized IP addresses, or if the computer is modified or its' configuration changed.

If a computer is reported missing, the tracking technology allows the software administrator to send a message to the computer when it logs into the web, and freeze the device. Stolen property is reported to the police, and the asset recovery software vendor guarantees recovery of the property or compensation if not recovered.

Before devices are issued to employees, they are required to sign paperwork making them personally responsible for the custody of the property. Procedures will be put in place beginning July 1, 2011, which will require periodic visual verification by the school administration of items susceptible to loss or theft.

3.4 *In conjunction with the closing of school buildings, and realigning of grade configurations in the remaining sites, in August, 2010 the district conducted an evaluation of district wide copier needs. The number of copiers has been reduced from 282 to 125, as of July, 2011.*

4. Board Procedures

Violations of the Sunshine Law were identified, including the failure to publicly announce and document the vote and reasons for closing a meeting, and failing to demonstrate how some issues discussed in closed meetings were allowable under the Sunshine Law. In addition, a board member did not abstain from approving a contract where a conflict existed.

4.1 Sunshine Law

The district did not always adhere to the requirements of the Sunshine Law when conducting closed meetings. The board typically holds a closed session meeting before each public meeting. During our review of the closed session minutes, we noted the following concerns:

- While a vote is taken on the issue of closing the meeting and reasons are cited for the closure, this vote is taken in the closed meeting and documented in the closed minutes; the votes and reasons for the closure are not announced publicly and documented in the open session minutes, as required by state law.

- The motion to go into closed session typically cites legal, personnel, and real estate matters as the topics to be discussed. However, we noted that not all of these topics are discussed at each closed session.

- Minutes were not always sufficient to demonstrate how some issues discussed in closed meetings were allowable under the Sunshine Law. We noted issues such as discussions of compliance concerns related to the Head Start program, discussion of possible staff reductions due to budget reductions, numerous staff contract renewals where specific work performance was not documented,

purchase of a car, and approval of service contracts to install boilers at two schools.

The Sunshine Law, Chapter 610, RSMo, states the specific reasons governmental bodies are allowed to close a public meeting and states the vote to close a meeting, and the specific reasons for closing the meeting, are to be announced publicly at an open meeting and entered into the minutes. Citing potential issues that may be discussed in a closed meeting appears to circumvent the intent of the law. In addition, Section 610.022, RSMo, states that meetings shall only be closed for the specific reasons announced to justify the closed vote or meeting.

4.2 Conflict of interest

The contract to operate the African Centered Education (ACE) Program and the contract with the Mid America Regional Council (MARC) for the subaward of Head Start grant funding may represent conflicts of interest as former board members failed to submit a statement of interest or abstain from voting on all matters concerning the contracts.

Former board member Marilyn Simmons was employed by a company owned by the ACE board president. In addition, former board member Cokethea Hill was employed by the MARC.

The Board's current policy which was adopted in June 2010 requires members to annually disclose their involvement with organizations or with vendors, staff, or students and any other association that might be reasonably seen as representing a conflict of interest. Further, while the prior conflict of interest policy did not prohibit a member from voting on motions for the district to do business with the entities that employ the board member, it did require the member to submit a statement of interest if the member had a substantial personal or private interest in a decision before the board. A substantial interest was defined as existing when the member, his or her spouse, or dependent children, either singularly or collectively, directly or indirectly owned ten percent or more of any business entity; owned an interest having a value of $10,000 or more in any business entity; or received a salary, gratuity, or other compensation or remuneration of $5,000 or more from any individual, partnership, organization or association within a calendar year. The former board members failed to submit statements of interest as required prior to voting on the contracts.

To reduce the appearance of a conflict of interest, related parties should abstain from voting.

Recommendations

The Kansas City School Board:

4.1 Ensure the vote and reasons for closing a meeting are announced publicly and documented in the open meeting minutes and potential topics are not listed unless the board actually plans to vote on or

discuss those issues. In addition, the board should ensure items discussed in closed meetings are allowable topics under state law.

4.2 Avoid the appearance of conflicts of interest.

Auditee's Response

The Kansas City School Board provided the following written response:

4.1 The District consistently strives to strictly adhere to the narrow construction of the Open Meeting Law. We will provide more detail of the proceedings in the Closed Meeting minutes to support and reflect those efforts.

4.2 On June 23, 2010 the Board of Directors adopted a Conflict of Interest and Disclosure policy. The policy establishes a process for self management, enforcement and administration of the policy. Annually board members will complete a Conflict Disclosure form identifying any relationships, positions, or circumstances in which he/she is involved that could contribute to a conflict of interest or the appearance of a conflict of interest.

5. Personnel Issues

The district has not established an adequate method to identify related employees. Overtime paid appears excessive, and no controls were in place until recently to help monitor the amount of overtime employees were working.

5.1 Related parties

The district has not established an adequate method to identify related employees. The board policy manual states the Superintendent shall not allow the district to operate without sufficient written rules, expectations, and processes, whether written or not, that fail to avoid conflict of interest or subject staff to wrongful conditions, including nepotism and preferential treatment based on personal or unprofessional reasons. The district does not require new employees to identify all current district employees they are related to. In addition, the district does not maintain a record of related parties.

The lack of a formal policy and the absence of data on related employees increases the likelihood of weakened internal controls and a lack of independent evaluation of employee performance.

5.2 Overtime

Prior to fiscal year 2010, overtime was not monitored. The district does not have a policy limiting the amount of overtime an employee is allowed to work. In addition, while pre-approval of overtime is now required, we noted several instances where pre-approval was not obtained. As a result, the amount of overtime paid to employees was excessive.

Fiscal Year		Amount
2008	$	2,945,367
2009		2,535,671
2010		1,031,717

We noted numerous employees received significant amounts of overtime compared to their normal salary. One custodial foreman received overtime payments totaling over $56,000 and $30,000 during fiscal years 2009 and 2010, respectively; his normal salary is $41,509.

The new administration began monitoring overtime and approved a new overtime policy in fiscal year 2010, and as a result, reduced overtime by more than 64 percent. The new policy requires all overtime to be pre-approved by the employee's supervisor, department head, and the Chief Financial Officer. While overtime was reduced, we noted the pre-approval of overtime by the various required supervisors was not always obtained.

Security officers and custodians account for more than 50 percent of all overtime expenses. Cost analyses or studies to determine whether hiring additional employees would be more cost effective than paying significant amounts of overtime to existing staff have not been performed. Some changes have already been made by the new administration in both departments. Lead positions were eliminated; thereby reducing the ability of these employees to receive more overtime than others as a result of their supervisory position. The district is currently in the process of determining additional cost saving measures for these departments including outsourcing the services.

The district should limit the amount of overtime an employee is allowed to work to ensure payroll is used as efficiently as possible. An analysis of overtime would help to determine causes of overtime and identify ways to reduce these costs. Policies regarding pre-approval of overtime should be followed to ensure overtime is necessary and all supervisors are aware of the amount of overtime incurred by employees.

Recommendations

The Kansas City School Board:

5.1 Establish procedures to update related party information, verify information with each employee periodically, and ensure individuals are not working in conflicting employment capacities.

5.2 Perform a cost analysis to determine whether hiring additional employees would be more cost-effective than paying significant amounts of overtime to existing staff. In addition, the board should ensure overtime is pre-approved in accordance with policy.

Auditee's Response

The Kansas City School Board provided the following written responses:

5.1 Every employee will be required annually, to complete a questionnaire disclosing relationships with other employees, or board members.

5.2 The overtime policy put into place with this administration has resulted in a reduction in overtime costs from $2.8 million in FY09, to $1.1 million in FY10, and projected to be less than $550,000 in FY11. Budget holders have been asked to evaluate the use of overtime, and part time positions have been established where applicable to reduce overtime costs.

6. Accounting Controls

Due to inadequate controls over student activity funds, the district did not detect unauthorized disbursements totaling $58,000 made by the former Principal of Lincoln College Preparatory Academy. In addition, district bank accounts are not reconciled on a timely basis.

6.1 Unauthorized disbursements

Internal controls over student activity funds and procedures for monitoring disbursements and withdrawals from these accounts by internal audit, especially during summer months, are inadequate. As a result, the former Principal at Lincoln College Preparatory Academy, Jamia Dock, made unauthorized disbursements and unauthorized cash withdrawals from student activity funds.

The Student Activity Policy requires the treasurer (any school employee) at each school to deposit all monies received for student activities and disburse the monies for appropriate expenses upon the submission of an invoice or other adequate documentation. Two signatures are required for all disbursements. Further, the policy requires each treasurer to submit activity reports including copies of all invoices and bank reconciliations to internal audit by the 15th of every month; however, June, July, and August are not required to be submitted until September 15th. The May 2009 report submitted by the Lincoln College Preparatory Academy Treasurer on June 15, 2009, indicated a balance of $40,741. The majority of the inappropriate disbursements occurred between June and August 2009 and may have been caught in a more timely manner if monthly reports had been submitted during those months.

In August 2009, the district was contacted by its depository bank and informed that the student activity account balance for Lincoln College Preparatory Academy was negative. In addition, the former Treasurer of the student activity account informed the district about an inappropriate alteration of a deposit slip by Ms. Dock. While the former Principal was the second signature on the account, deposits were supposed to be made by the Treasurer. The district hired an auditing firm to perform a forensic investigation of the account. The auditing firm identified $58,849 in either unauthorized transactions or un-deposited receipts by the former Principal.

Between July 2008 and June 2009, 56 checks totaling $28,526 were issued from the student activity fund to the former Principal and vendor receipts were not located to support 45 of those payments or $23,226. The district was able to recover $33,744 from the bank.

In addition, the former Principal initiated and signed 39 withdrawals via bank counter checks at various bank branches between June and August 2009, after the student activity account check book had been turned in to the district office for the summer. The total amount of the counter checks was $47,729, of which $33,196 were for cash and $14,533 were for 17 cashier checks. Adequate supporting documentation was submitted by the former Principal for 15 of the cashier checks; however, no supporting documentation was submitted to internal audit for the $33,196 in cash and two cashier checks, totaling $1,262, as required by policy.

Also, the auditing firm noted four deposits slips totaling $1,774 of which $1,165 was not deposited. These deposits were prepared by the former Treasurer and given to the former Principal for deposit.

The district terminated Ms. Dock in September 2009, and contacted both the Kansas City, Missouri, Police Department and the county Prosecuting Attorney. Charges were filed against her in March 2011. Ms. Dock was hired as the Principal of the ACE Upper Campus (a district contractor) for the 2010-2011 school year.

Since the identification of the unauthorized transactions, the district has improved internal controls over student activity fees at six high schools and six elementary schools with the hiring of bookkeepers and the installation of standardized software to record receipts and disbursements for the 2011 school year and will implement those measurers at all schools for the 2012 school year. In addition, the district revised the written policy and procedures over student activity funds during fiscal year 2011.

Timely monthly reports, including bank reconciliations, are important to ensure bank activity and accounting records are in agreement and to detect and correct errors in a timely manner. In addition, to ensure the validity and propriety of disbursements, adequate supporting documentation should be obtained for all goods and services.

6.2 Bank reconciliations

The district checking account was not reconciled on a timely basis. During our discussion with the accounting manager in May 2010, we were told a bank reconciliation of the checking account had not been attempted since October 2009. We reviewed the October 2009 bank reconciliation and noted an unreconciled difference of $1,180. As of March 2011, the checking account has been reconciled through February 2010 with no un-reconciled difference. Accounting personnel indicated bank reconciliations were not completed in a timely manner due to multiple staffing changes that required reassignment of job responsibilities and training on the reconciliation

process. The Chief Financial Officer indicated the bank reconciliation process would be complete by the end of fiscal year 2011.

Timely bank reconciliations are important to ensure bank activity and accounting records are in agreement and to detect and correct errors in a timely manner. Lengthy delays in reconciling bank accounts could result in significant errors or discrepancies going undetected for an extended period of time.

Recommendations

The Kansas City School Board:

6.1 Continue to work with law enforcement officials regarding criminal prosecution for the missing funds. In addition, the board should ensure student activity accounts are reconciled on a timely basis and adequate supporting documentation is submitted before payments are made.

6.2 Ensure bank accounts are reconciled on a timely basis.

Auditee's Response

The Kansas City School Board provided the following written responses:

6.1 In July, 2010 the district hired bookkeepers for all high schools and the largest elementary schools. In June, 2011 additional bookkeepers were hired to staff the remaining elementary schools. During FY11, the internal audit department conducted site visits throughout the year to review student activity reconciliations and record keeping. Throughout the year, the bookkeepers work closely with the Accounting Manager and ongoing training is conducted to reinforce processes and procedures. A student activity software system was purchased in June, 2010, and utilized at each school staffed with a bookkeeper. The software allows the Accounting Manager to remotely monitor reconciliations.

During school year 2009-2010 a decision was made to expand the scope of the FY10 district annual financial audit to include audits of the student activity accounts. The results of that audit were incorporated into the ongoing training of bookkeepers, principals, and support staff in the schools.

6.2 As part of the downsizing needed to bring fiscal stability to the organization, the district made a number of staffing reductions and realignments of duties within the Business division. A permanent staff assignment of the bank reconciliation duties was made in June, 2010 and the reconciliations are now reconciled timely.

7. Textbook Procedures

The district does not adequately account for all textbooks purchased. Annual textbook inventories are not documented and students are not held accountable for lost or stolen textbooks. In fiscal year 2010, textbook expenditures totaled approximately $4.4 million.

Administration at each school building is responsible for storing, inventorying, and ordering (through the district textbook coordinator) books; distributing books to staff and students; and maintaining textbook documentation in a database. However, no formal textbook policies and procedures have been developed. As a result, annual inventories are not documented.

According to the student handbook, any book, equipment, or material loaned to a student will be charged to the student at replacement cost if it is not properly returned or it is destroyed or mutilated. In addition, each student and parent/guardian is required to sign a textbook receipt acknowledgement form. However, district personnel indicated this policy was new in the 2009-2010 school year and is not enforced district wide.

Recommendation

The Kansas City School Board establish uniform written policies and procedures which clearly document the duties and responsibilities of the district textbook coordinator and the administration at each school. In addition, the board should develop procedures to ensure students are charged for unreturned, destroyed, or mutilated textbooks in accordance with the student handbook.

Auditee's Response

The Kansas City School Board provided the following written response:

The district is in the process of replacing the student record system software with one that allows for the inventory and assignment of textbooks to individual students. This should allow for increased accountability of the student, and will allow administration to track how well the local school administration enforces procedures outlined in the student handbook.

8. Transportation Costs

Despite its declining financial condition, the district has not adopted certain cost saving measures in its transportation department. During the school year 2009-2010, the district spent approximately $15.1 million on pupil transportation and expects to expend $14.3 million in fiscal year 2011.

The district currently has a 1.5 mile walk-zone and provides free transportation to students living at least 1.5 miles from a school. Per Section 167.231.1, RSMo, the district is only required to provide free transportation to students living more than 3.5 miles from school. An analysis of potential costs savings of increasing the walk zone has not been performed.

In addition, the district chose to reduce the number of bell times from three to two for the 2010-2011 school year due to the elimination of middle schools. Elementary schools now serve pre-kindergarten through sixth grade and high schools serve grades 7 through 12. In a memo to the Chief Operating Officer in April 2010, the contracted transportation management company recommended maintaining a three-tier bell time structure, because moving to a two-tier bell time would require an additional 50 to 100 buses and increase transportation costs between $1 million and $4 million. Rather than follow the recommendation of the transportation management contractor, the district increased the bus load counts and implemented other measures to keep the transportation budget for fiscal year 2011 from increasing. Had the district kept the three-tier bell time structure and implemented other cost saving measures, significant cost savings may have been realized.

In light of the current financial condition of the district, the district should evaluate the potential cost savings of a three-tier transportation schedule and increased walk-zone to reduce transportation costs further.

Recommendation

The Kansas City School Board evaluate a three-tier transportation schedule and increased walk-zone for potential cost savings.

Auditee's Response

The Kansas City School Board provided the following written response:

The Kansas City, Mo School District, after right-sizing, has two grade configurations for its schools: K-6 for Elementary and 7-12 for the High Schools. With this configuration, the District does not require a 3 tier bus schedule. The distance for walkers to the schools is less than the required 3.5 mile distance.

The District looks for every opportunity to find costs savings in transportation operations. However, Board of Directors and the District administration believe the safety and attendance of our children, not the cost of transportation, is our primary concern, and will determine the transportation schedule and ridership based on that priority. This district puts a high priority on improving attendance and reducing dropouts. Extending walk-zones is not a strategy that supports those efforts.

9. Financial Condition

As a result of the reductions made to expenditures in the general operating funds during the 2 year ended June 30, 2011, the district's financial condition has stabilized. As discussed in our previous audit report, No. 2010-109, *Kansas City 33 School District Financial Condition and Projections*, expenditures exceeded revenues (excluding other financing sources) in the operating funds for the years ended June 30, 2008, 2009, and 2010. As a result, the fund balance of the undesignated operating funds decreased from approximately $74.3 million at July 1, 2006, to $56.9 million at June 30, 2010. The fund balance is projected to be approximately $57.7 million at June 30, 2011.

As detailed in our prior report, the declining financial condition resulted from several factors, including but not limited to, decreased funding from the state, declining student population, declining property valuations, and increased enrollment in charter schools in the Kansas City area. As discussed in this report, there are several areas in which expenditures could have been reduced sooner to help improve the district's financial condition.

The following table depicts actual fiscal year 2010 financial information per the financial statements, as well as 2011 and 2012 budget information:

Operating Funds	2010 Actual	2011 Budget	2012 Budget
Beginning Balance	$ 57,260,601	56,958,379	54,121,196
Revenues	284,841,558	258,072,165	220,905,818
Expenditures	269,916,955	260,600,342	223,420,021
Other financing sources (uses)	(15,226,825)	3,227,033	2,746,400
Ending Balance	$ 56,958,379	57,657,235	54,353,393

The $9.3 million net reduction from 2010 actual expenditures to 2011 budgeted expenditures has resulted from numerous actions taken by district management including closing schools, canceling and/or renegotiating $30 million in district contracts, and the elimination of 900 full-time equivalent positions.

The district has projected revenues in 2012 of approximately $220.9 million, a decrease of about $37.1 million from 2011. The district is expecting a decrease of $3.5 million in local taxes, $13.6 million in state funding cuts, and $19.7 million in federal funding cuts (including ARRA funding of $18.9 million). In order to balance the budget, the district is planning to cut $17.1 million from the district's operating funds and $1 million in child nutrition services. The reductions will be achieved through various cost saving measures including eliminating approximately 346 positions, cutting 10 percent from most departments, and canceling and/or renegotiating more contracts.

Recommendation

The Kansas City School Board continue to monitor the district's financial condition and take appropriate action as necessary.

Auditee's Response

The Kansas City School Board provided the following written response:

The district's FY11amended budget projects an ending fund balance of $58.4 million, an increase of $1.44 million or 2.5% over FY10. On May 18, 2011, the board of directors adopted the FY12 expenditure budget funded with current year revenues, not requiring use of fund balance. This was accomplished by reducing full time equivalent positions by 345.97 and

reducing expenditures by $37.18 million when compared to the FY11 budget.

Kansas City 33 School District
Organization and Statistical Information

The Kansas City 33 School District is located within the corporate limits of Kansas City, Missouri.

The district operates 7 high schools (grades 7 through 12), a vocational school, an early childhood center, and 27 elementary/middle schools (grades Pre-Kindergarten through 6). Enrollment was 17,524 for the 2010-2011 school year. The district employed approximately 3,010 full- and part-time employees at June 30, 2010.

At June 30, 2010, the Kansas City 33 School District was classified under the Missouri School Improvement Program (MSIP) as "Provisionally Accredited" by the Missouri Department of Elementary and Secondary Education. A provisionally accredited district has not met enough of the MSIP standards and indicators to be accredited.

School Board

An elected board acts as the policy-making body for the district's operations. The board's nine members serve 4-year terms without compensation. Members of the board at June 30, 2010, were:

Airick L. West, President
Derek Richey, Vice President
Arthur A Benson, Member
Kyleen Carroll, Member
Joseph Jackson, Member
Duane B. Kelly, Member
Crispin Rea, Jr., Member
Marilyn Y. Simmons, Member
Ray Wilson, Member

Superintendent

The district's superintendent at June 30, 2010, was Dr. John W. Covington and his annual compensation was $280,483 which consists of a base salary of $250,000; supplemental insurance (life, disability, and other) of $15,000; car allowance of $9,600; and the value of health, dental, and vision benefits which totaled $5,883 in fiscal year 2010. The superintendent's compensation is established by the board.

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

According to district personnel, the district was awarded the following American Recovery and Reinvestment Act of 2009 funding:

A Title I Grant to Local Education Agencies was awarded by the U.S. Department of Education to the state of Missouri Department of Elementary and Secondary Education (DESE). Through this grant, the DESE awarded the district $8,598,741 of which, $4,136,291 was received during the year ended June 30, 2010. The district expended $4,768,621 during the year ended June 30, 2010, to assist with salaries and fringe benefits for 83 supplemental teachers, paraprofessionals, instructional coaches, after school tutoring, and student targeted instructional materials and technology.

A Title I, Part D Grant to Local Education Agencies was awarded by the U.S. Department of Education to the DESE. Through this grant, the state of Missouri DESE awarded the district $79,554 of which, $4,962 was received during the year ended June 30, 2010. The district expended $2,003 during the year ended June 30, 2010, for two teachers, a paraprofessional, and classroom supplies.

Special Education Grants to States were awarded by the U.S. Department of Education to the DESE and $5,785,160 was awarded to the district of which, $2,538,232 was received during the year ended June 30, 2010. The district expended $4,573,042 during the year ended June 30, 2010, to pay for salaries and fringe benefits for 19 full time certified and classified classroom positions, a part-time nurse, and an administrator; professional development; and assistive technologies and computer equipment, supplies, and instructional materials.

An Early Childhood Special Education Grant was awarded by the U.S. Department of Education to the DESE and $178,094 was awarded to the district of which, $6,320 was received and $33,408 was expended during the year ended June 30, 2010, for contracted specialized educational services.

State Fiscal Stabilization Fund (SFSF) - Education State Grants were awarded by the U.S. Department of Education to the DESE and $17,572,996 was awarded to the district. The district received and expended $16,435,592 during the year ended June 30, 2010, for 262 certified staff salary and fringe benefits, a stipend for certified staff voluntarily participating in professional development, and transportation of students to and from school by bus for a portion of a month.

An Education Technology State Grant was awarded to the DESE by the U.S. Department of Education and $239,940 was awarded to the district. The district received $209,364 and expended $179,308 for salaries and fringe benefits for three resource teachers to provide education technology support to teachers and administrators.

A Head Start Grant was awarded by the U.S. Department of Health and Human Services to the Mid America Regional Council and $216,371 was awarded to the district of which no monies were received and $18,657 was expended during the year ended June 30, 2010, for playground equipment, classroom furniture, and supplies.

An Education for Homeless Children and Youth Grant to Local Education Agencies was awarded by the U.S. Department of Education to the DESE. Through this grant, the DESE awarded the district $109,066. The district did not receive or expend any of these funds during the year ended June 30, 2010.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Dade County, Missouri

The Office of the State Auditor, in cooperation with Dade County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Davis, Lynn & Moots, P.C., Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-81

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DADE COUNTY, MISSOURI

FINANCIAL STATEMENTS

Years Ended December 31, 2010 and 2009

DADE COUNTY, MISSOURI

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DAVIS, LYNN & MOOTS, P.C.
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INDEPENDENT AUDITORS' REPORT

Dade County Commission
Dade County
Greenfield, Missouri

We have audited the accompanying financial statements of Dade County, Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, these financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the Unites States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the Unites States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Dade County, Missouri, as of December 31, 2010 and 2009, or the changes in financial position for the years then ended.

Dade County Commission
Dade County
Greenfield, Missouri

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of Dade County, Missouri, as of and for the year ended December 31, 2010 and 2009, and the receipts, disbursements and budgetary results of the governmental funds for the years ended, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

DAVIS, LYNN & MOOTS, P.C.
June 10, 2011

DADE COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS
Year Ended December 31, 2010

FUND	Cash and Investment Balance January 1	Receipts	Disbursements	Cash and Investment Balance December 31
General Revenue	$ 343,467	$ 845,739	$ 944,100	$ 245,106
Special Road and Bridge	173,365	625,925	533,753	265,537
Assessment	-	132,370	113,734	18,636
Law Enforcement	-	599,346	563,723	35,623
Recorder User Fee	16,332	4,416	12,209	8,539
Law Enforcement Training	210	1,890	1,596	504
Sheriff's Revolving	604	5,674	5,141	1,137
Prosecuting Attorney Bad Check	38	7,882	4,503	3,417
Prosecuting Attorney Training	1,421	242	323	1,340
Prosecuting Attorney Delinquent Tax	2,215	-	-	2,215
Domestic Violence	40	75	75	40
Tax Maintenance	19,237	10,511	4,242	25,506
Election Services	1,278	382	1,323	337
911 Emergency Services	183,734	280,417	249,595	214,556
TOTAL	$ 741,941	$ 2,514,869	$ 2,434,317	$ 822,493

See accompanying notes.

DADE COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS
Year Ended December 31, 2009

FUND	Cash and Investment Balance January 1	Receipts	Disbursements	Cash and Investment Balance December 31
General Revenue	$ 344,291	$ 803,170	$ 803,994	$ 343,467
Special Road and Bridge	287,827	747,575	862,037	173,365
Assessment	2,926	137,516	140,442	-
Law Enforcement	(17,553)	572,278	554,725	-
Recorder User Fee	19,384	4,067	7,119	16,332
Law Enforcement Training	580	1,575	1,945	210
Sheriff's Revolving	1,284	3,802	4,482	604
Prosecuting Attorney Bad Check	4,850	8,074	12,886	38
Prosecuting Attorney Training	1,146	275	-	1,421
Prosecuting Attorney Delinquent Tax	2,215	-	-	2,215
Domestic Violence	90	115	165	40
Tax Maintenance	21,302	10,384	12,449	19,237
Election Services	603	1,022	347	1,278
911 Emergency Services	148,782	278,921	234,969	183,734
TOTAL	$ 817,727	$ 2,568,774	$ 2,635,560	$ 741,941

See accompanying notes.

DADE COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	$ 125,500	$ 136,322	$ 10,822	$ 107,200	$ 125,697	$ 18,497
Sales taxes	270,000	256,374	(13,626)	283,500	270,223	(13,277)
Other taxes	60,000	62,383	2,383	50,300	60,790	10,490
Intergovernmental	67,000	90,188	23,188	73,000	74,843	1,843
Charges for services	243,900	253,293	9,393	244,450	246,366	1,916
Interest	14,881	8,820	(6,061)	3,700	709	(2,991)
Other	1,250	21,359	20,109	1,425	4,542	3,117
Transfers in	15,000	17,000	2,000	15,000	20,000	5,000
TOTAL RECEIPTS	797,531	845,739	48,208	778,575	803,170	24,595
DISBURSEMENTS						
County Commission	78,530	77,540	990	79,730	79,620	110
County Clerk	60,615	60,595	20	61,315	57,891	3,424
Elections	46,280	48,668	(2,388)	23,650	20,593	3,057
Buildings and grounds	96,595	71,268	25,327	116,960	54,145	62,815
Employee fringe benefit	49,529	52,040	(2,511)	53,280	55,138	(1,858)
County Treasurer and Collector	79,203	78,816	387	77,953	82,882	(4,929)
Recorder of Deeds	47,450	45,144	2,306	47,495	44,729	2,766
Associate Circuit Court	30,640	27,980	2,660	28,640	24,581	4,059
Public Administrator	28,565	27,465	1,100	29,965	27,438	2,527
Insurance	21,500	19,844	1,656	13,500	20,953	(7,453)
University Extension	10,500	10,500	-	10,500	10,500	-
Local Emergency Planning Commission (LEPC)	5,000	21,858	(16,858)	3,605	3,219	386
Emergency Management	24,400	24,815	(415)	24,400	23,461	939
Other	97,700	74,567	23,133	99,277	39,777	59,500
Transfers out	283,700	303,000	(19,300)	238,000	259,067	(21,067)
TOTAL DISBURSEMENTS	960,207	944,100	16,107	908,270	803,994	104,276
RECEIPTS (UNDER) DISBURSEMENTS	(162,676)	(98,361)	64,315	(129,695)	(824)	128,871
CASH AND INVESTMENT BALANCE, January 1	343,467	343,467	-	344,291	344,291	-
CASH AND INVESTMENT BALANCE, December 31	$ 180,791	$ 245,106	$ 64,315	$ 214,596	$ 343,467	$ 128,871

See accompanying notes.

DADE COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
SPECIAL ROAD AND BRIDGE FUND						
RECEIPTS						
Property taxes	$ 507,888	$ 520,219	$ 12,331	$ 547,474	$ 502,059	$ (45,415)
Intergovernmental	527,000	99,404	(427,596)	35,600	234,843	199,243
Interest	74,688	4,702	(69,986)	4,923	9,390	4,467
Other	-	1,600	1,600	-	1,283	1,283
TOTAL RECEIPTS	1,109,576	625,925	(483,651)	587,997	747,575	159,578
DISBURSEMENTS						
Salaries	3,800	-	3,800	3,830	2,621	1,209
Employee fringe benefits	830	-	830	827	153	674
Supplies	500	462	38	1,000	207	793
Road and bridge materials	75,500	25,872	49,628	68,000	4,580	63,420
Construction, repair, and maintenance	1,002,000	257,515	744,485	570,000	565,328	4,672
Distributions to townships and road districts	-	231,500	(231,500)	-	277,375	(277,375)
Other	3,050	1,404	1,646	800	1,773	(973)
Transfers out	15,000	17,000	(2,000)	15,000	10,000	5,000
TOTAL DISBURSEMENTS	1,100,680	533,753	566,927	659,457	862,037	(202,580)
RECEIPTS OVER (UNDER) DISBURSEMENTS	8,896	92,172	83,276	(71,460)	(114,462)	(43,002)
CASH AND INVESTMENT BALANCE, January 1	173,365	173,365	-	287,827	287,827	-
CASH AND INVESTMENT BALANCE, December 31	$ 182,261	$ 265,537	$ 83,276	$ 216,367	$ 173,365	$ (43,002)
ASSESSMENT FUND						
RECEIPTS						
Intergovernmental	$ 89,121	$ 87,982	$ (1,139)	$ 104,250	$ 102,514	$ (1,736)
Charges for services	900	945	45	750	914	164
Interest	450	124	(326)	493	493	-
Other	100	2,319	2,219	-	-	-
Transfers in	41,000	41,000	-	22,500	33,595	11,095
TOTAL RECEIPTS	131,571	132,370	799	127,993	137,516	9,523
DISBURSEMENTS						
Assessor	127,131	113,734	13,397	130,585	140,442	(9,857)
TOTAL DISBURSEMENTS	127,131	113,734	13,397	130,585	140,442	(9,857)
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,440	18,636	14,196	(2,592)	(2,926)	(334)
CASH AND INVESTMENT BALANCE, January 1	-	-	-	2,926	2,926	-
CASH AND INVESTMENT BALANCE, December 31	$ 4,440	$ 18,636	$ 14,196	$ 334	$ -	$ (334)

See accompanying notes.

DADE COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
LAW ENFORCEMENT FUND						
RECEIPTS						
Sales taxes	$ 215,000	$ 215,311	$ 311	$ 230,000	$ 213,807	$ (16,193)
Intergovernmental	47,000	56,402	9,402	45,500	60,212	14,712
Charges for services	21,500	34,203	12,703	21,500	21,547	47
Interest	1,500	480	(1,020)	19	1,933	1,914
Other	45,000	30,950	(14,050)	35,600	49,307	13,707
Transfers in	262,000	262,000	-	207,500	225,472	17,972
TOTAL RECEIPTS	592,000	599,346	7,346	540,119	572,278	32,159
DISBURSEMENTS						
Sheriff	372,579	417,315	(44,736)	356,601	405,362	(48,761)
Prosecuting Attorney	90,240	94,442	(4,202)	92,270	93,196	(926)
Juvenile Officer	21,818	15,886	5,932	14,649	20,483	(5,834)
Coroner	11,750	12,081	(331)	12,700	11,939	761
Fringe benefits	49,254	23,999	25,255	45,886	23,745	22,141
TOTAL DISBURSEMENTS	545,641	563,723	(18,082)	522,106	554,725	(32,619)
RECEIPTS OVER DISBURSEMENTS	46,359	35,623	(10,736)	18,013	17,553	(460)
CASH AND INVESTMENT BALANCE, January 1	-	-	-	(17,553)	(17,553)	-
CASH AND INVESTMENT BALANCE, December 31	$ 46,359	$ 35,623	$ (10,736)	$ 460	$ -	$ (460)
RECORDER USER FEE FUND						
RECEIPTS						
Charges for services	$ 4,000	$ 4,416	$ 416	$ 4,900	$ 4,067	$ (833)
TOTAL RECEIPTS	4,000	4,416	416	4,900	4,067	(833)
DISBURSEMENTS						
Recorder of Deeds	14,000	12,209	1,791	15,000	7,119	7,881
TOTAL DISBURSEMENTS	14,000	12,209	1,791	15,000	7,119	7,881
RECEIPTS (UNDER) DISBURSEMENTS	(10,000)	(7,793)	2,207	(10,100)	(3,052)	7,048
CASH AND INVESTMENT BALANCE, January 1	16,332	16,332	-	19,384	19,384	-
CASH AND INVESTMENT BALANCE, December 31	$ 6,332	$ 8,539	$ 2,207	$ 9,284	$ 16,332	$ 7,048

See accompanying notes.

DADE COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
LAW ENFORCEMENT TRAINING FUND						
RECEIPTS						
Other	$ 1,500	$ 1,890	$ 390	$ 1,400	$ 1,575	$ 175
TOTAL RECEIPTS	1,500	1,890	390	1,400	1,575	175
DISBURSEMENTS						
Sheriff	1,700	1,596	104	1,900	1,945	(45)
TOTAL DISBURSEMENTS	1,700	1,596	104	1,900	1,945	(45)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(200)	294	494	(500)	(370)	130
CASH AND INVESTMENT BALANCE, January 1	210	210	-	580	580	-
CASH AND INVESTMENT BALANCE, December 31	$ 10	$ 504	$ 494	$ 80	$ 210	$ 130
SHERIFF'S REVOLVING FUND						
RECEIPTS						
Charges for services	$ -	$ 5,674	$ 5,674	$ -	$ 3,802	$ 3,802
TOTAL RECEIPTS	-	5,674	5,674	-	3,802	3,802
DISBURSEMENTS						
Sheriff	-	5,141	(5,141)	-	4,482	(4,482)
TOTAL DISBURSEMENTS	-	5,141	(5,141)	-	4,482	(4,482)
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	533	533	-	(680)	(680)
CASH AND INVESTMENT BALANCE, January 1	604	604	-	1,284	1,284	-
CASH AND INVESTMENT BALANCE, December 31	$ 604	$ 1,137	$ 533	$ 1,284	$ 604	$ (680)

See accompanying notes.

DADE COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
PROSECUTING ATTORNEY BAD CHECK FUND						
RECEIPTS						
Charges for services	$ 6,700	$ 7,882	$ 1,182	$ 6,700	$ 8,074	$ 1,374
TOTAL RECEIPTS	6,700	7,882	1,182	6,700	8,074	1,374
DISBURSEMENTS						
Prosecuting Attorney	6,000	4,503	1,497	8,600	12,886	(4,286)
TOTAL DISBURSEMENTS	6,000	4,503	1,497	8,600	12,886	(4,286)
RECEIPTS OVER (UNDER) DISBURSEMENTS	700	3,379	2,679	(1,900)	(4,812)	(2,912)
CASH AND INVESTMENT BALANCE, January 1	38	38	-	4,850	4,850	-
CASH AND INVESTMENT BALANCE, December 31	$ 738	$ 3,417	$ 2,679	$ 2,950	$ 38	$ (2,912)
PROSECUTING ATTORNEY TRAINING FUND						
RECEIPTS						
Charges for services	$ 270	$ 242	$ (28)	$ 265	$ 275	$ 10
TOTAL RECEIPTS	270	242	(28)	265	275	10
DISBURSEMENTS						
Prosecuting Attorney	1,421	323	1,098	600	-	600
TOTAL DISBURSEMENTS	1,421	323	1,098	600	-	600
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,151)	(81)	1,070	(335)	275	610
CASH AND INVESTMENT BALANCE, January 1	1,421	1,421	-	1,146	1,146	-
CASH AND INVESTMENT BALANCE, December 31	$ 270	$ 1,340	$ 1,070	$ 811	$ 1,421	$ 610

See accompanying notes.

DADE COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
DOMESTIC VIOLENCE FUND						
RECEIPTS						
Charges for services	$ 75	$ 75	$ -	$ 120	$ 115	$ (5)
TOTAL RECEIPTS	75	75	-	120	115	(5)
DISBURSEMENTS						
Domestic violence shelter	110	75	35	190	165	25
TOTAL DISBURSEMENTS	110	75	35	190	165	25
RECEIPTS (UNDER) DISBURSEMENTS	(35)	-	35	(70)	(50)	20
CASH AND INVESTMENT BALANCE, January 1	40	40	-	90	90	-
CASH AND INVESTMENT BALANCE, December 31	$ 5	$ 40	$ 35	$ 20	$ 40	$ 20
TAX MAINTENANCE FUND						
RECEIPTS						
Charges for services	$ -	$ 10,504	$ 10,504	$ -	$ 10,309	$ 10,309
Interest income	-	7	-	-	75	75
TOTAL RECEIPTS	-	10,511	10,504	-	10,384	10,384
DISBURSEMENTS						
Collector	-	4,242	(4,242)	-	2,449	(2,449)
Transfers out	-	-	-	-	10,000	(10,000)
TOTAL DISBURSEMENTS	-	4,242	(4,242)	-	12,449	(12,449)
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	6,269	6,262	-	(2,065)	(2,065)
CASH AND INVESTMENT BALANCE, January 1	19,237	19,237	-	21,302	21,302	-
CASH AND INVESTMENT BALANCE, December 31	$ 19,237	$ 25,506	$ 6,262	$ 21,302	$ 19,237	$ (2,065)

See accompanying notes.

DADE COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
ELECTION SERVICES FUND						
RECEIPTS						
Intergovernmental	$ -	$ 377	$ 377	$ -	$ 1,018	$ 1,018
Interest	-	5	5	-	4	4
TOTAL RECEIPTS	-	382	382	-	1,022	1,022
DISBURSEMENTS						
Elections	-	1,323	(1,323)	-	347	(347)
TOTAL DISBURSEMENTS	-	1,323	(1,323)	-	347	(347)
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(941)	(941)	-	675	675
CASH AND INVESTMENT BALANCE, January 1	1,278	1,278	-	603	603	-
CASH AND INVESTMENT BALANCE, December 31	$ 1,278	$ 337	$ (941)	$ 603	$ 1,278	$ 675
911 EMERGENCY SERVICES FUND						
RECEIPTS						
Sales taxes	$ 273,445	$ 274,897	$ 1,452	$ 292,000	$ 273,445	$ (18,555)
Charges for services	70	174	104	75	68	(7)
Interest	3,550	1,955	(1,595)	4,000	3,560	(440)
Other	1,800	3,391	1,591	1,850	1,848	(2)
TOTAL RECEIPTS	278,865	280,417	1,552	297,925	278,921	(19,004)
DISBURSEMENTS						
Salaries	180,000	164,339	15,661	187,203	168,613	18,590
Contractual services	7,500	9,649	(2,149)	11,000	9,928	1,072
Insurance	33,133	26,410	6,723	33,759	28,194	5,565
Office expenditures	3,200	2,514	686	3,273	2,035	1,238
Equipment	25,500	24,903	597	22,113	21,174	939
Building	12,000	13,000	(1,000)	9,000	9,000	-
Training	2,250	2,191	59	2,200	1,975	225
Other	12,314	6,589	5,725	13,323	3,050	10,273
TOTAL DISBURSEMENTS	275,897	249,595	26,302	281,871	243,969	37,902
RECEIPTS OVER DISBURSEMENTS	2,968	30,822	27,854	16,054	34,952	18,898
CASH AND INVESTMENT BALANCE, January 1	183,734	183,734	-	148,782	148,782	-
CASH AND INVESTMENT BALANCE, December 31	$ 186,702	$ 214,556	$ 27,854	$ 164,836	$ 183,734	$ 18,898

See accompanying notes.

DADE COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS
December 31, 2010

	Tax Sale Surplus Fund	Loanable School Fund	Intangible Tax Fund	Collector of Revenue Fund	Protested Tax Account Fund
ASSETS					
Cash and investments	$ 955	$ 14,748	$ 4	$ 3,690,641	$ 7,086
TOTAL ASSETS	$ 955	$ 14,748	$ 4	$ 3,690,641	$ 7,086
LIABILITIES					
Due to others	$ -	$ -	$ -	$ -	$ 7,086
Due to other governments	955	14,748	4	3,690,641	-
TOTAL LIABILITIES	$ 955	$ 14,748	$ 4	$ 3,690,641	$ 7,086

See accompanying notes.

DADE COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS
(CONTINUED)
December 31, 2010

	Sheriff's Office Fee Account Fund	Sheriff's Office Bond Fund	Recorder's User Fee Fund	Prosecuting Attorney's Restitution Fund	Total
ASSETS					
Cash and investments	$ 765	$ 760	$ 5,190	$ 653	$ 3,720,802
TOTAL ASSETS	$ 765	$ 760	$ 5,190	$ 653	$ 3,720,802
LIABILITIES					
Due to others	$ -	$ -	$ -	$ -	$ 7,086
Due to other governments	765	760	5,190	653	3,713,716
TOTAL LIABILITIES	$ 765	$ 760	$ 5,190	$ 653	$ 3,720,802

See accompanying notes.

DADE COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS
December 31, 2009

	Tax Sale Surplus Fund	Loanable School Fund	Intangible Tax Fund	Collector of Revenue Fund	Protested Tax Account Fund
ASSETS					
Cash and investments	$ 955	$ 21,868	$ 4	$ 3,732,177	$ 3,516
TOTAL ASSETS	$ 955	$ 21,868	$ 4	$ 3,732,177	$ 3,516
LIABILITIES					
Due to others	$ -	$ -	$ -	$ -	$ 3,516
Due to other governments	955	21,868	4	3,732,177	-
TOTAL LIABILITIES	$ 955	$ 21,868	$ 4	$ 3,732,177	$ 3,516

See accompanying notes.

DADE COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS
December 31, 2009

	Sheriff's Office Fee Account Fund	Sheriff's Office Bond Fund	Recorder's User Fee Fund	Prosecuting Attorney's Restitution Fund	Flood Control Fund	Total
ASSETS						
Cash and investments	$ 7,190	$ 609	$ 4,726	$ 445	$ 50,370	$ 3,821,860
TOTAL ASSETS	$ 7,190	$ 609	$ 4,726	$ 445	$ 50,370	$ 3,821,860
LIABILITIES						
Due to others	$ -	$ -	$ -	$ -	$ -	$ 3,516
Due to other governments	7,190	609	4,726	445	50,370	3,818,344
TOTAL LIABILITIES	$ 7,190	$ 609	$ 4,726	$ 445	$ 50,370	$ 3,821,860

See accompanying notes

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Dade County, Missouri, ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Recorder, Coroner, Collector, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note A, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

The County's operations include tax assessments and collections, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Dade County, Missouri, which consists of all funds, organizations, agencies, departments, and offices that comprise the County's legal entity.

Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statements of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following funds are used by the County:

Governmental Funds – Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds (agency funds) are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector and other officeholders.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measureable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County adopts a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Adjustments made during the year were not significant and are reflected in the budget information in the financial statements. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.
8. Budgets are prepared and adopted on the cash basis of accounting.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Although adoption of a formal budget is required by law, the County did not adopt a formal budget for the following funds:
   a. Sheriff Revolving Fund
   b. Tax Maintenance Fund
   c. Election Services Fund
10. Section 50.740, RSMo, prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for several funds of the County.

Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund are readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2010 and 2009, all bank balances on deposit are entirely insured or collateralized with securities.

NOTE B – INVESTMENTS

The County's investments at December 31, 2009, are as follows:

Investment Type	Maturity	Amount
Certificate of Deposit	2/3/2010	$ 172,188
Certificate of Deposit	3/12/2010	212,081
Certificate of Deposit	10/28/2010	78,045
		$ 462,314

NOTE B – INVESTMENTS (continued)

The County's investments at December 31, 2010, are as follows:

Investment Type	Maturity	Amount
Certificate of Deposit	3/3/2011	$ 176,188
Certificate of Deposit	3/12/2011	216,503
Certificate of Deposit	2/4/2012	115,764
		$ 508,455

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the County's deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2010 and 2009, all certificates of deposit are entirely insured or collateralized with securities.

The County does not have a policy on interest rate risk.

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2010 and 2009, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

NOTE D – PENSION PLAN – CERF

STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND

Plan Description

Dade County participates in the County Employees' Retirement Fund (CERF), a cost-sharing multiple-employer pension plan. CERF is a defined benefit pension plan which provides retirement and death benefits to plan members and beneficiaries. CERF was created and is governed by state statute, RSMo. 50.1000 to 50.1300. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The County Employees' Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to CERF, Boone County National Bank, P.O. Box 577, Columbia, MO 65202 or by calling 1-800-357-8557.

Funding Policy

Dade County's full-time employees hired before February 25, 2002, are required by state statute to contribute 0% of annual payroll to the pension plan. Dade County's full-time employees hired after February 25, 2002, are required by state statute to contribute 4% of annual covered payroll to the pension plan. The County is required by state statute to remit the fees collected under RSMo. Sections 52.290, 150.150, 137.280, 137.345 and Chapters 59 and 54, RSMo, plus interest. The required contributions have been made.

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31.

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN (continued)

The 2010 and 2009 assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per $100 assessed valuation of that property were as follows:

	2010	2009
ASSESSED VALUATION		
Real estate	$ 61,649,410	$ 61,253,460
Personal property	34,739,700	33,920,831
	$ 96,389,110	$ 95,174,291
TAX LEVY		
General Fund	$ .1400	$ .1305

The legal debt margin at December 31, 2010 and December 31, 2009, is computed as follows:

	2010	2009
Constitutional debt limit	$ 9,638,911	$ 9,517,429
General obligation bonds payable	-	-
LEGAL DEBT MARGIN	$ 9,638,911	$ 9,517,429

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

NOTE F – RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

NOTE G – LONG-TERM DEBT

In 2009, the County entered into a Promissory Note to purchase real property in the amount of $32,500. The note bears interest at 4% with principal and interest payments made monthly in the amount of $329.

In 2010, the County entered into a two year lease purchase agreement with Kansas State Bank to finance the purchase of two Ford Explorers at a cost of $36,366. The lease bears interest at 4.35% with principal and interest payments made annually.

The debt service requirements to amortize the principal of the note and lease outstanding at December 31, 2010, are listed in the table below:

Year Ended December 31,	Real Property Lease	Ford Explorers Lease	Total Lease Payments
2011	$ 3,949	$ 18,587	$ 22,536
2012	3,949	-	3,949
2013	3,949	-	3,949
2014	3,949	-	3,949
2015	3,949	-	3,949
2016	3,949	-	3,949
2017	3,949	-	3,949
2018	3,949	-	3,949
2019	655	-	655
	32,247	18,587	50,834
Portion Representing Interest	(4,776)	(808)	(5,584)
Minimum Future Lease/Loan Payments	$ 27,471	$ 17,779	$ 45,250

NOTE G – LONG-TERM DEBT

The following is the changes in long-term debt for the years ended December 31, 2010 and 2009:

	Balance December 31, 2008	Additions	Retirements	Balance December 31, 2009	Additions	Retirements	Balance December 31, 2010
Capital Lease Obiligations							
Real Property	$ -	$ 32,500	$ 2,241	$ 30,259	$ -	$ 2,788	$ 27,471
2008 Ford Explorers	-	-	-	-	36,366	18,587	17,779
	$ -	$ -	$ -	$ 30,259	$ 36,366	$ 21,375	$ 45,250

NOTE H – INTERFUND TRANSFERS

Interfund transfers for the years ended December 31, 2010 and 2009, consisted of the following:

	Transfers In (Out)	
	2010	2009
General Fund	$ (286,000)	$ (239,067)
Special Road and Bridge Fund	(17,000)	(10,000)
Assessment Fund	41,000	33,595
Law Enforcement Fund	262,000	225,472
Tax Maintenance Fund	-	(10,000)
	$ -	$ -

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statue or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE I – RESTATEMENT OF BEGINNING CASH BALANCES

Beginning cash balances have been restated to remove court accounts and special election account no longer considered special revenue funds. Cash balance has also been restated to remove 911 Emergency Services board, which is considered a separate political subdivision. The restatement is as follows:

Ending Cash Balance, as previously stated, December 31, 2008	$	836,042
Law Library		(4,674)
Circuit Clerk Interest		(13,469)
Special Election		(172)
Cash Balance, as restated, January 1, 2009	$	817,727

NOTE J – CHANGE IN REPORTING ENTITY

The E-911 fund included within the report is affected by Missouri House Bill 1492 that revised the State statutes regarding emergency service boards. This Board is currently defined as a political subdivision of the state. Therefore, they will not subsequently be included in the scope of the County for reporting purposes. The change was effective as of August 28, 2010. In accordance with this consideration, the emergency service board should not be included as part of the Dade County reporting entity subsequent to December 31, 2010.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

County Commission
Dade County
Greenfield, Missouri

We have audited the financial statements of Dade County, Missouri as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 10, 2011. Our opinion was modified because the County prepares its financial statements using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of Dade County, Missouri, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

County Commission
Dade County
Greenfield, Missouri

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider deficiencies 10-1 and 10-2 described in the accompanying schedule of findings and responses to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of Dade County, Missouri, are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that we reported to management of Dade County, Missouri, in a separate letter dated June 10, 2011.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County Commission and management, and is not intended to be and should not be used by anyone other than these specified parties.

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
June 10, 2011

Financial Statement Findings

10-1 Segregation of Duties

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Response: The limited number of available personnel prohibits segregation of incompatible duties.

10-2 Investment Activity

Condition: Certificates of deposit are being held for various funds which are not included in the County's accounting software.

Criteria: The County should include all cash and investment accounts held with banking institutions in the County's accounting software.

Effect: Incomplete financial data is displayed monthly.

Recommendation: The County should account for all investment activity with its banking institutions in the County's software.

Response: The County will include investment activity held with its banking institutions for its various funds within the accounting software.

DAVIS, LYNN & MOOTS, P.C.
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Dade County Commission
Dade County
Greenfield, Missouri

In planning and performing our audit of the basic financial statements of Dade County, Missouri for the years ended December 31, 2010 and 2009, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we identified deficiencies in internal control over financial reporting that we consider to be material weaknesses.

In addition to the material weaknesses discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters.

1. Special Revenue Funds of the County

   The County currently maintains a Sheriff's Revolving Fund, Election Services Fund, and a Tax Maintenance Fund for the benefit of the various offices of the County. Although the monies are to be used for the benefit of the various offices, these monies represent County funds. Therefore the same policies of the County regarding budgeting, receipts, and disbursements should be followed for these funds as with other funds of the County.

   We Recommend:

   The County require these funds to be deposited with the County treasurer in their respective funds. Expenditures from these funds should be budgeted and the approval process for expenditures out of these funds should follow the same procedures as with other County expenditures.

2. Budgetary Compliance

The County was not in compliance with the budgetary statute, Chapter 50, RSMo, in the current year as a actual disbursements exceeded budgeted disbursements in the Law Enforcement Fund. The County was not in compliance with the budgetary statute, Chapter 50, RSMo, in 2009 as actual disbursements exceeded budgeted disbursements in the Road and Bridge Fund, Assessment Fund , the Law Enforcement Fund, the Law Enforcement Training Fund, and the Prosecuting Attorney Bad Check Fund. The budgetary statute prohibits actual disbursements exceeding budgeted disbursements.

We Recommend:

The County review expenditures during the year and amend the budget as necessary to ensure compliance with the budgetary statute (Chapter 50, RSMo)

3. Bank Reconciliations

Although bank reconciliations were performed for some bank accounts of the County, not all bank accounts were reconciled on a monthly basis to ensure all receipts, disbursements and reconciling items had been properly recorded in the County's financial records.

We Recommend:

The County perform monthly bank reconciliations on all of its accounts. A bank reconciliation is one of the most important internal control features that can be performed by County personnel. Reconciliations must be performed on a monthly basis. These reconciliations ensure that all accounting functions have been properly accomplished and that there are no errors or irregularities in the financial reports and statements. Bank reconciliations are performed by obtaining bank statement data from all banking institutions, adding to these statements any deposits that have been included on the County's financial statements that are not on the bank's statements, and deducting any County disbursements that have not cleared the bank as of the statement date. This amount is then compared to the County's financial statements to ensure that both sources agree. This procedure ensures that all County receipts have been properly deposited into the County's bank accounts and that all disbursement checks have been accounted for and properly recorded in the County's financial statements.

4. Sheriff Fees

During the current year, the Sheriff's Department did not keep a detailed accounting for fees received, and consequently, monthly recordings into the County's software for fee revenue was not recorded until December. Upon further analytical examination, the fee revenue could not be explained as to its dollar variance between years. A detailed classification of revenue received monthly is crucial to the Department's accurate presentation of financial data.

We Recommend:

The Sheriff's Department keep a detailed accounting of fees received and submit this information monthly to the Clerk's Office to ensure accurate and complete financial data.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We appreciate this opportunity to serve as Dade County's independent auditor and the courtesies and assistance extended to us by the County's employees.

Davis, Lynn : Moots, PC

DAVIS, LYNN & MOOTS, P.C.
June 10, 2011

DAVIS, LYNN & MOOTS, P.C.
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County Commission
Dade County
Greenfield, Missouri

We have audited the basic financial statements of Dade County, Missouri for the years ended December 31, 2009 and 2010, and have issued our report thereon dated June 10, 2011. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 24, 2011, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated February 24, 2011.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Primary Government of Dade County, Missouri are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009 or 2010.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Material misstatements detected as a result of audit procedures were corrected by management for the following:

- Unrecorded Cash and Investment Activity

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 10, 2011.

Management Consultations with Other Independent Accountants

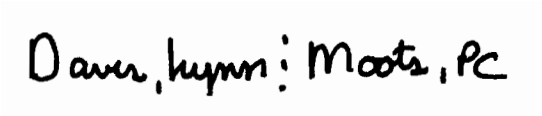
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This report is intended solely for the use of the County Commission and management of the Primary Government of Dade County, Missouri and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



DAVIS, LYNN & MOOTS, P.C.
June 10, 2011

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Dallas County, Missouri

The Office of the State Auditor, in cooperation with Dallas County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Davis, Lynn & Moots, P.C., Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-80

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DALLAS COUNTY, MISSOURI

FINANCIAL STATEMENTS

Years Ended December 31, 2010 and 2009

DALLAS COUNTY, MISSOURI

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DAVIS, LYNN & MOOTS, P.C.
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INDEPENDENT AUDITORS' REPORT

Dallas County Commission
Dallas County
Buffalo, Missouri

We have audited the accompanying financial statements of Dallas County, Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

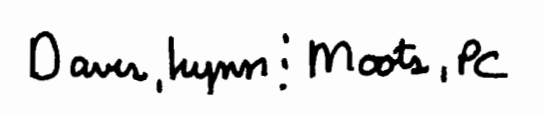
As described in Note A, these financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the Unites States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the Unites States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Dallas County, Missouri, as of December 31, 2010 and 2009, or the changes in financial position for the years then ended.

Dallas County Commission
Dallas County
Buffalo, Missouri

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of the governmental and agency funds of Dallas County, Missouri, as of and for the years ended December 31, 2010 and 2009, and the receipts, disbursements and budgetary results of the governmental funds for the years ended, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



DAVIS, LYNN & MOOTS, P.C.
April 29, 2011

DALLAS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS
Year Ended December 31, 2010

FUND	Cash Balances January 1	Receipts	Disbursements	Cash Balances December 31
General Revenue	$ 164,618	$ 1,247,789	$ 1,326,848	$ 85,559
Special Road and Bridge	236,035	1,232,715	1,261,041	207,709
Assessment	13,240	262,398	246,936	28,702
Law Enforcement Training	1,792	6,370	6,833	1,329
Prosecuting Attorney Training	3,186	1,095	3,904	377
Law Enforcement Sales Tax	6,964	881,615	873,895	14,684
Record Storage	28,360	10,153	6,622	31,891
Bad Check	9,971	15,845	25,003	813
Road and Bridge Capital Improvement	238,700	615,974	448,226	406,448
Law Enforcement Civil Fees	4,885	29,068	27,005	6,948
Local Emergency Planning	12,191	673	3,230	9,634
Jury	564	7,100	7,331	333
Election Services	4,565	2,242	985	5,822
Tax Maintenance	80,879	21,353	31,415	70,817
Passport	5,341	1,475	1,910	4,906
Sheriff's Revolving	2,154	3,116	4,005	1,265
Domestic Violence	15	500	515	-
Emergency 911	314,115	583,714	568,740	329,089
TOTAL	$ 1,127,575	$ 4,923,195	$ 4,844,444	$ 1,206,326

See accompanying notes.

DALLAS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS
Year Ended December 31, 2009

FUND	Cash Balances January 1	Receipts	Disbursements	Cash Balances December 31
General Revenue	$ 195,220	$ 1,427,174	$ 1,457,776	$ 164,618
Special Road and Bridge	185,657	1,165,813	1,115,435	236,035
Assessment	2,070	249,519	238,349	13,240
Law Enforcement Training	768	6,503	5,479	1,792
Prosecuting Attorney Training	2,848	1,072	734	3,186
Law Enforcement Sales Tax	9,704	855,436	858,176	6,964
Record Storage	24,086	11,122	6,848	28,360
Bad Check	16,557	10,970	17,556	9,971
Road and Bridge Capital Improvement	36,781	634,079	432,160	238,700
Law Enforcement Civil Fees	5,588	41,948	42,651	4,885
Local Emergency Planning	12,339	3,500	3,648	12,191
Jury	1,094	14,028	14,558	564
Election Services	2,187	3,174	796	4,565
Tax Maintenance	63,130	20,133	2,384	80,879
Passport	4,574	1,510	743	5,341
Sheriff's Revolving	843	3,542	2,231	2,154
Domestic Violence	2	522	509	15
Emergency 911	376,942	517,831	580,658	314,115
TOTAL	$ 940,390	$ 4,967,876	$ 4,780,691	$ 1,127,575

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	$ 233,500	$ 367,242	$ 133,742	$ 187,000	$ 326,695	$ 139,695
Sales taxes	550,000	566,126	16,126	585,000	566,360	(18,640)
Intergovernmental	62,500	93,404	30,904	222,463	126,713	(95,750)
Charges for services	184,125	152,903	(31,222)	374,500	219,514	(154,986)
Interest	5,000	4,713	(287)	9,000	5,293	(3,707)
Other	231,550	63,401	(168,149)	42,450	38,099	(4,351)
Transfers in	-	-	-	30,000	144,500	114,500
TOTAL RECEIPTS	1,266,675	1,247,789	(18,886)	1,450,413	1,427,174	(23,239)
DISBURSEMENTS						
County Commission	89,665	88,560	1,105	87,065	89,554	(2,489)
County Clerk	73,947	73,835	112	76,245	72,829	3,416
Elections	78,873	29,383	49,490	34,503	30,195	4,308
Buildings and grounds	52,663	61,501	(8,838)	58,850	86,119	(27,269)
County Treasurer	46,911	45,863	1,048	48,700	46,788	1,912
County Collector	111,891	109,526	2,365	116,538	108,381	8,157
Ex Officio Recorder of Deeds	45,468	44,825	643	47,320	44,474	2,846
Circuit Clerk	21,395	-	21,395	17,200	8,649	8,551
Associate Circuit Court	-	11,356	(11,356)	34,650	6,813	27,837
Court administration	9,371	7,265	2,106	10,400	5,000	5,400
Public Administrator	28,400	28,882	(482)	28,470	28,568	(98)
Prosecuting Attorney	206,505	205,758	747	207,078	195,420	11,658
Juvenile Officer	6,669	29,539	(22,870)	69,204	93,367	(24,163)
County Coroner	19,766	19,716	50	20,875	19,766	1,109
Employee benefits	122,820	124,031	(1,211)	122,670	126,849	(4,179)
Insurance	31,000	31,933	(933)	32,345	32,721	(376)
University Extension	36,700	36,700	-	36,700	36,700	-
Road Construction	-	8,577	(8,577)	-	-	-
Other	206,381	135,997	70,384	156,350	73,283	83,067
Transfers out	233,575	233,601	(26)	293,685	352,300	(58,615)
TOTAL DISBURSEMENTS	1,422,000	1,326,848	95,152	1,498,848	1,457,776	41,072
RECEIPTS (UNDER) DISBURSEMENTS	(155,325)	(79,059)	76,266	(48,435)	(30,602)	17,833
CASH BALANCE, January 1	164,618	164,618	-	195,220	195,220	-
CASH BALANCE, December 31	$ 9,293	$ 85,559	$ 76,266	$ 146,785	$ 164,618	$ 17,833

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
SPECIAL ROAD AND BRIDGE FUND						
RECEIPTS						
Property taxes	$ 412,500	$ 399,748	$ (12,752)	$ 382,000	$ 385,552	$ 3,552
Other taxes	605,000	645,095	40,095	-	622,091	622,091
Intergovernmental	171,500	172,528	1,028	945,400	137,371	(808,029)
Interest	9,700	12,812	3,112	10,000	10,076	76
Other	7,000	2,532	(4,468)	64,100	10,723	(53,377)
TOTAL RECEIPTS	1,205,700	1,232,715	27,015	1,401,500	1,165,813	(235,687)
DISBURSEMENTS						
Salaries	553,484	528,373	25,111	553,484	560,178	(6,694)
Employee benefits	183,150	195,522	(12,372)	183,150	184,001	(851)
Supplies	20,800	10,128	10,672	20,800	18,241	2,559
Insurance	22,000	22,446	(446)	18,475	21,196	(2,721)
Road and bridge materials	284,500	191,840	92,660	284,500	43,180	241,320
Equipment repairs	125,000	103,996	21,004	100,000	121,354	(21,354)
Rentals	-	-	-	60,000	-	60,000
Fuel	175,000	153,483	21,517	175,000	118,201	56,799
Bridge construction	-	11,302	(11,302)	-	22,936	(22,936)
Other	12,500	7,780	4,720	16,500	11,148	5,352
Transfers out	36,171	36,171	-	15,000	15,000	-
TOTAL DISBURSEMENTS	1,412,605	1,261,041	151,564	1,426,909	1,115,435	311,474
RECEIPTS OVER (UNDER) DISBURSEMENTS	(206,905)	(28,326)	178,579	(25,409)	50,378	75,787
CASH BALANCE, January 1	236,035	236,035	-	185,657	185,657	-
CASH BALANCE, December 31	$ 29,130	$ 207,709	$ 178,579	$ 160,248	$ 236,035	$ 75,787
ASSESSMENT FUND						
RECEIPTS						
Charges for services	$ 92,750	$ 96,890	$ 4,140	$ -	$ 79,187	$ 79,187
Intergovernmental	46,600	50,208	3,608	148,312	69,972	(78,340)
Interest	500	523	23	350	367	17
Other	9,950	6,505	(3,445)	4,500	1,993	(2,507)
Transfers in	108,273	108,272	(1)	96,385	98,000	1,615
TOTAL RECEIPTS	258,073	262,398	4,325	249,547	249,519	(28)
DISBURSEMENTS						
Assessor	237,278	246,936	(9,658)	251,072	238,349	12,723
TOTAL DISBURSEMENTS	237,278	246,936	(9,658)	251,072	238,349	12,723
RECEIPTS OVER (UNDER) DISBURSEMENTS	20,795	15,462	(5,333)	(1,525)	11,170	12,695
CASH BALANCE, January 1	13,240	13,240	-	2,070	2,070	-
CASH BALANCE, December 31	$ 34,035	$ 28,702	$ (5,333)	$ 545	$ 13,240	$ 12,695

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
LAW ENFORCEMENT TRAINING FUND						
RECEIPTS						
Intergovernmental	$ 2,218	$ 2,007	$ (211)	$ 2,639	$ 2,217	$ (422)
Charges for services	4,000	4,363	363	5,200	4,272	(928)
Other	-	-	-	-	14	14
TOTAL RECEIPTS	6,218	6,370	152	7,839	6,503	(1,336)
DISBURSEMENTS						
Sheriff	7,569	6,833	736	8,607	5,479	3,128
TOTAL DISBURSEMENTS	7,569	6,833	736	8,607	5,479	3,128
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,351)	(463)	888	(768)	1,024	1,792
CASH BALANCE, January 1	1,792	1,792	-	768	768	-
CASH BALANCE, December 31	$ 441	$ 1,329	$ 888	$ -	$ 1,792	$ 1,792
PROSECUTING ATTORNEY TRAINING FUND						
RECEIPTS						
Charges for services	$ 1,000	$ 1,095	$ 95	$ 1,350	$ 1,072	$ (278)
TOTAL RECEIPTS	1,000	1,095	95	1,350	1,072	(278)
DISBURSEMENTS						
Prosecuting Attorney	4,000	804	3,196	2,800	734	2,066
Transfers out	-	3,100	(3,100)	-	-	-
TOTAL DISBURSEMENTS	4,000	3,904	96	2,800	734	2,066
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,000)	(2,809)	191	(1,450)	338	1,788
CASH BALANCE, January 1	3,186	3,186	-	2,848	2,848	-
CASH BALANCE, December 31	$ 186	$ 377	$ 191	$ 1,398	$ 3,186	$ 1,788

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
LAW ENFORCEMENT						
SALES TAX FUND						
RECEIPTS						
Sales taxes	$ 550,000	$ 566,129	$ 16,129	$ 585,000	$ 566,366	$ (18,634)
Intergovernmental	5,660	3,844	(1,816)	130,057	27,734	(102,323)
Charges for services	100,000	126,044	26,044	32,800	100,019	67,219
Interest	695	679	(16)	2,500	742	(1,758)
Other	200	14,919	14,719	27,145	19,775	(7,370)
Transfers in	194,973	170,000	(24,973)	127,300	140,800	13,500
TOTAL RECEIPTS	851,528	881,615	30,087	904,802	855,436	(49,366)
DISBURSEMENTS						
Salaries	550,332	522,410	27,922	527,691	531,782	(4,091)
Office supplies	15,270	21,518	(6,248)	14,960	12,387	2,573
Equipment	3,724	283	3,441	24,000	24,555	(555)
Training	150	272	(122)	-	136	(136)
Officer costs	150,047	172,610	(22,563)	168,713	159,275	9,438
Jail costs	19,900	29,056	(9,156)	23,000	19,502	3,498
Prisoner costs	31,700	28,592	3,108	30,655	28,393	2,262
Repairs and maintenance	22,000	20,457	1,543	24,500	24,791	(291)
Fuel	38,000	40,935	(2,935)	55,000	29,763	25,237
Insurance	26,780	33,615	(6,835)	26,168	26,780	(612)
Other	450	4,147	(3,697)	15,094	812	14,282
TOTAL DISBURSEMENTS	858,353	873,895	(15,542)	909,781	858,176	51,605
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,825)	7,720	14,545	(4,979)	(2,740)	2,239
CASH BALANCE, January 1	6,964	6,964	-	9,704	9,704	-
CASH BALANCE, December 31	$ 139	$ 14,684	$ 14,545	$ 4,725	$ 6,964	$ 2,239
RECORD STORAGE FUND						
RECEIPTS						
Charges for services	$ 7,075	$ 9,468	$ 2,393	$ 7,070	$ 10,538	$ 3,468
Interest	500	685	185	500	584	84
TOTAL RECEIPTS	7,575	10,153	2,578	7,570	11,122	3,552
DISBURSEMENTS						
Recorder	15,120	6,622	8,498	19,620	6,848	12,772
TOTAL DISBURSEMENTS	15,120	6,622	8,498	19,620	6,848	12,772
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,545)	3,531	11,076	(12,050)	4,274	16,324
CASH BALANCE, January 1	28,360	28,360	-	24,086	24,086	-
CASH BALANCE, December 31	$ 20,815	$ 31,891	$ 11,076	$ 12,036	$ 28,360	$ 16,324

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
BAD CHECK FUND						
RECEIPTS						
Charges for services	$ 15,000	$ 15,770	$ 770	$ 10,000	$ 10,816	$ 816
Interest	145	75	(70)	225	154	(71)
TOTAL RECEIPTS	15,145	15,845	700	10,225	10,970	745
DISBURSEMENTS						
Prosecuting attorney	-	9,003	(9,003)	17,000	2,556	14,444
Transfers out	20,000	16,000	4,000	-	15,000	(15,000)
TOTAL DISBURSEMENTS	20,000	25,003	(5,003)	17,000	17,556	(556)
RECEIPTS (UNDER) DISBURSEMENTS	(4,855)	(9,158)	(4,303)	(6,775)	(6,586)	189
CASH BALANCE, January 1	9,971	9,971	-	16,557	16,557	-
CASH BALANCE, December 31	$ 5,116	$ 813	$ (4,303)	$ 9,782	$ 9,971	$ 189
ROAD AND BRIDGE CAPITAL IMPROVEMENT FUND						
RECEIPTS						
Sales taxes	$ 550,000	$ 566,126	$ 16,126	$ 585,000	$ 566,360	$ (18,640)
Intergovernmental	218,000	-	(218,000)	206,700	10,300	(196,400)
Interest	3,500	8,848	5,348	4,500	3,798	(702)
Other	-	41,000	41,000	340,000	53,621	(286,379)
TOTAL RECEIPTS	771,500	615,974	(155,526)	1,136,200	634,079	(502,121)
DISBURSEMENTS						
Road and bridge materials	620,000	173,395	446,605	610,000	282,770	327,230
Equipment	72,000	109,984	(37,984)	151,500	114,446	37,054
Bridge construction	230,000	143,336	86,664	304,000	19,944	284,056
Other	-	5,011	(5,011)	-	-	-
Transfers out	16,500	16,500	-	15,000	15,000	-
TOTAL DISBURSEMENTS	938,500	448,226	490,274	1,080,500	432,160	648,340
RECEIPTS OVER (UNDER) DISBURSEMENTS	(167,000)	167,748	334,748	55,700	201,919	146,219
CASH BALANCE, January 1	238,700	238,700	-	36,781	36,781	-
CASH BALANCE, December 31	$ 71,700	$ 406,448	$ 334,748	$ 92,481	$ 238,700	$ 146,219

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
LAW ENFORCEMENT						
CIVIL FEES FUND						
RECEIPTS						
Intergovernmental	$ -	$ -	$ -	$ -	$ 7,746	$ 7,746
Charges for services	30,000	29,068	(932)	34,931	33,859	(1,072)
Other	-	-	-	-	343	343
TOTAL RECEIPTS	30,000	29,068	(932)	34,931	41,948	7,017
DISBURSEMENTS						
Sheriff	31,569	27,005	4,564	40,519	42,651	(2,132)
TOTAL DISBURSEMENTS	31,569	27,005	4,564	40,519	42,651	(2,132)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,569)	2,063	3,632	(5,588)	(703)	4,885
CASH BALANCE, January 1	4,885	4,885	-	5,588	5,588	-
CASH BALANCE, December 31	$ 3,316	$ 6,948	$ 3,632	$ -	$ 4,885	$ 4,885
LOCAL EMERGENCY PLANNING						
RECEIPTS						
Intergovernmental	$ 3,500	$ -	$ (3,500)	$ 3,500	$ 3,120	$ (380)
Other	-	673	673	-	380	380
TOTAL RECEIPTS	3,500	673	(2,827)	3,500	3,500	-
DISBURSEMENTS						
Local emergency planning	8,250	3,230	5,020	7,850	3,648	4,202
TOTAL DISBURSEMENTS	8,250	3,230	5,020	7,850	3,648	4,202
RECEIPTS (UNDER) DISBURSEMENTS	(4,750)	(2,557)	2,193	(4,350)	(148)	4,202
CASH BALANCE, January 1	12,191	12,191	-	12,339	12,339	-
CASH BALANCE, December 31	$ 7,441	$ 9,634	$ 2,193	$ 7,989	$ 12,191	$ 4,202

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
JURY FUND						
RECEIPTS						
Miscellaneous	$ -	$ -	$ -	$ -	$ 28	28
Transfers in	5,000	7,100	2,100	14,000	14,000	-
TOTAL RECEIPTS	5,000	7,100	2,100	14,000	14,028	28
DISBURSEMENTS						
Jury costs	5,000	7,331	(2,331)	15,000	14,558	442
TOTAL DISBURSEMENTS	5,000	7,331	(2,331)	15,000	14,558	442
RECEIPTS (UNDER) DISBURSEMENTS	-	(231)	(231)	(1,000)	(530)	470
CASH BALANCE, January 1	564	564	-	1,094	1,094	-
CASH BALANCE, December 31	$ 564	$ 333	$ (231)	$ 94	$ 564	$ 470
ELECTION SERVICES FUND						
RECEIPTS						
Intergovernmental	$ -	$ 1,538	$ 1,538	$ 1,500	$ 513	$ (987)
Charges for services	3,000	577	(2,423)	400	2,572	2,172
Interest	100	127	27	85	89	4
TOTAL RECEIPTS	3,100	2,242	(858)	1,985	3,174	1,189
DISBURSEMENTS						
Elections	2,700	985	1,715	1,000	796	204
TOTAL DISBURSEMENTS	2,700	985	1,715	1,000	796	204
RECEIPTS OVER DISBURSEMENTS	400	1,257	857	985	2,378	1,393
CASH BALANCE, January 1	4,565	4,565	-	2,187	2,187	-
CASH BALANCE, December 31	$ 4,965	$ 5,822	$ 857	$ 3,172	$ 4,565	$ 1,393

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
TAX MAINTENANCE FUND						
RECEIPTS						
Charges for services	$ 19,000	$ 19,163	$ 163	$ 20,000	$ 18,346	$ (1,654)
Interest	1,900	2,190	290	1,300	1,787	487
TOTAL RECEIPTS	20,900	21,353	453	21,300	20,133	(1,167)
DISBURSEMENTS						
Collector	40,000	11,415	28,585	30,000	2,384	27,616
Transfers out	-	20,000	(20,000)	-	-	-
TOTAL DISBURSEMENTS	40,000	31,415	8,585	30,000	2,384	27,616
RECEIPTS OVER (UNDER) DISBURSEMENTS	(19,100)	(10,062)	9,038	(8,700)	17,749	26,449
CASH BALANCE, January 1	80,879	80,879	-	63,130	63,130	-
CASH BALANCE, December 31	$ 61,779	$ 70,817	$ 9,038	$ 54,430	$ 80,879	$ 26,449
PASSPORT FUND						
RECEIPTS						
Charges for services	$ 1,900	$ 1,475	$ (425)	$ 900	$ 1,510	$ 610
TOTAL RECEIPTS	1,900	1,475	(425)	900	1,510	610
DISBURSEMENTS						
Recorder	2,675	1,910	765	2,300	743	1,557
TOTAL DISBURSEMENTS	2,675	1,910	765	2,300	743	1,557
RECEIPTS OVER (UNDER) DISBURSEMENTS	(775)	(435)	340	(1,400)	767	2,167
CASH BALANCE, January 1	5,341	5,341	-	4,574	4,574	-
CASH BALANCE, December 31	$ 4,566	$ 4,906	$ 340	$ 3,174	$ 5,341	$ 2,167

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
SHERIFF'S REVOLVING FUND						
RECEIPTS						
Charges for services	$ 1,500	$ 3,116	$ 1,616	$ 1,500	$ 3,542	$ 2,042
TOTAL RECEIPTS	1,500	3,116	1,616	1,500	3,542	2,042
DISBURSEMENTS						
Sheriff	2,500	4,005	(1,505)	2,343	2,231	112
TOTAL DISBURSEMENTS	2,500	4,005	(1,505)	2,343	2,231	112
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,000)	(889)	111	(843)	1,311	2,154
CASH BALANCE, January 1	2,154	2,154	-	843	843	-
CASH BALANCE, December 31	$ 1,154	$ 1,265	$ 111	$ -	$ 2,154	$ 2,154
DOMESTIC VIOLENCE FUND						
RECEIPTS						
Charges for services	$ 500	$ 500	$ -	$ 600	$ 522	$ (78)
TOTAL RECEIPTS	500	500	-	600	522	(78)
DISBURSEMENTS						
Domestic violence shelter	515	515	-	600	509	91
TOTAL DISBURSEMENTS	515	515	-	600	509	91
RECEIPTS OVER (UNDER) DISBURSEMENTS	(15)	(15)	-	-	13	13
CASH BALANCE, January 1	15	15	-	-	2	2
CASH BALANCE, December 31	$ -	$ -	$ -	$ -	$ 15	$ 15

See accompanying notes.

DALLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2010			2009		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
EMERGENCY 911 FUND						
RECEIPTS						
Sales taxes	$ 502,000	$ 500,407	$ (1,593)	$ 520,492	$ 502,454	$ (18,038)
Interest	7,000	7,354	354	11,700	10,963	(737)
Other	-	75,953	75,953	-	4,414	4,414
TOTAL RECEIPTS	509,000	583,714	74,714	532,192	517,831	(14,361)
DISBURSEMENTS						
Salaries	362,500	348,499	14,001	352,674	353,355	(681)
Employee benefits	89,700	72,854	16,846	90,830	84,240	6,590
Equipment	6,000	895	5,105	33,162	8,856	24,306
Office costs	47,500	46,128	1,372	53,750	46,832	6,918
Repairs and maintenance	41,640	68,349	(26,709)	40,020	26,682	13,338
Contracted services	-	3,451	(3,451)	-	6,365	(6,365)
Training	8,300	2,860	5,440	12,100	5,918	6,182
Security	-	-	-	500	240	260
Vehicles	-	1,036	(1,036)	-	17,827	(17,827)
Utilities	10,000	8,944	1,056	10,000	8,940	1,060
Insurance	10,500	9,535	965	10,500	10,483	17
Software	-	-	-	-	3,793	(3,793)
Other	9,625	6,189	3,436	12,160	7,127	5,033
TOTAL DISBURSEMENTS	585,765	568,740	17,025	615,696	580,658	35,038
RECEIPTS OVER (UNDER) DISBURSEMENTS	(76,765)	14,974	91,739	(83,504)	(62,827)	20,677
CASH BALANCE, January 1	314,115	314,115	-	376,942	376,942	-
CASH BALANCE, December 31	$ 237,350	$ 329,089	$ 91,739	$ 293,438	$ 314,115	$ 20,677

See accompanying notes.

DALLAS COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS
December 31, 2010

	Law Enforcement Supplemental Salaries Fund	Recorder of Deeds Fund	Collector of Revenue Fund	Collector's Surtax Fund	Sheriff Fund	Passport Execution Fund
ASSETS						
Cash	$ 750	$ 57	$ 4,502,706	$ 7,977	$ 2,128	$ 7
TOTAL ASSETS	$ 750	$ 57	$ 4,502,706	$ 7,977	$ 2,128	$ 7
LIABILITIES						
Due to others	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	57	1,094,499	-	-	-
Due to other governments	750	-	3,408,207	7,977	2,128	7
TOTAL LIABILITIES	$ 750	$ 57	$ 4,502,706	$ 7,977	$ 2,128	$ 7

See accompanying notes.

DALLAS COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS
(CONTINUED)
December 31, 2010

	County Employee Retirement Fund	Overplus Land Sales Fund	Sheriff's Commissary Fund	Prosecuting Attorney Tax Collection Fund	Fines and Forfeitures	Total
ASSETS						
Cash	$ 5,533	$ 3,737	$ 310	$ 225	$ 70,383	$ 4,593,813
TOTAL ASSETS	$ 5,533	$ 3,737	$ 310	$ 225	$ 70,383	$ 4,593,813
LIABILITIES						
Due to others	$ 5,533	$ 3,737	$ 310	$ 225	$ -	$ 9,805
Due to other funds	-	-	-	-	-	1,094,556
Due to other governments	-	-	-	-	70,383	3,489,452
TOTAL LIABILITIES	$ 5,533	$ 3,737	$ 310	$ 225	$ 70,383	$ 4,593,813

See accompanying notes.

DALLAS COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS
December 31, 2009

	Law Enforcement Supplemental Salaries Fund	Collector of Revenue Fund	Collector's Surtax Fund	Sheriff Fund	Passport Execution Fund
ASSETS					
Cash	$ 996	$ 4,623,119	$ 8,781	$ 6,106	$ 2,248
TOTAL ASSETS	$ 996	$ 4,623,119	$ 8,781	$ 6,106	$ 2,248
LIABILITIES					
Due to others	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	1,098,506	-	-	2,000
Due to other governments	996	3,524,613	8,781	6,106	248
TOTAL LIABILITIES	$ 996	$ 4,623,119	$ 8,781	$ 6,106	$ 2,248

See accompanying notes.

DALLAS COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS
(CONTINUED)
December 31, 2009

	County Employee Retirement Fund	Overplus Land Sales Fund	Sheriff's Commissary Fund	Prosecuting Attorney Tax Collection Fund	Fines and Forfeitures	Total
ASSETS						
Cash	$ 5,670	$ 1,816	$ 49	$ 3,024	$ 105,116	$ 4,756,925
TOTAL ASSETS	$ 5,670	$ 1,816	$ 49	$ 3,024	$ 105,116	$ 4,756,925
LIABILITIES						
Due to others	$ 5,670	$ 1,816	$ 49	$ 3,024	$ -	$ 10,559
Due to other funds	-	-	-	-	-	1,100,506
Due to other governments	-	-	-	-	105,116	3,645,860
TOTAL LIABILITIES	$ 5,670	$ 1,816	$ 49	$ 3,024	$ 105,116	$ 4,756,925

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Dallas County, Missouri, ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Recorder, Coroner, Collector, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note A, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

The County's operations include tax assessments and collections, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Dallas County, Missouri, which consists of all funds, organizations, agencies, departments, and offices that comprise the County's legal entity.

Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statements of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following funds are used by the County:

Governmental Funds – Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds (agency funds) are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector and other officeholders.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measureable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County adopts a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Adjustments made during the year were not significant and are reflected in the budget information in the financial statements. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Budgets are prepared and adopted on the cash basis of accounting.

9. Section 50.740 RSMo, prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for several funds of the County.

Cash

The County pools cash resources of various funds in the County Treasurer's office in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. Some County offices also hold cash in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

NOTE B – CASH

The County maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is displayed as "Cash". In addition, cash is separately held by several of the County's funds. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2010 and 2009, all bank balances were entirely insured or collateralized with securities.

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2010 and 2009, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES (continued)

Legal Matters

There are a number of claims and/or lawsuits to which the County is a party as a result of certain injuries and various other matters and complaints arising in the ordinary course of County activities. The County's management and legal counsel anticipate that the potential claims, if any, against the County, resulting from such litigation would not have a material effect on the financial position of the County.

NOTE D – PENSION PLAN – CERF

STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND

Plan Description

Dallas County participates in the County Employees' Retirement Fund (CERF), a cost-sharing multiple-employer pension plan. CERF is a defined benefit pension plan which provides retirement and death benefits to plan members and beneficiaries. CERF was created and is governed by state statute, RSMo. 50.1000 to 50.1300. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The County Employees' Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to CERF, Boone County National Bank, P.O. Box 577, Columbia, MO 65202 or by calling 1-800-357-8557.

Funding Policy

Dallas County's full-time employees hired before February 25, 2002, are required by state statute to contribute 0% of annual payroll to the pension plan. Dallas County's full-time employees hired after February 25, 2002, are required by state statute to contribute 4% of annual covered payroll to the pension plan. The County is required by state statute to remit the fees collected under RSMo. Sections 52.290, 150.150, 137.280, 137.345 and Chapters 59 and 54, RSMo, plus interest. The required contributions have been made.

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31.

The 2010 and 2009 assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per $100 assessed valuation of that property were as follows:

ASSESSED VALUATION	2010	2009
Real estate	$ 115,098,182	$ 113,614,330
Personal property	32,548,348	34,669,243
	$ 147,646,530	$ 148,283,573
TAX LEVY		
General Revenue Fund	$ .1692	$ .1660
Special Road and Bridge Fund	.2643	.2611
	$ .4335	$ .4271

The legal debt margin at December 31, 2010 and December 31, 2009, is computed as follows:

	2010	2009
Constitutional debt limit	$ 14,764,653	$ 14,828,357
General obligation bonds payable	-	-
LEGAL DEBT MARGIN	$ 14,764,653	$ 14,828,357

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

NOTE F – RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

NOTE G – INTERFUND TRANSFERS

Interfund transfers for the years ended December 31, 2010 and 2009, consisted of the following:

	Transfers In (Out)	
	2010	2009
General Fund	$ (233,601)	$ (207,800)
Special Road and Bridge Fund	(36,171)	(15,000)
Assessment Fund	108,272	98,000
Prosecuting Attorney Training Fund	(3,100)	-
Law Enforcement Sales Tax Fund	170,000	140,800
Bad Check Fund	(16,000)	(15,000)
Road and Bridge Capital Improvement Fund	(16,500)	(15,000)
Jury Fund	7,100	14,000
Tax Maintenance Fund	(20,000)	-
Special Election Fund	40,000	-
	$ -	$ -

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statue or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE H – LONG-TERM LIABILITIES

Compensated Absences

Compensated absences payable consists of unused vacation time and accumulated comp time for employees and totaled $38,590 as of December 31, 2009, and $33,722 as of December 31, 2010 for the County, and $7,474 as of December 31, 2009, and $9,477 as of December 31, 2010 for the E 911 Board.

NOTE I – RELATED PARTY TRANSACTIONS

During the years ended December 31, 2010 and 2009, the County purchased concrete from Morgans Concrete Co, Inc. Morgans Concrete Co, Inc. is owned by a brother of the County's presiding commissioner during that time period. In 2010 and 2009, the County paid Morgans Concrete Co, Inc. invoices totaling $11,200 and $31,778, respectively.

NOTE J – COMMITMENT

At December 31, 2010, the E 911 Board was committed to CenturyLink, Inc. for the payment of invoices billed to E 911 totaling $29,092.

NOTE K – RESTATEMENT OF BEGINNING CASH BALANCES

Beginning cash balances have been restated to remove court accounts and the Law Enforcement Supplemental Salaries Fund, which are no longer considered special revenue funds. Cash balances have also been restated to remove Emergency 911 board, which is considered a separate political subdivision. The restatement is as follows:

Ending Cash Balance, as previously stated, December 31, 2008	$	970,817
Circuit Clerk Interest		(8,624)
Law Library		(13,792)
Associate Circuit Court Interest		(7,301)
Law Enforcement Supplemental Salaries Fund		(710)
Cash Balance, as restated, January 1, 2009	$	940,390

SUPPLEMENTARY SCHEDULE
AND AUDITOR'S REPORT

DAVIS, LYNN & MOOTS, P.C.
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

County Commission
Dallas County
Buffalo, Missouri

We have audited the financial statements of Dallas County, Missouri as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated April 29, 2011. Our opinion was modified because the County prepares its financial statements using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of Dallas County, Missouri, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

County Commission
Dallas County
Buffalo, Missouri

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. They are identified as items 10-1 and 10-2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of Dallas County, Missouri, are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that we reported to management of Dallas County, Missouri, in a separate letter dated April 29, 2011.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the County's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission and management, and is not intended to be and should not be used by anyone other than these specified parties.

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
April 29, 2011

Financial Statement Findings

10-1 Segregation of Duties

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Response: The limited number of available personnel prohibits segregation of incompatible duties.

10-2 Reconciliation of Interfund Transfers

Condition: Some transfers between funds were recorded as revenues in the funds receiving the transfer and as expenses in the funds making the transfer. Transfers between funds are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Criteria: Transfers between funds should be recorded in separate transfer accounts instead of being recorded in revenue and expense accounts.

Effect: Expenses and revenues are overstated as a result of transfers being recorded in revenue and expense accounts.

Recommendation: Transfer accounts should be established and used when funds are transferred among funds. In addition, at year-end, the County Clerk should perform a reconciliation to ensure that the total of transfers in and transfers out equals zero.

Response: The County will implement procedures to properly record interfund transfers.

DAVIS, LYNN & MOOTS, P.C.
Certified Public Accountants

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Dallas County Commission
Dallas County
Buffalo, Missouri

In planning and performing our audit of the basic financial statements of Dallas County, Missouri for the years ended December 31, 2010 and 2009, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we identified deficiencies in internal control over financial reporting that we consider to be material weaknesses.

In addition to the material weaknesses discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters.

1. Budgetary Compliance

   The County was not in compliance with the budgetary statute, Chapter 50 RSMo, in 2009, as actual expenditures exceeded budgeted expenditures in the Bad Check Fund and the Law Enforcement Civil Fees Fund. The County was also not in compliance in 2010, as actual expenditures exceeded budgeted expenditures in the Assessment Fund, Law Enforcement Sales Tax Fund, Bad Check Fund, Jury Fund, and Sheriff's Revolving Fund. The budgetary statute prohibits actual expenditures exceeding budgeted expenditures for any fund maintained by the County.

   We Recommend:

   The County review expenditures during the year and amend the budget as necessary to avoid expending more than the budgeted amount to ensure compliance with the budgetary statute (Chapter 50, RSMo).

2. Bank Depository Agreements

As a custodian of public monies, we believe the County should review certain elements of depository agreements with the County's banking institutions to ensure proper controls are in place regarding the deposits. The County has a responsibility for the safety of County monies and the depository agreements are often not reviewed and updated appropriately.

We Recommend:

a. The County determine that the depository agreement with the banking institution has instructions regarding when a check is valid and may be honored by the institution. If more than one signature is required on checks, then the depository agreement should reflect that requirement.

b. The County determine that the depository agreement specify the persons authorized to make wire transfers and to whom they may be made. This is necessary to prevent unauthorized wire transfers of County funds.

c. The County determine that the depository agreement has procedures for opening new accounts in order to prevent unauthorized accounts from being opened under the County's name.

3. Approved Vendor List

During our audit we noted that the County does not have policies and procedures in place to require purchases only from approved vendors. Maintenance of an approved vendor list is an excellent procedure to have in place to prevent fraudulent disbursements to fictitious vendors.

We Recommend:

The County develop policies and procedures in order to have an approved vendor list for purchases made by the County.

4. Disbursement Procedures

Currently the County does not require two signatures on checks from some of the County's bank accounts. Coupled with the lack of segregation of duties, this creates an environment in which the County's assets could be misappropriated and the misappropriation would not be discovered in a timely manner.

We Recommend:

The County institute a policy requiring two signatures on all checks for all County disbursements, including all Special Revenue Fund disbursements.

5. General Revenue Fund Cash Balance

During our audit we noted that the General Revenue Fund cash balance has been declining for the past several years. As of December 31, 2010, the General Revenue Fund cash balance was $85,559. Cash balances in the General Revenue Fund for the years ending 2007, 2008, and 2009, were $307,697, $195,220, and $164,618, respectively. From the end of 2007 to the end of 2010, the cash balance has declined $222,138. At December 31, 2010, the General Revenue Fund cash balance as a percentage of 2010 disbursements is equal to 6.5%.

We Recommend:

The County closely monitor the General Revenue Fund cash balance, and take necessary steps to ensure the General Revenue Fund has adequate cash reserves as determined by the County.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We appreciate this opportunity to serve as Dallas County's independent auditor and the courtesies and assistance extended to us by the County's employees.

Davis, Lynn : Moots, PC

DAVIS, LYNN & MOOTS, P.C.
April 29, 2011

DAVIS, LYNN & MOOTS, P.C.
Certified Public Accountants

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County Commission
Dallas County
Buffalo, Missouri

We have audited the basic financial statements of Dallas County, Missouri for the years ended December 31, 2010 and 2009, and have issued our report thereon dated April 29, 2011. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 24, 2011, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated February 24, 2011.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Primary Government of Dallas County, Missouri are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009 or 2010.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Material misstatements detected as a result of audit procedures were corrected by management for the following:

- Interfund transfer activity

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 29, 2011.

Management Consultations with Other Independent Accountants

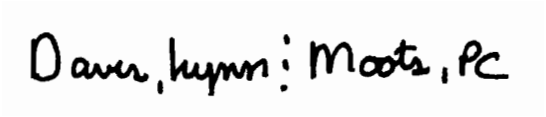
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This report is intended solely for the use of the County Commission and management of the Primary Government of Dallas County, Missouri and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



DAVIS, LYNN & MOOTS, P.C.
April 29, 2011

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Howard County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Howard County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Casey-Beard-Boehmer PC, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-79

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

INDEPENDENT AUDITORS' REPORT

HOWARD COUNTY, MISSOURI

FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009

CASEY-BEARD-BOEHMER PC
CERTIFIED PUBLIC ACCOUNTANTS
COLUMBIA, MISSOURI

HOWARD COUNTY, MISSOURI
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INDEPENDENT AUDITORS' REPORT

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September 1, 2011

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Howard County, Missouri

We have audited the accompanying financial statements of Howard County, Missouri, as of and for the years ended December 31, 2010 and 2009, as listed in the table of contents. These financial statements are the responsibility of Howard County, Missouri's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, Howard County, Missouri, prepares its financial statements using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Howard County, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the receipts, disbursements, and changes in cash of the funds of Howard County, Missouri, as of December 31, 2010 and 2009, and comparisons of such information with the corresponding budgeted information for the years then ended on the basis of accounting described in Note 1.

MEMBER
•
American Institute of Certified Public Accountants
•
Missouri Society of Certified Public Accountants
•

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2011 on our consideration of Howard County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the county's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Howard County, Missouri. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 1.

This report is intended solely for the information and use of management, County Commission and other boards, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Casey-Beard-Boehmer PC

Casey-Beard-Boehmer PC
Certified Public Accountants

FINANCIAL SECTION

HOWARD COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Fund		Cash January 1, 2009	Receipts	Disbursements	Cash December 31, 2009	Receipts	Disbursements	Cash December 31, 2010
General Revenue	$	3,777	1,072,116	1,050,360	25,533	1,028,255	1,053,706	82
Special Road and Bridge		208,044	1,350,989	1,325,962	233,071	981,885	1,036,127	178,829
Assessment		-	148,684	136,181	12,503	153,816	140,489	25,830
Law Enforcement Training		251	1,255	1,023	483	1,319	1,540	262
Prosecuting Attorney Training		397	226	578	45	196	-	241
Recorder User Fees		4,296	3,662	4,038	3,920	3,509	3,264	4,165
Keller Building		1	145,750	145,747	4	177,257	167,789	9,472
Victims of Domestic Violence		9,873	893	-	10,766	872	-	11,638
Civil Defense		454	15,228	15,682	-	24,049	23,120	929
Road and Bridge Disaster		-	101,197	101,197	-	-	-	-
Recorder Technology		8,959	2,317	-	11,276	2,352	-	13,628
Sheriff Civil Fees		6,626	9,540	8,675	7,491	9,657	10,883	6,265
Prosecuting Attorney Bad Check		2,076	17,525	19,521	80	13,709	11,528	2,261
Howard County Economic Development		295,048	37,012	13,132	318,928	42,431	10,287	351,072
Election Services		4,421	4,620	2,383	6,658	2,945	5,670	3,933
Deputy Sheriff's Supplemental Salary		390	4,350	4,740	-	4,730	3,980	750
Sheriff Benevolent		3,839	857	1,630	3,066	996	2,052	2,010
Prosecutor's Supplemental		8,662	22,173	21,718	9,117	19,066	26,307	1,876
Tax Maintenance		37,590	14,572	8,860	43,302	16,673	7,948	52,027
Sheriff Revolving		3,367	5,033	750	7,650	6,668	10,400	3,918
Jail Sales Tax		245,447	227,275	238,480	234,242	231,871	240,529	225,584
Law Enforcement Sales Tax		23	477,850	472,341	5,532	446,069	451,516	85
Homeless Prevention		-	-	-	-	28,446	28,446	-
MFH Infrastructure Grant		18	-	18	-	-	-	-
Howard County Insurance		1,972	-	1,972	-	-	-	-
911 Board		178,959	282,486	300,358	161,087	187,439	206,064	142,462
Sheltered Services Board		149,664	123,173	84,566	188,271	117,542	100,105	205,708
Totals	$	1,174,154	4,068,783	3,959,912	1,283,025	3,501,752	3,541,750	1,243,027

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	General Revenue Fund					
	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	$ 295,600	308,690	13,090	$ 295,600	295,592	(8)
Sales taxes	277,000	278,639	1,639	293,000	277,206	(15,794)
Intergovernmental revenues	13,667	15,358	1,691	20,102	16,182	(3,920)
Charges for services	361,920	351,994	(9,926)	345,858	356,814	10,956
Interest	1,000	3,033	2,033	2,000	838	(1,162)
Other	58,284	53,598	(4,686)	55,079	45,617	(9,462)
Transfers in	169,419	16,943	(152,476)	204,304	79,867	(124,437)
Total Receipts	$ 1,176,890	1,028,255	(148,635)	$ 1,215,943	1,072,116	(143,827)
DISBURSEMENTS						
General County Government-						
County Commission	$ 80,805	80,692	(113)	$ 80,680	79,504	(1,176)
County Clerk	66,086	61,939	(4,147)	64,856	60,530	(4,326)
Elections	66,317	52,026	(14,291)	40,177	34,619	(5,558)
Buildings and grounds	67,426	61,948	(5,478)	67,426	61,963	(5,463)
Employee fringe benefits	92,050	90,901	(1,149)	92,750	80,951	(11,799)
County Treasurer	37,600	37,208	(392)	37,600	37,384	(216)
County Collector	68,414	66,572	(1,842)	67,664	65,850	(1,814)
Recorder of Deeds	25,712	16,731	(8,981)	25,712	18,300	(7,412)
Circuit Clerk	35,263	16,687	(18,576)	19,200	3,706	(15,494)
Associate Circuit Court	2,200	1,429	(771)	19,283	14,741	(4,542)
Court Administration	25,500	9,350	(16,150)	26,589	9,108	(17,481)
Public Administrator	59,233	56,547	(2,686)	59,235	57,678	(1,557)
Other	108,094	97,124	(10,970)	128,684	114,569	(14,115)
Public Safety-						
Prosecuting Attorney	75,118	73,853	(1,265)	77,274	74,475	(2,799)
Juvenile Officer	63,400	58,205	(5,195)	70,000	62,147	(7,853)
County Coroner	14,500	13,020	(1,480)	13,500	12,859	(641)
Health and Welfare	189,225	170,729	(18,496)	188,202	182,301	(5,901)
Transfers out	92,746	88,745	(4,001)	106,604	79,675	(26,929)
Emergency Fund	34,121	-	(34,121)	34,284	-	(34,284)
Total Disbursements	$ 1,203,810	1,053,706	(150,104)	$ 1,219,720	1,050,360	(169,360)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (26,920)	(25,451)	1,469	$ (3,777)	21,756	25,533
CASH, JANUARY 1	25,533	25,533	-	3,777	3,777	-
CASH, DECEMBER 31	$ (1,387)	82	1,469	$ -	25,533	25,533

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Special Road and Bridge Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	$ 235,000	235,518	518	$ 213,000	234,368	21,368
Sales taxes	225,000	228,439	3,439	246,000	224,814	(21,186)
Intergovernmental revenues	894,066	453,911	(440,155)	835,800	756,551	(79,249)
Charges for services	72,600	33,290	(39,310)	46,200	42,115	(4,085)
Interest	6,000	5,783	(217)	6,000	4,062	(1,938)
Other	3,250	24,944	21,694	300	3,343	3,043
Transfers in	-	-	-	85,736	85,736	-
Total Receipts	$ 1,435,916	981,885	(454,031)	$ 1,433,036	1,350,989	(82,047)
DISBURSEMENTS						
Highways and roads	$ 1,574,476	1,036,127	(538,349)	$ 1,491,349	1,262,441	(228,908)
Transfers out	74,000	-	(74,000)	88,525	63,521	(25,004)
Total Disbursements	$ 1,648,476	1,036,127	(612,349)	$ 1,579,874	1,325,962	(253,912)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (212,560)	(54,242)	158,318	$ (146,838)	25,027	171,865
CASH, JANUARY 1	233,071	233,071	-	205,984	208,044	2,060
CASH, DECEMBER 31	$ 20,511	178,829	158,318	$ 59,146	233,071	173,925

Assessment Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental revenues	$ 149,396	143,943	(5,453)	$ 139,434	146,224	6,790
Charges for services	7,500	8,730	1,230	540	2,073	1,533
Interest	-	1,039	1,039	-	376	376
Other	350	104	(246)	1,000	11	(989)
Transfers in	4,000	-	(4,000)	11,065	-	(11,065)
Total Receipts	$ 161,246	153,816	(7,430)	$ 152,039	148,684	(3,355)
DISBURSEMENTS						
Assessor	$ 153,291	140,489	(12,802)	$ 152,039	136,181	(15,858)
Total Disbursements	$ 153,291	140,489	(12,802)	$ 152,039	136,181	(15,858)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 7,955	13,327	5,372	$ -	12,503	12,503
CASH, JANUARY 1	12,503	12,503	-	-	-	-
CASH, DECEMBER 31	$ 20,458	25,830	5,372	$ -	12,503	12,503

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Law Enforcement Training Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental revenues	$ 1,345	1,309	(36)	$ 1,525	1,250	(275)
Interest	10	10	-	30	5	(25)
Total Receipts	$ 1,355	1,319	(36)	$ 1,555	1,255	(300)
DISBURSEMENTS						
Sheriff	$ 1,828	1,540	(288)	$ 1,805	1,023	(782)
Total Disbursements	$ 1,828	1,540	(288)	$ 1,805	1,023	(782)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (473)	(221)	252	$ (250)	232	482
CASH, JANUARY 1	483	483	-	251	251	-
CASH, DECEMBER 31	$ 10	262	252	$ 1	483	482

Prosecuting Attorney Training Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental revenues	$ 250	192	(58)	$ 250	189	(61)
Interest	-	4	4	-	1	1
Transfers in	-	-	-	-	36	36
Total Receipts	$ 250	196	(54)	$ 250	226	(24)
DISBURSEMENTS						
Prosecuting Attorney	$ -	-	-	$ 600	578	(22)
Total Disbursements	$ -	-	-	$ 600	578	(22)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 250	196	(54)	$ (350)	(352)	(2)
CASH, JANUARY 1	45	45	-	397	397	-
CASH, DECEMBER 31	$ 295	241	(54)	$ 47	45	(2)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Recorder User Fees Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental revenues	$ 5,000	3,432	(1,568)	$ 4,600	3,622	(978)
Interest	-	77	77	-	40	40
Total Receipts	$ 5,000	3,509	(1,491)	$ 4,600	3,662	(938)
DISBURSEMENTS						
Recorder of Deeds	$ 8,806	3,264	(5,542)	$ 8,805	4,038	(4,767)
Total Disbursements	$ 8,806	3,264	(5,542)	$ 8,805	4,038	(4,767)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (3,806)	245	4,051	$ (4,205)	(376)	3,829
CASH, JANUARY 1	3,920	3,920	-	4,296	4,296	-
CASH, DECEMBER 31	$ 114	4,165	4,051	$ 91	3,920	3,829

Keller Building Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental revenues	$ 49,809	49,809	-	$ -	-	-
Rental income	129,730	127,002	(2,728)	134,561	133,196	(1,365)
Interest	100	292	192	100	88	(12)
Other	-	154	154	205	211	6
Transfers in	-	-	-	12,255	12,255	-
Total Receipts	$ 179,639	177,257	(2,382)	$ 147,121	145,750	(1,371)
DISBURSEMENTS						
Salaries and benefits	$ 32,117	31,804	(313)	$ 31,469	31,336	(133)
Building operations	138,010	135,985	(2,025)	104,039	103,411	(628)
Transfers out	-	-	-	11,000	11,000	-
Total Disbursements	$ 170,127	167,789	(2,338)	$ 146,508	145,747	(761)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 9,512	9,468	(44)	$ 613	3	(610)
CASH, JANUARY 1	4	4	-	1	1	-
CASH, DECEMBER 31	$ 9,516	9,472	(44)	$ 614	4	(610)

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Victims of Domestic Violence Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental revenues	$ 700	616	(84)	$ 1,300	744	(556)
Interest	-	256	256	-	149	149
Total Receipts	$ 700	872	172	$ 1,300	893	(407)
DISBURSEMENTS						
Other	$ 1,000	-	(1,000)	$ 9,908	-	(9,908)
Total Disbursements	$ 1,000	-	(1,000)	$ 9,908	-	(9,908)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (300)	872	1,172	$ (8,608)	893	9,501
CASH, JANUARY 1	10,766	10,766	-	9,873	9,873	-
CASH, DECEMBER 31	$ 10,466	11,638	1,172	$ 1,265	10,766	9,501

Civil Defense Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental revenues	$ 13,588	12,159	(1,429)	$ 10,357	8,615	(1,742)
Interest	-	8	8	-	4	4
Other	-	-	-	-	189	189
Transfers in	11,882	11,882	-	6,056	6,420	364
Total Receipts	$ 25,470	24,049	(1,421)	$ 16,413	15,228	(1,185)
DISBURSEMENTS						
Salaries and benefits	$ 13,221	13,178	(43)	$ 13,221	13,137	(84)
Emergency management	11,304	9,942	(1,362)	3,646	2,545	(1,101)
Total Disbursements	$ 24,525	23,120	(1,405)	$ 16,867	15,682	(1,185)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 945	929	(16)	$ (454)	(454)	-
CASH, JANUARY 1	-	-	-	454	454	-
CASH, DECEMBER 31	$ 945	929	(16)	$ -	-	-

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Road and Bridge Disaster Fund

	2009		
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Intergovernmental revenues	$ 85,750	85,736	(14)
Ttransfers in	15,465	15,461	(4)
Total Receipts	$ 101,215	101,197	(18)
DISBURSEMENTS			
Highways and roads	$ 15,465	15,461	(4)
Transfers out	85,750	85,736	(14)
Total Disbursements	$ 101,215	101,197	(18)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	-	-
CASH, JANUARY 1	-	-	-
CASH, DECEMBER 31	$ -	-	-

Recorder Technology Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental revenues	$ 2,400	2,065	(335)	$ 2,400	2,168	(232)
Interest	-	287	287	-	149	149
Total Receipts	$ 2,400	2,352	(48)	$ 2,400	2,317	(83)
DISBURSEMENTS						
Recorder of Deeds	$ 5,278	-	(5,278)	$ 5,277	-	(5,277)
Total Disbursements	$ 5,278	-	(5,278)	$ 5,277	-	(5,277)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (2,878)	2,352	5,230	$ (2,877)	2,317	5,194
CASH, JANUARY 1	11,276	11,276	-	8,959	8,959	-
CASH, DECEMBER 31	$ 8,398	13,628	5,230	$ 6,082	11,276	5,194

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Sheriff Civil Fees Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	$ 10,000	9,501	(499)	$ 13,000	9,432	(3,568)
Interest	25	156	131	300	108	(192)
Total Receipts	$ 10,025	9,657	(368)	$ 13,300	9,540	(3,760)
DISBURSEMENTS						
Sheriff	$ 17,475	10,883	(6,592)	$ 19,900	8,675	(11,225)
Total Disbursements	$ 17,475	10,883	(6,592)	$ 19,900	8,675	(11,225)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (7,450)	(1,226)	6,224	$ (6,600)	865	7,465
CASH, JANUARY 1	7,491	7,491	-	6,626	6,626	-
CASH, DECEMBER 31	$ 41	6,265	6,224	$ 26	7,491	7,465

Prosecuting Attorney Bad Check Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	$ 13,851	11,181	(2,670)	$ 14,030	13,877	(153)
Interest	-	28	28	13	28	15
Transfers in	1,500	2,500	1,000	3,620	3,620	-
Total Receipts	$ 15,351	13,709	(1,642)	$ 17,663	17,525	(138)
DISBURSEMENTS						
Prosecuting Attorney	$ 15,431	11,528	(3,903)	$ 19,738	19,521	(217)
Total Disbursements	$ 15,431	11,528	(3,903)	$ 19,738	19,521	(217)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (80)	2,181	2,261	$ (2,075)	(1,996)	79
CASH, JANUARY 1	80	80	-	2,076	2,076	-
CASH, DECEMBER 31	$ -	2,261	2,261	$ 1	80	79

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Howard County Economic Development Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	$ 6,300	7,712	1,412	$ 7,700	4,472	(3,228)
Other	33,950	34,719	769	39,558	32,540	(7,018)
Total Receipts	$ 40,250	42,431	2,181	$ 47,258	37,012	(10,246)
DISBURSEMENTS						
Economic development expenses	$ 281,202	9,287	(271,915)	$ 302,961	6,132	(296,829)
Transfers out	77,976	1,000	(76,976)	-	7,000	7,000
Total Disbursements	$ 359,178	10,287	(348,891)	$ 302,961	13,132	(289,829)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (318,928)	32,144	351,072	$ (255,703)	23,880	279,583
CASH, JANUARY 1	318,928	318,928	-	295,048	295,048	-
CASH, DECEMBER 31	$ -	351,072	351,072	$ 39,345	318,928	279,583

Election Services Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental revenues	$ 12,765	2,035	(10,730)	$ 1,492	3,644	2,152
Charges for services	1,000	837	(163)	1,000	893	(107)
Interest	50	71	21	100	83	(17)
Other	-	2	2	-	-	-
Total Receipts	$ 13,815	2,945	(10,870)	$ 2,592	4,620	2,028
DISBURSEMENTS						
Elections	$ 13,575	1,177	(12,398)	$ 4,254	137	(4,117)
Transfers out	5,993	4,493	(1,500)	2,246	2,246	-
Total Disbursements	$ 19,568	5,670	(13,898)	$ 6,500	2,383	(4,117)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (5,753)	(2,725)	3,028	$ (3,908)	2,237	6,145
CASH, JANUARY 1	6,658	6,658	-	4,421	4,421	-
CASH, DECEMBER 31	$ 905	3,933	3,028	$ 513	6,658	6,145

Deputy Sheriff's Supplemental Salary Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	$ 6,000	4,730	(1,270)	$ 12,000	4,350	(7,650)
Total Receipts	$ 6,000	4,730	(1,270)	$ 12,000	4,350	(7,650)
DISBURSEMENTS						
Sheriff	$ 6,000	3,980	(2,020)	$ 12,390	4,740	(7,650)
Total Disbursements	$ 6,000	3,980	(2,020)	$ 12,390	4,740	(7,650)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	750	750	$ (390)	(390)	-
CASH, JANUARY 1	-	-	-	390	390	-
CASH, DECEMBER 31	$ -	750	750	$ -	-	-

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Sheriff Benevolent Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	$ -	56	56	$ 90	49	(41)
Other	1,000	940	(60)	800	808	8
Total Receipts	$ 1,000	996	(4)	$ 890	857	(33)
DISBURSEMENTS						
Sheriff	$ 4,066	2,052	(2,014)	$ 4,727	1,630	(3,097)
Total Disbursements	$ 4,066	2,052	(2,014)	$ 4,727	1,630	(3,097)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (3,066)	(1,056)	2,010	$ (3,837)	(773)	3,064
CASH, JANUARY 1	3,066	3,066	-	3,839	3,839	-
CASH, DECEMBER 31	$ -	2,010	2,010	$ 2	3,066	3,064

Prosecutor's Supplemental Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental revenues	$ 18,750	18,750	-	$ 21,875	21,875	-
Interest	-	231	231	431	228	(203)
Other	-	85	85	100	70	(30)
Total Receipts	$ 18,750	19,066	316	$ 22,406	22,173	(233)
DISBURSEMENTS						
Prosecuting Attorney	$ 11,580	9,026	(2,554)	$ 6,220	3,281	(2,939)
Transfers out	16,281	17,281	1,000	18,437	18,437	-
Total Disbursements	$ 27,861	26,307	(1,554)	$ 24,657	21,718	(2,939)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (9,111)	(7,241)	1,870	$ (2,251)	455	2,706
CASH, JANUARY 1	9,117	9,117	-	8,662	8,662	-
CASH, DECEMBER 31	$ 6	1,876	1,870	$ 6,411	9,117	2,706

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Tax Maintenance Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	$ 14,000	15,533	1,533	$ 15,170	13,984	(1,186)
Interest	600	1,140	540	850	588	(262)
Total Receipts	$ 14,600	16,673	2,073	$ 16,020	14,572	(1,448)
DISBURSEMENTS						
County Collector	$ 57,900	7,948	(49,952)	$ 19,250	6,614	(12,636)
Transfers out	-	-	-	2,246	2,246	-
Total Disbursements	$ 57,900	7,948	(49,952)	$ 21,496	8,860	(12,636)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (43,300)	8,725	52,025	$ (5,476)	5,712	11,188
CASH, JANUARY 1	43,302	43,302	-	37,590	37,590	-
CASH, DECEMBER 31	$ 2	52,027	52,025	$ 32,114	43,302	11,188

Sheriff Revolving Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for interest	$ 5,100	6,472	1,372	$ 3,200	4,938	1,738
Interest	-	196	196	150	95	(55)
Total Receipts	$ 5,100	6,668	1,568	$ 3,350	5,033	1,683
DISBURSEMENTS						
Sheriff	$ 3,590	2,000	(1,590)	$ 6,700	-	(6,700)
Transfers out	9,000	8,400	(600)	-	750	750
Total Disbursements	$ 12,590	10,400	(2,190)	$ 6,700	750	(5,950)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (7,490)	(3,732)	3,758	$ (3,350)	4,283	7,633
CASH, JANUARY 1	7,650	7,650	-	3,367	3,367	-
CASH, DECEMBER 31	$ 160	3,918	3,758	$ 17	7,650	7,633

Jail Sales Tax Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	$ 225,000	228,422	3,422	$ 247,000	224,774	(22,226)
Interest	2,500	3,449	949	4,000	2,501	(1,499)
Total Receipts	$ 227,500	231,871	4,371	$ 251,000	227,275	(23,725)
DISBURSEMENTS						
Debt service	$ 229,333	229,079	(254)	$ 238,908	227,105	(11,803)
Transfers out	11,450	11,450	-	-	11,375	11,375
Total Disbursements	$ 240,783	240,529	(254)	$ 238,908	238,480	(428)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (13,283)	(8,658)	4,625	$ 12,092	(11,205)	(23,297)
CASH, JANUARY 1	234,242	234,242	-	245,447	245,447	-
CASH, DECEMBER 31	$ 220,959	225,584	4,625	$ 257,539	234,242	(23,297)

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Law Enforcement Sales Tax Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	$ 277,500	278,588	1,088	$ 278,000	277,208	(792)
Intergovernmental revenues	-	391	391	9,226	9,226	-
Charges for services	46,800	32,423	(14,377)	51,869	69,746	17,877
Interest	-	164	164	-	127	127
Other	38,750	34,459	(4,291)	44,600	45,012	412
Transfers in	100,644	100,044	(600)	92,395	76,531	(15,864)
Total Receipts	$ 463,694	446,069	(17,625)	$ 476,090	477,850	1,760
DISBURSEMENTS						
Sheriff	$ 291,811	284,969	(6,842)	$ 247,589	286,866	39,277
Jail	174,330	166,024	(8,306)	187,536	185,475	(2,061)
Vehicle	-	-	-	40,988	-	(40,988)
Other	-	523	523	-	-	-
Total Disbursements	$ 466,141	451,516	(14,625)	$ 476,113	472,341	(3,772)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (2,447)	(5,447)	(3,000)	$ (23)	5,509	5,532
CASH, JANUARY 1	5,532	5,532	-	23	23	-
CASH, DECEMBER 31	$ 3,085	85	(3,000)	$ -	5,532	5,532

Homeless Prevention Fund

	2010		
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Intergovernmental revenues	$ 28,446	28,446	-
Total Receipts	$ 28,446	28,446	-
DISBURSEMENTS			
Homeless grant expenses	$ 28,446	28,446	-
Total Disbursements	$ 28,446	28,446	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	-	-
CASH, JANUARY 1	-	-	-
CASH, DECEMBER 31	$ -	-	-

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

MFH Infrastructure Grant Fund

	2009		
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Total Receipts	$ -	-	-
DISBURSEMENTS			
Health and welfare	$ -	18	18
Total Disbursements	$ -	18	18
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	(18)	(18)
CASH, JANUARY 1	-	18	18
CASH, DECEMBER 31	$ -	-	-

Howard County Insurance Fund

	2009		
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Total Receipts	$ -	-	-
DISBURSEMENTS			
Employee fringe benefits	$ -	1,972	1,972
Total Disbursements	$ -	1,972	1,972
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	(1,972)	(1,972)
CASH, JANUARY 1	-	1,972	1,972
CASH, DECEMBER 31	$ -	-	-

HOWARD COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

911 Board Fund

	January 1 through August 31, 2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	$ 285,000	184,749	(100,251)	$ 290,000	277,204	(12,796)
Interest	4,500	1,490	(3,010)	5,000	3,882	(1,118)
Other	87,965	1,200	1,200	47,255	1,400	(45,855)
Total Receipts	$ 377,465	187,439	(190,026)	$ 342,255	282,486	(59,769)
DISBURSEMENTS						
Salaries and benefits	$ 276,500	168,397	(108,103)	$ 275,115	249,902	(25,213)
Office expenses	9,675	4,750	(4,925)	9,810	9,118	(692)
Equipment	40,000	1,611	(38,389)	10,000	-	(10,000)
Phone system	29,000	20,057	(8,943)	28,840	28,301	(539)
Mileage and training	2,500	364	(2,136)	2,000	1,961	(39)
Repairs	6,500	2,356	(4,144)	6,000	1,295	(4,705)
Insurance	7,800	7,026	(774)	7,210	6,813	(397)
Fees	6,490	1,503	(4,987)	3,380	2,968	(412)
Total Disbursements	$ 378,465	206,064	(172,401)	$ 342,355	300,358	(41,997)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,000)	(18,625)	(17,625)	$ (100)	(17,872)	(17,772)
CASH, JANUARY 1	161,087	161,087	-	178,959	178,959	-
CASH, AUGUST 31, 2010 AND DECEMBER 31	$ 160,087	142,462	(17,625)	$ 178,859	161,087	(17,772)

Sheltered Services Board Fund

	2010			2009		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	$ 109,741	109,915	174	$ 105,402	109,741	4,339
Interest	-	3,818	3,818	-	5,578	5,578
Other	13,000	3,809	(9,191)	-	7,854	7,854
Total Receipts	$ 122,741	117,542	(5,199)	$ 105,402	123,173	17,771
DISBURSEMENTS						
Administration	$ 10,058	1,608	(8,450)	$ 9,662	1,306	(8,356)
Services	156,712	95,044	(61,668)	119,250	79,138	(40,112)
Insurance	926	926	-	1,200	926	(274)
Mileage and training	3,363	2,527	(836)	2,690	3,196	506
Other	92	-	(92)	170	-	(170)
Total Disbursements	$ 171,151	100,105	(71,046)	$ 132,972	84,566	(48,406)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (48,410)	17,437	65,847	$ (27,570)	38,607	66,177
CASH, JANUARY 1	188,271	188,271	-	178,960	149,664	(29,296)
CASH, DECEMBER 31	$ 139,861	205,708	65,847	$ 151,390	188,271	36,881

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

1. A. REPORTING ENTITY

The county's operations include tax assessments and collections, state/county courts administration, county recorder, public safety, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, other boards, or elected county officials.

The financial statements referred to above include the primary government of Howard County, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the county's legal entity. This would include the local health department and Sheltered Services Board through December 31, 2010, and the 911 Board through August 31, 2010. Effective August 28, 2010, Missouri state law provided that the 911 Board would be considered a separate governing body.

1. B. BASIS OF PRESENTATION

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The county's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The county's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain county officials, particularly the County Collector, Treasurer, Recorder, Sheriff, and Public Administrator collect and hold monies in a trustee capacity as an agent for individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

1. C. BASIS OF ACCOUNTING

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

1. D. BUDGETS AND BUDGETARY ACCOUNTING

The county follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the county's policy is to adopt a budget for each governmental fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. D. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

2. Prior to January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. The General Revenue Fund had a deficit budgeted cash balance in 2010 in the amount of $1,387, while no other funds had a deficit budgeted cash balance for 2010 and 2009.

5. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission and other boards, the budget documents are available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission, the Sheltered Services Board or the 911 Board.

7. Subsequent to its formal approval of the budget, the County Commission, Sheltered Services board and 911 board have the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission, Sheltered Services Board and 911 board during the year. The County Commission amended budgets for the following funds:

Fund	Years Ended December 31,
General Revenue	2010 and 2009
Special Road and Bridge	2010 and 2009
Assessment	2010
Prosecuting Attorney Bad Check	2010 and 2009
Civil Defense	2010
Election Services	2010 and 2009
Keller Building	2010 and 2009
Law Enforcement Training	2010
Prosecutor's Supplemental	2010 and 2009
Law Enforcement Sales Tax	2010 and 2009
Road and Bridge Disaster	2009
Tax Maintenance	2009

8. Budgets are prepared and adopted on the cash basis of accounting by the County Commission, Sheltered Services Board and 911 Board.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. D. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

9. Adoption of a formal budget is required by state statute. However, the county did not include formal budgets for the MFH Infrastructure Grant Fund or the Howard County Insurance Fund for the year ended December 31, 2009 for which expenditures were made to close out these funds.

1. E. USE OF ESTIMATES

The preparation of financial statements in conformity with the cash basis of accounting used by the County requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

1. F. PROPERTY TAXES

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as on January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments in the county.

The assessed valuation of the tangible property for the calendar year 2010 and 2009 for purposes of local taxation was:

	2010	2009
Real Estate	$ 71,001,510	$ 69,996,610
Personal Property	22,848,507	22,745,433
Railroad and Utilities	13,811,385	13,217,989
Total Assessed Valuation	$ 107,661,402	$ 105,960,032

The county-wide levy per $100 of the assessed valuation of tangible property for the calendar year 2010 and 2009 for purposes of local taxation was:

	2010	2009
General Revenue Fund	$ .2732	$ .2773
Special Road and Bridge Fund *	$ .2710	$ .2890
Sheltered Services Board Fund	$ .1000	$ .1000

* The county retains all tax proceeds from areas not within special road districts. The county has two road districts that receive four-fifths of the tax collections from property within these districts, and the Special Road and Bridge Fund retains one-fifth. The road districts also have an additional levy approved by the voters.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. G. CASH DEPOSITS AND INVESTMENTS

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

1. H. INTERFUND ACTIVITY

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Transfers between funds of the primary government for the years ended December 31, 2010 and 2009 were as follows:

	Year Ended December 31, 2010	
	Transfers In	Transfers Out
FUNDS:		
General Fund	$ 16,943	$ 88,745
Civil Defense Fund	11,882	-
Prosecuting Attorney Bad Check Fund	2,500	-
Howard County Economic Development Fund	-	1,000
Election Services Fund	-	4,493
Prosecutor's Supplemental Fund	-	17,281
Sheriff Revolving Fund	-	8,400
Jail Sales Tax Fund	-	11,450
Law Enforcement Sales Tax Fund	100,044	-
Totals	$ 131,369	$ 131,369

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. H. INTERFUND ACTIVITY (CONTINUED)

	Year Ended December 31, 2009	
	Transfers In	Transfers out
FUNDS:		
General Fund	$ 79,867	$ 79,675
Special Road and Bridge Fund	85,736	63,521
Prosecuting Attorney Training Fund	36	-
Keller Building Fund	12,255	11,000
Civil Defense Fund	6,420	-
Road and Bridge Disaster Fund	15,461	85,736
Prosecuting Attorney Bad Check Fund	3,620	-
Howard County Economic Development Fund	-	7,000
Election Services Fund	-	2,246
Prosecutor's Supplemental Fund	-	18,437
Tax Maintenance Fund	-	2,246
Sheriff Revolving Fund	-	750
Jail Sales Tax Fund	-	11,375
Law Enforcement Sales Tax Fund	76,531	-
Totals	$ 279,926	$ 281,986

A transfer for $2,060 ordered by the County Commission in December 2008 between the Special Road and Bridge Fund to the Road and Bridge Disaster Fund was not recorded as the transfer out by the Treasurer until January 2009 making total transfers not to be in balance for 2009 and 2008.

1. I. PUBLISHED FINANCIAL STATEMENTS

Under Section 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the year ended December 31, 2009, the published financial statements did not include the 911 Board Fund or the Sheltered Services Board Fund.

NOTE 2. CASH AND INVESTMENTS

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with existing authority to invest in instruments other than depositary accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchases of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

The county has determined through experience that checking accounts, savings accounts, negotiable order withdrawal (NOW) accounts, money market accounts, and certificates of deposits are appropriate types of accounts or instruments for its needs. The county maintains a cash and

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is included on the financial statements as "Cash" under each fund's caption.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

Deposits
Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amounts of the county's deposits were $894,857 and $933,667, respectively, and the bank balances for all accounts at the depository bank were $1,070,511 and $1,034,450 respectively. All bank balances at the depository bank at December 31, 2010 and December 31, 2009 were covered by $250,000 of federal depository insurance and $820,511 and $784,450, respectively, were covered by collateral held at the Federal Reserve Bank and the county's safekeeping bank agent in the county's name or by its agent in the county's name.

The County's Sheltered Services Board's deposits at December 31, 2010 and 2009, and the 911 Board's deposits at August 31, 2010 and December 31, 2009, were not exposed to custodial credit risk because they were entirely covered by federal depositary insurance or by collateral securities held by the boards' custodial bank in the county's or boards' name.

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Howard County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

2) Pension Benefits

Upon termination of employment, any member who is vested is entitled to either an unreduced benefit annuity, payable at age sixty (police and fire fighters, age fifty-five), or a reduced benefit annuity, payable at age fifty-five (police and fire fighters, age fifty). Any member with less than five years of credited service will be refunded accumulated plan contributions.

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

3) Funding Policy

Howard County's full-time employees do not contribute to the pension plan since the plan is non-contributory with the employees' part paid by the county. The county is required to contribute at an actuarially determined rate; the current rate at December 31, 2010 is 1.3% (general) and 1.7% (police) of annual covered payroll. The County Commission determines the contribution requirements of plan members. The contribution provisions of the county are established by state statute.

4) Annual Pension Cost

For 2010 and 2009, total payments to LAGERS were $4,404 and $15,069, respectively.

B. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

3) Funding Policy

Participation in the plan is required for part-time employees that work over 1,000 hours in a calendar year. Enrollment in the plan occurs at the next open enrollment date, in either January or June. For part-time eligible employees hired before February 25, 2002, a pre-tax contribution of 2% is required. For employees hired on or after February 25, 2002, a pre-tax contribution of 4% is required for full-time employees and for part-time employees a contribution of 6% is required. During 2010 and 2009, the county collected and remitted CERF employee contributions of approximately $87,365 and $84,397, respectively, for the years then ended.

NOTE 4. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS

Vacation time is accrued for every full-time employee in the county and accrues at different rates up to a maximum of twenty-one days per year. An employee may carry five annual vacation leave days over to the following year. All vacation earned in one year must be taken off the following year. Compensation for unused vacation is at the discretion of the County Commission. The county provides full-time county employees with up to one day of sick leave time per month and may accumulate to an unlimited amount of days. Sick leave is not paid upon termination of employment with the county. Vacation and personal leave amounts are reported as disbursements when they are paid.

The county does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Under the COBRA the county provides health care benefits to eligible former employees and their dependents. The premiums are paid by the former employees. The county incurs no cost for these benefits.

NOTE 5. CLAIMS, COMMITMENTS, AND CONTINGENCIES

Federal and State Assisted Programs

The county has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

NOTE 6. RISK MANAGEMENT

The county carries commercial insurance for various risks of loss to which it is exposed, including risks related to torts; theft of, damage to, or destruction of assets; natural disasters; errors and omissions; injuries to employees; and employees' health and life. County management believes such coverage is sufficient to preclude any significant uninsured losses to the county. Settled claims have not exceeded this insurance coverage in any of the past three years.

The county is a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The county purchases workers' compensation insurance through this fund, a non-profit corporation established to provide insurance coverage to Missouri Counties. The fund is self-insured up to $2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

NOTE 7. LEASE PURCHASE AGREEMENTS

A. The County Commission entered into an agreement on March 28, 2003 for the lease-purchase of the Howard County Law Enforcement Center. Certificates of participation totaling $1,725,000 were issued by a local bank on behalf of the county and the proceeds of those certificates were used to construct the center, which was completed in June 2004. The lease is scheduled to be paid off in the year 2012. The remaining principal and interest due on the lease at December 31, 2010 and 2009, totaled $430,000 and $635,000, respectively.

The annual debt service requirements for the Howard County Law Enforcement Center, including principal and interest at December 31, 2010 are as follows:

Year Ended December 31,	Principal	Interest
2011	$ 210,000	$ 13,325
2012	220,000	4,510
Totals	$ 430,000	$ 17,835

B. The County Commission entered into an agreement on June 7, 2007 for the lease-purchase of two motor graders. The total lease for the two graders is for 60 months with the first four payments of $18,037 annually and a final payment of $208,000 due in 2011.

C. The County Commission entered into an agreement on September 13, 2007 for the lease-purchase of a motor grader. The total lease for the grader is for 60 months with the first payment of $50,000 in 2007, four payments of $10,206 annually and a final payment of $104,000 due in 2011.

D. The County Commission entered into an agreement on June 15, 2010 for the lease-purchase of an excavator. The total lease for the grader is for 60 months with five annual payments of $23,173.

NOTE 8. EQUIPMENT RENTAL

The Prosecuting Attorney entered into an agreement on December 29, 2010 for a 48 month lease of a copy machine with a monthly payment of $112.

NOTE 9. LONG-TERM DEBT

The County had the following debt outstanding at December 31, 2010 and 2009:

A. The county entered into two energy efficiency loan agreements with the Missouri Department of Natural Resources (DNR) to finance major repairs at the courthouse and the Keller Building. In July 2008, DNR issued a 16-year loan in the amount of $49,336 with a 4.1% interest rate. The county has long-term debt outstanding for this note at December 31, 2010 and 2009, of $43,205 and $46,209, respectively.

The annual debt service requirements for the DNR Energy Efficient Loan, including principal and interest at December 31, 2010 are as follows:

NOTE 9. LONG-TERM DEBT (CONTINUED)

Year Ended December 31,		Principal		Interest
2011	$	3,129	$	1,740
2012		3,259		1,610
2013		3,394		1,475
2014		3,535		1,334
2015		3,681		1,188
2016-2022		26,207		3,710
Totals	$	43,205	$	11,057

B. In August 2010, the DNR authorized a 6 1/2-year loan up to $60,000, with a 0 percent interest rate, for Keller building repairs. The county has long-term debt outstanding for this note at December 31, 2010 of $43,841. As of December 31, 2010, no payments are due on this loan.

NOTE 10. SUBSEQUENT EVENTS

The 1/2-cent jail capital improvement sales tax expires on December 31, 2011. In April 2011, the voters of Howard County approved an additional 1/8-cent sales tax for 911 services.

SUPPLEMENTARY INFORMATION

HOWARD COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31, 2010	2009
	U. S. DEPARTMENT OF AGRICULTURE			
	Passed through state:			
	Department of Health and Senior Services-			
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERS04509144	$ -	$ 17,365
		ERS04510144	22,980	6,109
		ERS04511144	1,994	-
10.559	Summer Food Service Program for Children	N/A	80	80
	U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
	Department of Social Services-			
14.257	ARRA - Homelessness Prevention and Rapid Re-Housing Program	ER-16410021A	28,446	-
	U. S. DEPARTMENT OF JUSTICE			
	Passed through:			
	Missouri Sheriffs' Association -			
16.803	ARRA - Edward Byrne Memorial Justice Assistance Grant Program		-	9,226
16.810	ARRA - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program		4,039	-
	U. S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
	Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO - (22)	-	152,515
		BRO - (23)	-	2,124
		BRO - (25)	-	223,634
		BRO - (26), (27), and (28)	9,275	-
	ELECTION ASSISTANCE COMMISSION			
	Passed through state:			
	Office of Secretary of State-			
90.401	Help America Vote Act Requirements Payments	N/A	6,661	1,115
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Passed through state:			
	Department of Health and Senior Services-			
93.069	Bioterriorism/Emergency Preparedness (HHS)	DH080006036	-	11,694
		DH100004042	14,002	-
93.069	Public Health Emergency Preparedness (Center for Disease and Control)	A0C10380206	24,581	13,086
93.575	Child Care and Development Block Grant	N/A	410	1,040
93.712	ARRA - Immunization	DH100013003	1,425	-
93.994	Maternal and Child Health Services	DH090005002	17,579	17,876
	U. S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through state:			
	Department of Public Safety-			
97.036	Disaster Grants - Public Assistance Grants (Presidentially declared disasters)		22,472	65,061
	Total Expenditures of Federal Awards		$ 153,944	$ 520,925

SEE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

HOWARD COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. PURPOSE OF SCHEDULE AND REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Howard County, Missouri.

B. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is presented in accordance with OMB Circular A-133, which defines federal financial assistance as assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for service rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts the non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors. Because Howard County expended no noncash awards for the years ended December 31, 2010 and 2009, the schedule includes expenditures of cash awards only.

C. BASIS OF ACCOUNTING

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

D. MATCHING REQUIREMENTS

Certain Federal programs require that the county contribute non-federal funds (matching funds) to support the federally-funded programs. The county has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the schedule.

NOTE 2. SUBRECIPIENTS

The county provided no federal awards to subrecipients during the years ended December 31, 2010 and 2009.

COMPLIANCE SECTION

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September 1, 2011

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and Officeholders
of Howard County, Missouri

We have audited the financial statements of Howard County, Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise Howard County's basic financial statements and have issued our report thereon dated September 1, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Howard County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Howard County's control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Howard County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (10-01 and 10-02).

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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Howard County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as items 10-01 and 10-02.

Howard County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Howard County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, County Commission and other boards, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Casey-Beard-Boehmer PC

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September 1, 2011

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECTAND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission
and Officeholders
of Howard County, Missouri

Compliance

We have audited Howard County, Missouri's compliance, with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the county's major federal program for the years ended December 31, 2010 and 2009. The county's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Howard County, Missouri, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the years ended December 31, 2010 and 2009.

Internal Control Over Compliance

Management of Howard County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Howard County, Missouri's internal control over compliance with requirements that could have a direct and material effect on a major federal program to

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determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Howard County, Missouri's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs that we consider to be a deficiency in internal control over compliance (10-03).

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies.

Howard County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Howard County, Missouri's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, County Commission and other boards, others within the entity, the Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

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Certified Public Accountants

HOWARD COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued:	Unqualified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ yes	X no
Significant deficiency(ies) identified?	X yes	____ none reported
Noncompliance material to financial statements noted?	____ yes	X no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	____ yes	X no
Significant deficiency(ies) identified?	____ yes	X none reported
Type of auditors' report issued on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	X yes	____ no

Identification of major programs:

CFDA Number	Program Title
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000	
Auditee qualified as a low-risk auditee?	____ yes	X no

SECTION II – FINANCIAL STATEMENT FINDINGS

This section includes the audit findings that *Government Auditing Standards* require to be reported for an audit of financial statements.

10-01 Budgetary Controls not in Compliance with State Law

Condition: We noted the following issues with the county's budgeting process during our audit:

A. The County Commission approved budget amendments for several county funds in December 2010. The amended document presented by the county for audit purposes for the General Revenue Fund for 2010 noted that the revised budgeted revenues and expenditures left a negative budgeted cash balance of $1,387 as shown in the financial statements presented for the county. There was no amended cash reconciliation page included with the revised budget to show what the budgeted cash balance would be. We also noted upon discussion with the State Auditor's Office that the December 2010 budget amendments had not been filed with the office as required by state law.

Upon discussion with the County Clerk, the official indicated that there would have been an error in the amended revenue amount since sales taxes had increased more than expected and should have been increased so there would not have been a negative budgeted cash balance. The County Commission should provide an amended reconciliation on each budget amendment to ensure that the budgeted cash balance does not show as a negative amount on the budget document.

B. The county reported inaccurate loan balances in the 2010 and 2011 budgets as follows:

Loan	Budget	Amount Reported	Actual Amount
Law Enforcement Center	2010	$ 610,000	$ 635,000
DNR Natural Resources Loan	2011	42,210	43,205

In addition, lease-purchase agreements entered into by the county were not included on the budget document and the Sheltered Services Board tax levy for each year was not properly shown since the tax levy is a county-wide levy.

Criteria: Section 50.622 RSMo, requires that the same procedures should be followed for amending the budget as were required for the adoption of the annual budget. Section 50.540 RSMo states the estimated ending fund balance cannot be a deficit balance. The Missouri State Auditor's Office budgetary guidelines require long-term debt including lease-purchase agreements and certificates of participation along with all county-wide levies to be reported in the budget.

Cause: County officials did not consider the importance of preparing proper amended budgets and reporting accurate long-term debt and other information on the budget documents.

Effect: The County Commission and the County Clerk did not follow state law and budgetary guidelines on the preparation of budget documents.

Recommendation:

A. The County Commission and County Clerk ensure the amended budgets do not indicate a negative budgeted cash balance and are filed properly with the state.

B. The County Commission and County Clerk ensure all loan balances, lease-purchase agreements, and all county-wide levies are presented accurately on the budget document.

Response:

A. The County Commission and the County Clerk agree with the recommendation and will ensure the amended budgets do not indicate a negative budgeted cash balance and are properly filed with the state.

B. The County Commission and County Clerk agree with the recommendation and will ensure all loan balances, lease-purchase agreements, and all county-wide levies are presented accurately on the budget document.

10-02 Untimely Deposit by County Treasurer

Condition: The County Treasurer delayed depositing a court ordered transfer on December 5, 2008 until January 1, 2009 causing the transfers between funds to be out of balance by $2,060 in 2009 as shown on the county's financial statements.

Criteria: Strong internal controls over financial statements require that deposits be made timely to ensure the county's funds are accurate and in balance.

Cause: The County Treasurer's office did not deposit a court order transfer timely.

Effect: The transfers between funds are not in balance on the financial statements filed.

Recommendation:

The County Treasurer should make all deposits timely to safeguard county assets and assure the financial information is in balance on the formal budget.

The County Treasurer provided the following response:

Response: In error, I failed to transfer $2,060 in the month of December 2008 as directed by the County Commission. I did so in January 2009 when the error of transfer was discovered. I will make sure all deposits and transfers are done in a timely manner to safeguard county assets and assure the financial information is in balance on the formal budget.

SECTION III – FEDERAL AWARD FINDING

10-03 Schedule of Expenditures of Federal Awards

Federal Grantor:	U.S. Department of Agriculture, U.S. Department of Housing and Urban Development, U.S. Department of Justice, and U.S. Department of Health and Human Services
Pass-Through Grantor:	Various
Federal CFDA Number:	Various
Program Title:	Various
Pass-Through Entity Identifying Number:	N/A
Award Year:	2010 and 2009
Questioned Costs:	N/A

Condition: The county does not have adequate procedures in place to report accurate grant information on the Schedule of Expenditures of Federal Awards (SEFA), and as a result, the county's SEFA contained some errors and omissions of information required by the federal government.

Criteria: Section .310(b) of Circular A-133, Audit of States, Local Governments, and Non-profit Organizations, requires the county to prepare a SEFA for the period covered by the county's financial statements. The county is required to submit the SEFA to the State Auditor's Office as part of the annual budget.

Effect: Several grants did not have a corresponding CFDA number and pass-through entity identifying numbers on the SEFA, and several program titles reported were not correctly stated. ARRA grants especially were not specifically identified as now required by the federal government.

Recommendation:

Compilation of the SEFA requires consulting county financial records and requesting information from other departments and/or officials. The county should take steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards with the appropriate CFDA numbers and grant titles are properly reported on the SEFA.

Response: *The County Commission and the County Clerk agree with the recommendation and will ensure all departments and/or officials properly track federal awards to ensure all federal awards with the appropriate CFDA numbers and grant titles are properly reported on the SEFA.*

FOLLOW- UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

HOWARD COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Because Howard County, Missouri, did not obtain an audit of its financial statements for the two years ended December 31, 2008, this section does not report the status of any prior audit findings.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Pulaski County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Pulaski County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-78

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

ANNUAL FINANCIAL REPORT

PULASKI COUNTY, MISSOURI

For the Years Ended
December 31, 2010 and 2009

PULASKI COUNTY, MISSOURI

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INTRODUCTORY SECTION

PULASKI COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Gene Newkirk
Associate Commissioner – Rick Zweerink
Associate Commissioner – Bill Farmham

Other Elected Officials

Assessor – Roger Harrison
Circuit Clerk/Recorder – Rachelle Beasley
Collector – Terri Mitchell
Coroner – Mike Hartness
County Clerk – Brent Bassett
Prosecuting Attorney – Kevin Hillman
Public Administrator – Loretta Rouse
Sheriff – J.B. King
Treasurer – Sue Rapone

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CERTIFIED PUBLIC ACCOUNTANTS

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Pulaski County, Missouri

We have audited the accompanying financial statements of Pulaski County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Pulaski County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Pulaski County, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Pulaski County, Missouri, as of December 31, 2010 and 2009, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards,* we also have issued our report dated May 20, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

(Original Signed by Auditor)

McBride, Lock & Associates
May 20, 2011

FINANCIAL SECTION

PULASKI COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2010

Fund	Cash January 1, 2009 (Note 8)	Receipts 2009	Disbursements 2009	Cash December 31, 2009	Receipts 2010	Disbursements 2010	Cash December 31, 2010
General Revenue	$ 47,901	$ 3,170,400	$ 3,118,412	$ 99,889	$ 3,276,596	$ 3,267,031	$ 109,454
Special Road & Bridge	254,003	1,902,418	1,891,504	264,917	1,667,830	1,703,221	229,526
Assessment	162,188	290,440	340,435	112,193	313,386	275,042	150,537
Courthouse Sales	2,246,169	132,241	270,939	2,107,471	84,961	241,455	1,950,977
Prosecuting Attorney Training	198	1,358	1,143	413	1,929	1,732	610
Prosecuting Attorney Delinquent	43	1,210	1,190	63	685	260	488
Prosecuting Attorney User	204	27,848	28,052	-	26,409	26,409	-
Election Services	4,097	5,240	2,849	6,488	2,924	2,331	7,081
Civil Fees	834	50,824	48,947	2,711	50,564	52,299	976
Law Officer Training	1,964	7,530	6,451	3,043	11,219	6,355	7,907
Criminal Investigation	10,557	12,752	21,059	2,250	12,137	12,861	1,526
Recorder User	10,154	19,715	12,902	16,967	16,492	17,733	15,726
Recorder Technology	14,456	10,069	13,576	10,949	8,946	9,782	10,113
Collector Maintenance	31,605	41,004	23,161	49,448	40,424	21,810	68,062
LEPC Chemical Preparedness	16,520	4,963	1,088	20,395	937	887	20,445
Sheriff Revolving	20,833	37,914	36,896	21,851	37,342	43,333	15,860
Inmate Security	2,263	5,608	7,500	371	7,715	5,696	2,390
LEPC Hazardous Materials	3,510	189	1,567	2,132	99	-	2,231
Vest Grant	-	-	-	-	2,330	2,322	8
County Law Enforcement Restitution	5,208	25,876	28,408	2,676	36,296	38,919	53
Family Reunion	571	37	-	608	28	-	636
Sheriff Special Equipment	3,032	12,153	10,703	4,482	23,201	25,912	1,771
Law Library	7,474	19,136	20,726	5,884	17,951	13,125	10,710
Tourism Tax	12,410	538,945	538,246	13,109	361,376	361,406	13,079
Highway H NID	107,131	42,550	38,836	110,845	40,780	42,407	109,218
Highway H Maintenance	2,337	53,772	50,635	5,474	55,342	53,981	6,835
Northwood NID	36,799	2,603	285	39,117	2,032	-	41,149
Country Hills NID	15,849	6,377	6,241	15,985	6,729	6,013	16,701
Dye Estates NID	7	378	-	385	18	-	403
Subtotal	$ 3,018,317	$ 6,423,550	$ 6,521,751	$ 2,920,116	$ 6,106,678	$ 6,232,322	$ 2,794,472

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A

PULASKI COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2010

Fund	Cash January 1, 2009	Receipts 2009	Disbursements 2009	Cash December 31, 2009	Receipts 2010	Disbursements 2010	Cash December 31, 2010
Subtotal Continued from Previous Page	$ 3,018,317	$ 6,423,550	$ 6,521,751	$ 2,920,116	$ 6,106,678	$ 6,232,322	$ 2,794,472
Eagles Point NID	9,749	6,202	6,181	9,770	5,727	10,961	4,536
Timbers NID	15,072	993	515	15,550	558	-	16,108
Northlake NID	7,786	8,567	8,122	8,231	8,017	523	15,725
White Oaks NID	879	7,763	8,343	299	7,958	9,042	(785)
Crisis	14,397	26,206	24,030	16,573	28,405	26,206	18,772
Senior Citizens	65,665	171,230	169,409	67,486	168,449	169,075	66,860
HAVA	3,691	7,364	6,313	4,742	12,834	12,900	4,676
Senate Bill 40 Board	235,021	283,347	311,059	207,309	361,453	317,055	251,707
Missouri DOT Deputy Sheriff OT Grant	-	4,615	4,615	-	5,593	5,593	-
911 Emergency Service Board	267,499	1,004,374	1,005,278	266,595	1,064,647	947,199	384,043
Department of Justice Jailer Grant	-	-	-	-	99,752	99,977	(225)
Department of Justice Dispatcher/Evidence Tech Grant	-	-	-	-	64,862	64,862	-
JAG Equipment One Grant	-	-	-	-	11,610	11,610	-
JAG Equipment Two Grant	-	-	-	-	57,309	57,309	-
Drug Court	-	10,633	10,633	-	67,848	67,848	-
Total	$ 3,638,076	$ 7,954,844	$ 8,076,249	$ 3,516,671	$ 8,071,700	$ 8,032,482	$ 3,555,889

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A

PULASKI COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	GENERAL REVENUE FUND Year Ended December 31,			
	2009		2010	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ 52,000	$ 46,253	$ 45,400	$ 70,025
Sales taxes	1,910,414	1,983,482	2,023,152	2,083,839
Intergovernmental	112,044	96,253	83,262	88,866
Charges for services	592,830	625,402	628,225	632,605
Interest	9,000	11,671	8,000	11,979
Other	345,051	285,074	270,800	263,565
Transfers in	134,213	122,265	137,051	125,717
Total Receipts	$ 3,155,552	$ 3,170,400	$ 3,195,890	$ 3,276,596
DISBURSEMENTS				
County Commission	$ 107,492	$ 104,520	$ 107,640	$ 107,711
County Clerk	104,580	103,113	104,580	102,776
Elections	28,200	24,683	108,250	107,912
Buildings and grounds	3,600	3,264	3,600	3,353
Employee fringe benefits	213,881	205,166	239,113	234,628
Treasurer	53,813	52,466	53,813	52,494
Collector	105,180	104,090	106,180	103,622
Recorder of Deeds	53,797	50,204	51,204	51,924
Circuit Clerk	62,841	71,237	84,154	81,186
Associate Circuit Court	1,000	615	1,000	807
Associate Circuit (Probate) Court	2,750	606	2,750	2,461
Court administration	87,192	80,766	77,219	74,550
Public Administrator	77,317	76,964	77,317	77,213
Sheriff	714,553	723,146	743,978	787,225
Jail	669,875	655,502	593,030	675,844
Prosecuting Attorney	257,297	254,774	269,952	242,681
Juvenile Officer	136,357	133,989	127,183	127,183
Coroner	48,190	50,700	50,850	40,930
Other County Government	249,202	336,676	328,025	327,294
Transfers out	123,708	85,931	65,237	65,237
Emergency fund	94,666	-	95,883	-
Total Disbursements	$ 3,195,491	$ 3,118,412	$ 3,290,958	$ 3,267,031
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (39,939)	$ 51,988	$ (95,068)	$ 9,565
CASH, JANUARY 1	47,901	47,901	99,889	99,889
CASH, DECEMBER 31	$ 7,962	$ 99,889	$ 4,821	$ 109,454

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-1

PULASKI COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 702,319	$ 737,236	$ 787,236	$ 734,155	$ -	$ -	$ -	$ -
Sales taxes	-	39	-	31	-	-	-	-
Intergovernmental	750,000	762,284	766,676	791,565	282,000	278,591	278,404	304,625
Charges for services	500	7,825	1,000	1,400	-	-	-	-
Interest	15,000	30,655	28,500	21,082	14,001	11,849	11,000	8,719
Other	53,600	278,449	61,500	54,360	-	-	-	42
Transfers in	63,709	85,930	65,237	65,237	-	-	-	-
Total Receipts	$ 1,585,128	$ 1,902,418	$ 1,710,149	$ 1,667,830	$ 296,001	$ 290,440	$ 289,404	$ 313,386
DISBURSEMENTS								
Salaries	$ 582,566	$ 588,646	$ 585,000	585,917	$ 177,289	$ 166,006	$ 181,164	$ 178,520
Employee fringe benefits	132,495	133,680	148,495	147,979	35,430	31,885	35,430	33,043
Materials and supplies	768,605	715,179	581,000	522,200	38,600	44,485	41,250	20,828
Services and other	238,500	288,863	276,236	259,043	101,200	98,059	39,200	42,651
Capital outlay	83,000	78,753	133,100	102,575	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	86,383	86,383	85,507	85,507	-	-	-	-
Total Disbursements	$ 1,891,549	$ 1,891,504	$ 1,809,338	$ 1,703,221	$ 352,519	$ 340,435	$ 297,044	$ 275,042
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (306,421)	$ 10,914	$ (99,189)	$ (35,391)	$ (56,518)	$ (49,995)	$ (7,640)	$ 38,344
CASH, JANUARY 1	254,003	254,003	264,917	264,917	162,188	162,188	112,193	112,193
CASH, DECEMBER 31	$ (52,418)	$ 264,917	$ 165,728	$ 229,526	$ 105,670	$ 112,193	$ 104,553	$ 150,537

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-2

PULASKI COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COURTHOUSE SALES FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	300	353	300	157	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	1,500	1,341	1,467	1,893
Interest	120,000	100,337	95,000	56,379	16	17	5	36
Other	8,024	31,551	28,432	28,425	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 128,324	$ 132,241	$ 123,732	$ 84,961	$ 1,516	$ 1,358	$ 1,472	$ 1,929
DISBURSEMENTS								
Salaries	$ 41,600	$ 38,880	$ 41,600	$ 39,296	$ -	$ -	$ -	$ -
Employee fringe benefits	11,900	7,365	9,282	7,897	-	-	-	-
Materials and Supplies	25,000	26,705	28,000	13,112	-	-	-	-
Services and other	62,400	64,485	67,000	73,357	1,714	1,143	1,850	1,732
Capital outlay	350,000	133,504	350,000	107,793	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 490,900	$ 270,939	$ 495,882	$ 241,455	$ 1,714	$ 1,143	$ 1,850	$ 1,732
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (362,576)	$ (138,698)	$ (372,150)	$ (156,494)	$ (198)	$ 215	$ (378)	$ 197
CASH, JANUARY 1	2,246,169	2,246,169	2,107,471	2,107,471	198	198	413	413
CASH, DECEMBER 31	$ 1,883,593	$ 2,107,471	$ 1,735,321	$ 1,950,977	$ -	$ 413	$ 35	$ 610

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-3

PULASKI COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY DELINQUENT FUND				PROSECUTING ATTORNEY USER FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,500	1,203	1,554	679	-	-	-	-
Charges for services	-	-	-	-	42,000	27,752	30,000	26,382
Interest	18	7	7	6	131	96	80	27
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 1,518	$ 1,210	$ 1,561	$ 685	$ 42,131	$ 27,848	$ 30,080	$ 26,409
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,561	1,190	1,561	260	2,334	-	80	114
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	40,000	28,052	30,000	26,295
Total Disbursements	$ 1,561	$ 1,190	$ 1,561	$ 260	$ 42,334	$ 28,052	$ 30,080	$ 26,409
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (43)	$ 20	$ -	$ 425	$ (203)	$ (204)	$ -	$ -
CASH, JANUARY 1	43	43	63	63	204	204	-	-
CASH, DECEMBER 31	$ -	$ 63	$ 63	$ 488	$ 1	$ -	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-4

PULASKI COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ELECTION SERVICES FUND				CIVIL FEES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	500	1,542	1,300	2,645	50,000	50,000	50,000	50,000
Interest	200	367	225	279	700	824	800	359
Other	-	3,331	-	-	-	-	-	205
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 700	$ 5,240	$ 1,525	$ 2,924	$ 50,700	$ 50,824	$ 50,800	$ 50,564
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	-	-	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	4,400	2,849	7,000	2,331	51,500	48,947	53,511	52,299
Capital outlay and construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 4,400	$ 2,849	$ 7,000	$ 2,331	$ 51,500	$ 48,947	$ 53,511	$ 52,299
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (3,700)	$ 2,391	$ (5,475)	$ 593	$ (800)	$ 1,877	$ (2,711)	$ (1,735)
CASH, JANUARY 1	4,097	4,097	6,488	6,488	834	834	2,711	2,711
CASH, DECEMBER 31	$ 397	$ 6,488	$ 1,013	$ 7,081	$ 34	$ 2,711	$ -	$ 976

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-5

PULASKI COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	LAW OFFICER TRAINING FUND				CRIMINAL INVESTIGATION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	5,000	5,380	7,500	7,558	17,000	12,199	12,500	12,055
Interest	125	121	120	221	800	553	500	82
Other	2,100	2,029	2,100	3,440	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 7,225	$ 7,530	$ 9,720	$ 11,219	$ 17,800	$ 12,752	$ 13,000	$ 12,137
DISBURSEMENTS								
Salaries	-	-	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	9,000	6,451	12,763	6,355	27,800	21,059	15,250	12,861
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 9,000	$ 6,451	$ 12,763	$ 6,355	$ 27,800	$ 21,059	$ 15,250	$ 12,861
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,775)	$ 1,079	$ (3,043)	$ 4,864	$ (10,000)	$ (8,307)	$ (2,250)	$ (724)
CASH, JANUARY 1	1,964	1,964	3,043	3,043	10,557	10,557	2,250	2,250
CASH, DECEMBER 31	$ 189	$ 3,043	$ -	$ 7,907	$ 557	$ 2,250	$ -	$ 1,526

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-6

PULASKI COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	RECORDER USER FUND				RECORDER TECHNOLOGY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	17,000	18,997	19,280	15,779	9,000	9,267	9,200	8,462
Interest	700	718	720	713	1,001	802	800	484
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 17,700	$ 19,715	$ 20,000	$ 16,492	$ 10,001	$ 10,069	$ 10,000	$ 8,946
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	20,000	12,902	20,000	10,733	24,456	13,576	15,000	9,782
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	7,000	-	-	-	-
Total Disbursements	$ 20,000	$ 12,902	$ 20,000	$ 17,733	$ 24,456	$ 13,576	$ 15,000	$ 9,782
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (2,300)	$ 6,813	$ -	$ (1,241)	$ (14,455)	$ (3,507)	$ (5,000)	$ (836)
CASH, JANUARY 1	10,154	10,154	16,967	16,967	14,456	14,456	10,949	10,949
CASH, DECEMBER 31	$ 7,854	$ 16,967	$ 16,967	$ 15,726	$ 1	$ 10,949	$ 5,949	$ 10,113

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-7

PULASKI COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COLLECTOR MAINTENANCE FUND				LEPC CHEMICAL PREPAREDNESS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	33,000	38,294	35,000	37,570	-	-	-	-
Interest	2,000	2,710	2,000	2,654	775	1,085	-	937
Other	-	-	-	200	2,000	3,878	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 35,000	$ 41,004	$ 37,000	$ 40,424	$ 2,775	$ 4,963	$ -	$ 937
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	58,000	17,510	51,700	16,424	-	-	-	-
Services and other	4,500	1,651	7,500	1,386	6,600	1,088	-	887
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	4,000	4,000	4,000	4,000	-	-	-	-
Total Disbursements	$ 66,500	$ 23,161	$ 63,200	$ 21,810	$ 6,600	$ 1,088	$ -	$ 887
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (31,500)	$ 17,843	$ (26,200)	$ 18,614	$ (3,825)	$ 3,875	$ -	$ 50
CASH, JANUARY 1	31,605	31,605	49,448	49,448	16,520	16,520	20,395	20,395
CASH, DECEMBER 31	$ 105	$ 49,448	$ 23,248	$ 68,062	$ 12,695	$ 20,395	$ 20,395	$ 20,445

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-8

PULASKI COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF REVOLVING FUND				INMATE SECURITY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	13,000	36,567	30,000	36,318	4,900	5,431	5,500	7,632
Interest	1,700	1,347	1,400	1,024	170	177	150	83
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 14,700	$ 37,914	$ 31,400	$ 37,342	$ 5,070	$ 5,608	$ 5,650	$ 7,715
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	37,000	36,896	53,251	43,333	7,501	7,500	6,021	5,696
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 37,000	$ 36,896	$ 53,251	$ 43,333	$ 7,501	$ 7,500	$ 6,021	$ 5,696
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (22,300)	$ 1,018	$ (21,851)	$ (5,991)	$ (2,431)	$ (1,892)	$ (371)	$ 2,019
CASH, JANUARY 1	20,833	20,833	21,851	21,851	2,263	2,263	371	371
CASH, DECEMBER 31	$ (1,467)	$ 21,851	$ -	$ 15,860	$ (168)	$ 371	$ -	$ 2,390

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-9

PULASKI COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LEPC HAZARDOUS MATERIALS FUND				VEST GRANT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	251	189	-	99	-	-	-	53
Other	-	-	-	-	4,553	-	2,277	2,277
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 251	$ 189	$ -	$ 99	$ 4,553	$ -	$ 2,277	$ 2,330
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	3,500	1,567	-	-	4,553	-	2,277	2,322
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 3,500	$ 1,567	$ -	$ -	$ 4,553	$ -	$ 2,277	$ 2,322
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (3,249)	$ (1,378)	$ -	$ 99	$ -	$ -	$ -	$ 8
CASH, JANUARY 1	3,510	3,510	2,132	2,132	-	-	-	-
CASH, DECEMBER 31	$ 261	$ 2,132	$ 2,132	$ 2,231	$ -	$ -	$ -	$ 8

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-10

PULASKI COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COUNTY LAW ENFORCEMENT RESTITUTION FUND				FAMILY REUNION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	32,590	25,621	40,000	36,153	-	-	-	-
Interest	300	255	175	143	35	37	20	28
Other	-	-	-	-	550	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 32,890	$ 25,876	$ 40,175	$ 36,296	$ 585	$ 37	$ 20	$ 28
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	38,000	28,408	42,500	38,919	550	-	620	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 38,000	$ 28,408	$ 42,500	$ 38,919	$ 550	$ -	$ 620	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (5,110)	$ (2,532)	$ (2,325)	$ (2,623)	$ 35	$ 37	$ (600)	$ 28
CASH, JANUARY 1	5,208	5,208	2,676	2,676	571	571	608	608
CASH, DECEMBER 31	$ 98	$ 2,676	$ 351	$ 53	$ 606	$ 608	$ 8	$ 636

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-11

PULASKI COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF SPECIAL EQUIPMENT FUND				LAW LIBRARY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	20,000	19,136	19,136	17,951
Interest	100	211	225	259	-	-	-	-
Other	11,800	11,942	18,000	22,942	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 11,900	$ 12,153	$ 18,225	$ 23,201	$ 20,000	$ 19,136	$ 19,136	$ 17,951
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	12,000	10,703	22,700	25,912	18,000	20,726	22,800	13,125
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 12,000	$ 10,703	$ 22,700	$ 25,912	$ 18,000	$ 20,726	$ 22,800	$ 13,125
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (100)	$ 1,450	$ (4,475)	$ (2,711)	$ 2,000	$ (1,590)	$ (3,664)	$ 4,826
CASH, JANUARY 1	3,032	3,032	4,482	4,482	7,474	7,474	5,884	5,884
CASH, DECEMBER 31	$ 2,932	$ 4,482	$ 7	$ 1,771	$ 9,474	$ 5,884	$ 2,220	$ 10,710

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-12

PULASKI COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	TOURISM TAX FUND				HIGHWAY H NID FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	510,000	538,246	545,000	361,182	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	900	699	500	194	7,500	5,794	5,000	3,891
Other	-	-	-	-	36,000	36,756	35,000	36,889
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 510,900	$ 538,945	$ 545,500	$ 361,376	$ 43,500	$ 42,550	$ 40,000	$ 40,780
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	500,000	538,246	545,000	361,406	92,500	38,836	93,000	39,492
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	2,915
Total Disbursements	$ 500,000	$ 538,246	$ 545,000	$ 361,406	$ 92,500	$ 38,836	$ 93,000	$ 42,407
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 10,900	$ 699	$ 500	$ (30)	$ (49,000)	$ 3,714	$ (53,000)	$ (1,627)
CASH, JANUARY 1	12,410	12,410	13,109	13,109	107,131	107,131	110,845	110,845
CASH, DECEMBER 31	$ 23,310	$ 13,109	$ 13,609	$ 13,079	$ 58,131	$ 110,845	$ 57,845	$ 109,218

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-13

PULASKI COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	HIGHWAY H MAINTENANCE FUND				NORTHWOOD NID FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	2,500	2,813	2,300	1,642	2,400	2,012	1,700	1,442
Other	48,801	50,959	50,000	53,700	1,000	591	-	590
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 51,301	$ 53,772	$ 52,300	$ 55,342	$ 3,400	$ 2,603	$ 1,700	$ 2,032
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	52,500	50,635	55,000	53,981	-	-	-	-
Capital outlay	-	-	-	-	40,199	285	40,000	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 52,500	$ 50,635	$ 55,000	$ 53,981	$ 40,199	$ 285	$ 40,000	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,199)	$ 3,137	$ (2,700)	$ 1,361	$ (36,799)	$ 2,318	$ (38,300)	$ 2,032
CASH, JANUARY 1	2,337	2,337	5,474	5,474	36,799	36,799	39,117	39,117
CASH, DECEMBER 31	$ 1,138	$ 5,474	$ 2,774	$ 6,835	$ -	$ 39,117	$ 817	$ 41,149

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-14

PULASKI COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	COUNTRY HILLS NID FUND				DYE ESTATES NID FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	900	1,000	750	726	25	20	10	18
Other	7,000	5,377	5,000	6,003	500	358	300	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 7,900	$ 6,377	$ 5,750	$ 6,729	$ 525	$ 378	$ 310	$ 18
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	-	-	-	-
Capital outlay	15,000	6,241	20,000	6,013	532	-	695	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 15,000	$ 6,241	$ 20,000	$ 6,013	$ 532	$ -	$ 695	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (7,100)	$ 136	$ (14,250)	$ 716	$ (7)	$ 378	$ (385)	$ 18
CASH, JANUARY 1	15,849	15,849	15,985	15,985	7	7	385	385
CASH, DECEMBER 31	$ 8,749	$ 15,985	$ 1,735	$ 16,701	$ -	$ 385	$ -	$ 403

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-15

PULASKI COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	EAGLE POINT NID FUND				TIMBERS NID FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	685	702	600	431	800	725	600	558
Other	6,000	5,500	5,000	5,296	1,001	268	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 6,685	$ 6,202	$ 5,600	$ 5,727	$ 1,801	$ 993	$ 600	$ 558
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	-	-	-	-
Capital outlay	10,000	2,352	13,000	10,961	16,872	515	16,150	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	3,829	-	-	-	-	-	-
Total Disbursements	$ 10,000	$ 6,181	$ 13,000	$ 10,961	$ 16,872	$ 515	$ 16,150	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (3,315)	$ 21	$ (7,400)	$ (5,234)	$ (15,071)	$ 478	$ (15,550)	$ 558
CASH, JANUARY 1	9,749	9,749	9,770	9,770	15,072	15,072	15,550	15,550
CASH, DECEMBER 31	$ 6,434	$ 9,770	$ 2,370	$ 4,536	$ 1	$ 15,550	$ -	$ 16,108

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-16

PULASKI COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	NORTHLAKE NID FUND				WHITE OAKS NID FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	700	896	700	678	580	443	300	303
Other	7,500	7,671	7,500	7,339	6,910	7,320	7,496	7,655
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 8,200	$ 8,567	$ 8,200	$ 8,017	$ 7,490	$ 7,763	$ 7,796	$ 7,958
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	-	-	-	-
Capital outlay	10,000	8,122	16,431	523	8,369	8,343	8,095	9,042
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 10,000	$ 8,122	$ 16,431	$ 523	$ 8,369	$ 8,343	$ 8,095	$ 9,042
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,800)	$ 445	$ (8,231)	$ 7,494	$ (879)	$ (580)	$ (299)	$ (1,084)
CASH, JANUARY 1	7,786	7,786	8,231	8,231	879	879	299	299
CASH, DECEMBER 31	$ 5,986	$ 8,231	$ -	$ 15,725	$ -	$ 299	$ -	$ (785)

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-17

PULASKI COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	CRISIS FUND				SENIOR CITIZENS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ 166,376	$ 169,167	$ 165,936	$ 166,174
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	661	-	934
Charges for services	22,000	15,257	15,000	15,799	-	-	-	-
Interest	876	925	900	613	3,000	1,402	3,000	1,341
Other	-	10,024	10,000	11,993	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 22,876	$ 26,206	$ 25,900	$ 28,405	$ 169,376	$ 171,230	$ 168,936	$ 168,449
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	150	-
Services and other	25,000	24,030	30,000	26,206	180,775	169,409	175,100	169,075
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 25,000	$ 24,030	$ 30,000	$ 26,206	$ 180,775	$ 169,409	$ 175,250	$ 169,075
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (2,124)	$ 2,176	$ (4,100)	$ 2,199	$ (11,399)	$ 1,821	$ (6,314)	$ (626)
CASH, JANUARY 1	14,397	14,397	16,573	16,573	65,665	65,665	67,486	67,486
CASH, DECEMBER 31	$ 12,273	$ 16,573	$ 12,473	$ 18,772	$ 54,266	$ 67,486	$ 61,172	$ 66,860

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-18

PULASKI COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	HAVA FUND				SENATE BILL 40 BOARD FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ 261,026	$ 249,320	$ 252,664	$ 311,252
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	150	236	200	145	6,000	8,488	6,000	7,047
Other	3,600	7,128	6,000	12,689	7,189	25,539	203,438	43,154
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 3,750	$ 7,364	$ 6,200	$ 12,834	$ 274,215	$ 283,347	$ 462,102	$ 361,453
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ 7,200	$ 7,200	$ 7,200	$ 7,200
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	1,000	734	1,000	586
Services and other	7,000	6,313	10,000	12,900	271,015	303,125	438,170	309,269
Capital outlay	-	-	-	-	25,000	-	14,732	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 7,000	$ 6,313	$ 10,000	$ 12,900	$ 304,215	$ 311,059	$ 461,102	$ 317,055
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (3,250)	$ 1,051	$ (3,800)	$ (66)	$ (30,000)	$ (27,712)	$ 1,000	$ 44,398
CASH, JANUARY 1	3,691	3,691	4,742	4,742	235,021	235,021	207,309	207,309
CASH, DECEMBER 31	$ 441	$ 4,742	$ 942	$ 4,676	$ 205,021	$ 207,309	$ 208,309	$ 251,707

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-19

PULASKI COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	MISSOURI DOT DEPUTY SHERIFF OT GRANT FUND				911 TELEPHONE BOARD FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	945,312	991,464	1,021,114	1,041,661
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	1,750	2,520	2,520	2,640
Interest	-	-	-	-	10,000	9,723	7,500	14,918
Other	13,000	4,615	7,871	5,593	1,000	667	-	5,428
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 13,000	$ 4,615	$ 7,871	$ 5,593	$ 958,062	$ 1,004,374	$ 1,031,134	$ 1,064,647
DISBURSEMENTS								
Salaries	$ 13,000	$ 4,615	$ 7,871	$ 5,593	$ 439,000	$ 440,551	$ 466,900	$ 449,992
Employee fringe benefits	-	-	-	-	144,000	143,358	173,430	135,668
Materials and supplies	-	-	-	-	162,600	159,926	151,200	136,299
Services and other	-	-	-	-	40,667	32,307	44,604	35,336
Capital outlay	-	-	-	-	227,000	229,136	195,000	189,904
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 13,000	$ 4,615	$ 7,871	$ 5,593	$ 1,013,267	$ 1,005,278	$ 1,031,134	$ 947,199
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ -	$ -	$ -	$ (55,205)	$ (904)	$ -	$ 117,448
CASH, JANUARY 1	-	-	-	-	267,499	267,499	266,595	266,595
CASH, DECEMBER 31	$ -	$ -	$ -	$ -	$ 212,294	$ 266,595	$ 266,595	$ 384,043

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-20

PULASKI COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	DEPARTMENT OF JUSTICE JAILER GRANT FUND				DOJ DISPATCHER/EVIDENCE TECH GRANT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	143,672	99,752	-	-	81,283	64,862
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ -	$ -	$ 143,672	$ 99,752	$ -	$ -	$ 81,283	$ 64,862
DISBURSEMENTS								
Salaries	$ -	$ -	$ 143,672	$ 99,977	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	-	-	81,283	64,862
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ -	$ -	$ 143,672	$ 99,977	$ -	$ -	$ 81,283	$ 64,862
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ -	$ -	$ (225)	$ -	$ -	$ -	$ -
CASH, JANUARY 1	-	-	-	-	-	-	-	-
CASH, DECEMBER 31	$ -	$ -	$ -	$ (225)	$ -	$ -	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-21

PULASKI COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	JAG EQUIPMENT ONE GRANT FUND				JAG EQUIPMENT TWO GRANT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	14,246	11,610	-	-	58,610	57,309
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ -	$ -	$ 14,246	$ 11,610	$ -	$ -	$ 58,610	$ 57,309
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	14,246	11,610	-	-	58,610	57,309
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ -	$ -	$ 14,246	$ 11,610	$ -	$ -	$ 58,610	$ 57,309
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CASH, JANUARY 1	-	-	-	-	-	-	-	-
CASH, DECEMBER 31	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-22

PULASKI COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	DRUG COURT FUND			
	Year Ended December 31,			
	2009		2010	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	10,633	111,300	67,848
Transfers in	-	-	-	-
Total Receipts	$ -	$ 10,633	$ 111,300	$ 67,848
DISBURSEMENTS				
Salaries	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-
Materials and supplies	6,300	22	21,300	5,825
Services and other	15,500	10,611	90,000	62,023
Capital outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	$ 21,800	$ 10,633	$ 111,300	$ 67,848
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (21,800)	$ -	$ -	$ -
CASH, JANUARY 1	-	-	-	-
CASH, DECEMBER 31	$ (21,800)	$ -	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-23

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pulaski County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk-Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, Treasurer and Collector.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Pulaski County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector, Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.

2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the LEPC Chemical Preparedness fund in 2010.

9. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	2010	2009
LEPC Chemical Preparedness	X	N/A
Vest Grant	X	N/A
Sheriff's Special Equipment	X	N/A
Law Library	N/A	X
Tourism Tax	N/A	X
White Oaks NID	X	N/A
HAVA	X	N/A
Senate Bill 40 Board	N/A	X

Because a budget was not adopted for the fund listed in Note 1.D.8, expenditures in that respective fund exceeded budgetary authority to the extent that a budget was not adopted.

Additionally, the County budgeted expenditures to exceed estimated revenues and available fund balance resulting in a negative fund balance for the following funds:

	2010	2009
Special Road & Bridge Fund	N/A	X
Sheriff's Revolving Fund	N/A	X
Inmate Security Fund	N/A	X
Drug Court Fund	N/A	X

The County's expenditures exceeded its revenues and fund balances available for expenditures in the White Oaks NID and the Department of Justice Jailer Grant in 2010. The resulting negative cash balances represent implicit borrowings from the other pooled funds. The County expects these borrowings to be repaid from monies received in the next fiscal year.

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2010 and 2009, for purposes of taxation were:

	2010	2009
Real Estate	$ 339,604,480	$ 324,105,730
Personal Property	58,960,485	57,395,841
Railroad and Utilities	15,244,038	15,332,235

During 2010 and 2009, the County Commission approved a tax levy per $100 of assessed valuation of tangible taxable property for the calendar years 2010 and 2009, for purposes of County taxation, as follows:

	2010	2009
Special Road and Bridge	$ 0.1889	$ 0.1774
Senate Bill 40 Board (Sheltered Workshop)	0.0686	0.0686
Senior Citizens	0.0428	0.0428

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amounts of the County's deposits $3,555,889 and $3,516,671, respectively, and the bank balances were $3,906,929 and $4,409,779, respectively. Of the

bank balances, $1,335,451 and $1,105,871 at December 31, 2010 and December 31, 2009, respectively, were covered by federal depository insurance and the remainder was covered by collateral and held at the Federal Reserve Bank or the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2010 and 2009, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue, Special Road and Bridge, Senior Citizens and Senate Bill 40. Tax collections on deposit amounted to $11,816,204 and $10,344,857 at December 31, 2010 and 2009, respectively. The County Collector's deposits were covered by federal depository insurance of $250,000 as of December 31, 2010 and 2009 and the remainder was fully collateralized by pledged securities.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2010 and 2009, the County collected and remitted to CERF employee contributions of approximately $244,237 and $238,722 respectively, for the years then ended.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 24 days of sick time to accrue at one day per complete calendar month of employment. Upon termination, the employee will not be compensated for any unused sick time. Vacation time will accrue at the rate of one day per month with a maximum carryover at the employee’s anniversary date of five days. Compensatory time accrues at a rate of one and one half time actual hours worked based on federal wage and hour regulations.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

C. Lawsuit Filed

A lawsuit has been filed by a former Prosecuting Attorney seeking $43,715 in unpaid salary. The lawsuit alleges that applicable state statutes require that a full-time prosecutor is entitled to the same pay as an associate circuit judge.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County had the following debt outstanding at December 31, 2009:

A. $130,000 in 1996 Series Highway H NID GO Bonds, dated August 1, 1996, due in annual installments of $30,000 through March 1, 2012; $35,000 due March 1, 2013; and $40,000 due March 1, 2014. Interest is paid at 5.4% through March 1, 2012 and 6.4% therefore through March 1, 2014.

B. $19,000 in 1999C Series Eagle Point NID Bonds, dated June 17, 1999, due in annual installments of $4,000 through June 1, 2011 and $5,000 thereafter through June 1, 2014.

C. $19,000 in 1999A Series Country Hills NID Bonds, dated June 17, 1999, due in annual installments of $4,000 through June 1, 2011 and $5,000 thereafter through June 1, 2014.

D. $38,000 Limited GO White Oak Neighborhood Improvement District Bonds, dated December 27, 2000, due in annual installments of $6,000 through February 1, 2013; $7,000 thereafter through February 1, 2015 and $8,000 at February 1, 2016.

E. $100,000 loan from Courthouse Sales fund to General Revenue fund on December 31, 2008 due in one year, with interest at the same rate the County receives from the bank on its deposits.

F. $19,130 loan from Missouri Department of Transportation toward financing of a building purchased August 10, 2009, due in full June 11, 2011.

8. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2009 to exclude the Circuit Clerk Court Maintenance, Circuit Clerk Court Operation, Passport Fees, Time Payment Fees, and Family Court Justice funds. The effect of this change in reporting entity is a net decrease to the cash balances of the governmental funds as previously reported at December 31, 2008 by the amount representing cash balances of the Circuit Clerk Court Maintenance, Circuit Clerk Court Operation, Passport Fees, Time Payment Fees, and Family Court Justice funds.

The E-911 fund included within the report is affected by Missouri House Bill 1492 that revised the State statutes regarding emergency service boards. This Board is currently defined as a political subdivision of the state. Therefore, they will not subsequently be included in the scope of the County for reporting purposes. The change was effective as of August 28, 2010. In accordance with this consideration, the emergency service board should not be included as part of the Pulaski County reporting entity subsequent to December 31, 2010.

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2010 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through May 20, 2011, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Pulaski County, Missouri

We have audited the accompanying financial statements of Pulaski County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated May 20, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Pulaski County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pulaski County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Pulaski County, Missouri's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and recommendations, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and recommendations as item 1 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and recommendations as items 2 through 5 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pulaski County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 6 and 7.

We also noted certain matters that we reported to management of Pulaski County, Missouri, in the findings and recommendations section as items 8 and 9.

Pulaski County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Pulaski County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
May 20, 2011

FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL AND ITEM OF NONCOMPLIANCE

1. Treasurer's Settlement and Bank Reconciliations

Condition: Bank reconciliations and Treasurer's settlements had not been completed since July 2009. The last reconciliation was completed by the Treasurer who resigned in September 2009. A Governor-appointed Treasurer served the remaining term of office through December 31, 2010.

Bank reconciliations and Treasurer's settlements are essential to ensure integrity of reported fund and cash balances. The absence of bank reconciliations and Treasurer's settlements adversely affects the County's ability to detect or correct errors or misstatements. In addition, annual Treasurer's settlements are required by Chapter 54.290, RSMo.

Cash balances reported herein are based on the County Clerk's records. Verification that the aggregate of cash balances reported were on hand in the Treasurer's accounts could not be made.

Recommendation: We recommend the County complete bank reconciliations each month going forward and going back as necessary to reconcile the aggregate of reported cash balances to cash shown on bank statements.

County's Response: As the newly elected Treasurer, I, Sue Rapone, have begun reconciliation on the banking for my term starting January 2011. I am also in the process of working back through the time period of the Treasurer's settlement for the January 2011 to completing June 2011 time period. In doing so I will also go back to produce the two settlements not done by the interim Treasurer.

Cash Balance not able to be verified due to using the same receipt line for both receipting and dispersing, also done prior to my term has been corrected by myself to receipting in receipt lines and dispersing through expenditure lines.

Auditor's Evaluation: The stated corrective action is responsive to the concerns expressed in the finding.

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

2. Courthouse Sales Fund Expenditures

Condition: The Courthouse Sales Fund was used for expenditures not authorized by the ballot presented to and approved by the voters. Expenditures that were made but not identified as eligible expenditures on the ballot included utilities, janitor salaries and benefits, routine maintenance, supplies and other such expenses. The Official Ballot in the Special Election of August 4, 1987 presented the following question:

"Shall the County of Pulaski impose a countywide sales tax at the rate of one-half of one percent for a period of ten years from the date on which such tax is first imposed for the purpose of funding the acquisition, construction, reconstruction, improvement, extension, repair, renovation, remodeling and furnishing of buildings and facilities located on the Courthouse Square in the City of Waynesville, Missouri, to be used by the County?"

Of the $512,394 of costs charged to the Courthouse Sales Fund during 2009 and 2010, $323,245 of costs were not consistent with the categories included on the ballot.

Recommendation: We recommend the County Commission implement monitoring procedures to ensure that restricted funds are used only for authorized purposes and repay to the fund any unauthorized inappropriate charges.

County's Response: The Commission requested a legal opinion from the Prosecuting Attorney and acted in accordance with his guidance to address this concern. The Commission adopted two ordinances based upon that guidance. The first created a new fund called the Courthouse Maintenance and Repair Fund that clearly states the specific purposes for use of that fund. In addition, this ordinance reinstated the Facilities Advisory Board, which is a board of citizens, appointed by the Commission, to oversee and make recommendations as to the Courthouse and the use of this fund to the Commission. It is the Commission's hope that this board, along with the standard budgetary process, will provide a transparent oversight to the use of this fund. The second ordinance declared that the old Courthouse Sales Fund had completed its purpose (which was the construction of the current courthouse), terminated the fund, and transferred the remainder of the fund into the newly created Courthouse Maintenance and Repair Fund. The Commission intends to make a yearly payment from the General Revenue fund into the new Courthouse Maintenance and Repair Fund to reimburse the fund for the expenditures of the past Commissions.

Auditor's Evaluation: It is not certain whether ordinances can have the impact of overriding the purposes stated in the ballot language for which taxes are collected. The reimbursement of amounts into the Courthouse Maintenance and Repair Fund alleviates the principal concern expressed in the finding.

3. Sheriff's Office Internal Controls

Condition: There is not an adequate separation of duties in the Sheriff's Office in the receipts handling functions. The same person receives monies, makes deposits, records transactions, reconciles bank statements and prepares checks for signature. Effective control over cash necessitates the separation of the cash handling function from the accounting and bank reconciliation functions. One person performing multiple duties creates a high internal control risk for the County and hinders the ability of the County to prevent or detect errors and irregularities. .

Recommendation: We recommend the cash handling duties in the Sheriff's Office be separated to the extent practicable from the duties of reconciling bank statements and recording transactions. If such functions are not separated the individual processes and records should be closely and thoroughly reviewed by an independent party.

County's Response: With only two employees in the office there are a limited number of things we can do to separate duties. At this time we are in the middle of another audit by the Missouri State Auditor's Office and one of their employees raised this same problem with me on 7-6-2011 for discussion. We plan to adopt the State Auditor's suggestions for segregations of duties. The Pulaski County Sheriff's office will do whatever we need to do to safeguard the money entrusted to our office.

Auditor's Evaluation: In circumstances involving limited personnel, the officeholder can resolve internal control deficiencies through oversight and/or actual performance of the duty.

4. Law Library Internal Controls

Condition: There is not an adequate separation of duties in the receipts, disbursement and accounting functions for this fund and bank reconciliations have not been performed. The same person maintains accounting records, makes deposits, approves disbursements, writes checks, and receives bank statements. Effective control over cash necessitates the separation of the cash handling function from the accounting and bank reconciliation functions. One person performing multiple duties can create a high internal control risk for the County and hinders the ability of the County to prevent or detect errors and irregularities.

Recommendation: We recommend the cash handling, accounting and disbursement functions be separated to the extent practicable. If not practicable, the Prosecuting Attorney should consider moving custodial and accounting functions for this fund to the County Treasurer.

County's Response: The same procedure utilized by the Prosecutor's Office in regards to bad check and restitution collection will be utilized with in regards to the law library account. Specifically, the bad check and restitution clerk will deposit all income and all outgoing checks will have to be signed by two attorneys in the prosecutor's office. In addition, a monthly report will be forwarded to the clerk and treasurer.

Auditor's Evaluation: The stated action is responsive to the concern expressed in the finding.

5. **Accounting for Transfers**

Condition: The financial statements of the County as presented in the annual budget document present transfers between funds. However, we noted that some transfers were identified as expenditures and revenues within the funds. Additionally, there were costs representing reimbursements that were recorded as transfers. The financial statements included in this report have been adjusted so that transfers in and out between funds are equal as of December 31, 2010 and 2009.

Recommendation: In order to ensure that transfers are properly reported and are in balance (transfers to other funds are balanced by transfers from other funds), we recommend the transfers be clearly identified as transfers and presented in the budget within the Transfer category. Other types of transactions should not be presented in the Transfers category.

County Response: Transfers out will be labeled as such and not as expenditures.

Auditor's Evaluation: The stated action is responsive to the concern expressed in the finding.

ITEMS OF NONCOMPLIANCE

6. Competitive Bidding Procedures

Condition: Competitive bids were not always solicited for goods and services procured by the County. Our review included 16 purchases which required competitive bids. County Clerk files contained no bid documentation for five of these items. Examples of items purchased without competitive bids included: constructed concrete slab; rifles and other equipment for the Sheriff; camera units for the Sheriff; and software licenses. These items cost $64,682.

Section 50.660, RSMo, requires the advertisement for bids for any purchase of $6,000 or more, from any one person, firm, or corporations during any period of 90 days. Competitive bidding helps to assure the County receives fair value for goods and services procured and ensures all interested parties are given an equal opportunity to participate in County business.

Recommendation: We recommend the County Commission solicit bids for all purchases in accordance with state law and maintain adequate documentation of all bids obtained and the justifications for awards.

County's Response: We plan to follow recommendation.

Auditor's Evaluation: The stated action is responsive to the concern expressed in the finding

7. Budgetary Controls

Condition: We noted two issues with the County's budgeting process during 2010 and 2009, as follows:

a) Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the LEPC Chemical Preparedness fund in 2010. Chapter 50, RSMo, requires the preparation and filing of annual budgets for all funds to present a complete financial plan for the ensuing year.

b) Actual expenditures exceeded budgeted expenditures for the following funds in 2010 and 2009 by more than an inconsequential amount:

	2010	2009
LEPC Chemical Preparedness	X	N/A
Vest Grant	X	N/A
Sheriff's Special Equipment	X	N/A
Law Library	N/A	X
Tourism Tax	N/A	X
White Oaks NID	X	N/A
HAVA	X	N/A
Senate Bill 40 Board	N/A	X

State statutes prohibit the County from approving expenditures in excess of the budgeted amount for any County fund. This requirement ensures that expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting. Amounts in excess of budgeted amounts for Commission-controlled funds for the years ended December 31, 2010 and 2009 were $7,991 and $47,816 respectively.

Recommendation: We recommend the County ensure compliance with State Statutes by refraining from approving expenditures in excess of budgeted amounts. In the event that the originally adopted budget is inadequate to finance current year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County Response: We plan to follow recommendation.

Auditor's Evaluation: The stated action is responsive to the concern expressed in the finding.

OTHER MATTERS

In planning and performing our audit of the financial statements of Pulaski County, Missouri (the County) as of and for the years ended December 31, 2010 and 2009, in accordance with generally accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the County's internal control in our report dated May 20, 2011. (A separate report dated May 20, 2011 contains our report on significant deficiencies in the County's internal control). This document does not affect our report dated May 20, 2011.

8. Poor Financial Condition

Condition: The poor financial condition of the General Revenue Fund, which was reported in the prior two audits, has not been adequately addressed and has further deteriorated. The County has not repaid $100,000 of funds borrowed during Fiscal Year 2008 in order to keep the fund solvent that year. As noted in the finding 2, the County used approximately $325,000 of the Courthouse Sales Fund monies during 2009 and 2010 in lieu of General Revenue primarily to cover budget shortfalls. The Courthouse Sales Fund has been used to subsidize General Revenue in excess of an estimated $500,000 over the past four years.

The County has indicated that they have limited options because of an already high sales tax rate in many County jurisdictions and that an additional property tax is likely not a viable option.

Recommendation: We recommend the County Commission develop contingency plans that specify actions that will be taken in the event the financial condition fails to improve or further deteriorates. The County must develop and implement a specific plan to deal with the problem and if additional revenue sources are not available, reduce expenditures as necessary.

County's Response: The county's revenue problems are a result of a low sales tax rate and an inability to levy taxes on a significant portion of the county's property due to it being Federal property. However, the County continues to experience both growth in population and a growth in sales tax revenue. The Commission has adopted a fiscally conservative approach this year and plans to continue that approach in future budgeting, which should aid in keeping the county within budget. The Commission continues to explore the possibility of placing a law enforcement sales tax question on the ballot in conjunction with a reduction in personal property or property tax as a sales tax would deliver more revenue and affect local residents less. The Commission has already identified several areas that could be reduced in the event of a decrease in future revenue.

Auditor's Evaluation: The stated action is responsive to the concern expressed in the finding.

9. Vacation Leave Policies

Condition: The County's Personnel Policies Manual does not reflect the vacation leave policy adopted and followed by the Sheriff's office since 2001. In addition, the County's policy manual has not been updated to reflect changes approved by the County Commission in 2003 for employees of the Sheriff's office regarding accumulation of compensatory time. A clear written policy regarding leave time is essential for effective payroll and personnel administration. This was noted in the prior audit.

Recommendation: We recommend that the County update their Personnel Policies manual to include the policies covering employees in the Sheriff's department regarding vacation leave.

County's Response: We are currently in the process of updating our personnel policy to include this item.

Auditor's Evaluation: The stated action is responsive to the concern expressed in the finding.

PULASKI COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Pulaski County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2008 and 2007.

1. Time Sheets and accumulated leave balance of the Sherriff's office employees are not submitted to the payroll clerk for use in payroll processing.

   Status - Resolved.

2. The Senate Bill 40 Board purchased equipment items without taking possession. Items were then reportedly given to a contractor organization with no documentation of delivery.

   Status - Resolved.

3. The work order process for administering road maintenance projects needed improvement. Instances were noted in which verbal orders were given that changed existing written work orders.

   Status – Resolved

4. Administrative and accounting controls over cash receipts in the Prosecuting Attorney's office were inadequate.

   Status - Resolved

5. Procedures were not established to resolve old outstanding checks and deposit the monies into the State's Unclaimed Fees Fund, as required by Statute.

   Status - Resolved.

6. The poor financial condition of the General Revenue Fund has not been adequately addressed and has further deteriorated.

   Status – Not resolved. See Finding and Recommendation number 8.

7. Various County employees who handle monies were not bonded.

   Status - Resolved.

8. County personnel policies do not reflect the vacation leave practices adopted by the Sherriff's office.

   Status – Not resolved. See Finding and Recommendation number 9.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Crawford County, Missouri

The Office of the State Auditor, in cooperation with Crawford County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-77

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ANNUAL FINANCIAL REPORT

CRAWFORD COUNTY, MISSOURI

For the Years Ended
December 31, 2010 and 2009

CRAWFORD COUNTY, MISSOURI

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INTRODUCTORY SECTION

CRAWFORD COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Ed Worley
Associate Commissioner – John Hewkin
Associate Commissioner – Richard Martin

Other Elected Officials

Assessor – Kerry Summers, Sr.
Circuit Clerk – Rhonda Jurgens
Collector – Linda Branson
Coroner – Paul Hutson
County Clerk – Connie Smith
Prosecuting Attorney – Bill Seay
Public Administrator – Franky Todd
Recorder – Sandy Cook
Sheriff – Randy Martin
Treasurer – Jessica Easler

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INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Crawford County, Missouri

We have audited the accompanying financial statements of Crawford County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Crawford County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Crawford County, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Crawford County, Missouri, as of December 31, 2010 and 2009, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards,* we also have issued our report dated May 31, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

(Original Signed by Auditor)

McBride, Lock & Associates
May 31, 2011

FINANCIAL SECTION

CRAWFORD COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2010

Fund	Cash January 1, 2009	Receipts 2009	Disbursements 2009	Cash December 31, 2009	Receipts 2010	Disbursements 2010	Cash December 31, 2010
General Revenue	$ 278,128	$ 2,614,739	$ 2,845,266	$ 47,601	$ 2,832,860	$ 2,698,479	$ 181,982
Special Road & Bridge	752,592	2,465,390	2,241,818	976,164	2,037,419	2,302,581	711,002
Assessment	84,654	277,135	247,432	114,357	280,938	226,641	168,654
Children's Trust	-	1,415	1,415	-	1,214	601	613
Unclaimed Fees	-	162	-	162	48	-	210
E911 Communications	357,063	429,982	486,111	300,934	447,274	527,257	220,951
Criminal Costs	40,992	308,545	286,667	62,870	428,936	491,806	-
Senior Citizen Services	47,113	122,669	115,232	54,550	119,227	117,234	56,543
Tax Maintenance	52,420	-	-	52,420	42,737	58,102	37,055
Records Preservation	28,020	11,037	-	39,057	10,304	21,484	27,877
Law Enforcement Training	11,658	8,366	8,220	11,804	10,723	8,215	14,312
Prosecuting Attorney Bad Check	8,947	13,838	16,674	6,111	11,289	17,054	346
Prosecuting Attorney Training	777	1,413	1,212	978	2,049	100	2,927
Prosecuting Attorney Tax Collection	17,028	10,263	2,852	24,439	2,245	7,093	19,591
Courthouse and Jail Capital Improvement	198,092	130,459	111,167	217,384	134,717	74,094	278,007
Law Enforcement Equipment	104,502	65,424	82,697	87,229	69,853	90,088	66,994
American Disability Act	57,338	1,862	4,369	54,831	1,989	2,554	54,266
Inmate Security	18,493	6,174	4,276	20,391	7,841	19,845	8,387
Sheriff's Special	40,311	55,381	71,744	23,948	63,538	49,628	37,858
Family Access	1,219	41	-	1,260	47	-	1,307
Election Services	5,101	2,473	3,664	3,910	1,742	2,492	3,160
County Jail Project	115,482	1,848,638	1,911,422	52,698	1,986,084	2,017,439	21,343
Recorder Technology	6,488	6,122	1,334	11,276	5,644	3,727	13,193
Sheriff's Revolving	22,930	18,769	14,530	27,169	15,097	7,254	35,012
Law Enforcement Restitution	62,655	59,252	44,436	77,471	57,115	55,431	79,155
National Forest	-	246,651	246,651	-	194,710	194,710	-
Global Imaging System	3,404	15,825	15,336	3,893	9,173	7,430	5,636
Office of Justice Programs Recovery Act	-	28,701	1,803	26,898	-	26,898	-
Scenic Railway	30,894	899	5,492	26,301	965	729	26,537
Total	$ 2,346,301	$ 8,751,625	$ 8,771,820	$ 2,326,106	$ 8,775,778	$ 9,028,966	$ 2,072,918

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A

CRAWFORD COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	GENERAL REVENUE FUND Year Ended December 31,			
	2009		2010	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ 290,000	$ 315,672	$ 329,000	$ 314,253
Sales taxes	930,000	924,200	910,000	932,410
Intergovernmental	665,407	658,016	756,890	675,212
Charges for services	502,000	486,244	492,600	550,556
Interest	15,000	18,116	19,000	5,732
Other	95,300	148,286	171,786	160,743
Transfers in	60,000	64,205	175,000	193,954
Total Receipts	$ 2,557,707	$ 2,614,739	$ 2,854,276	$ 2,832,860
DISBURSEMENTS				
County Commission	$ 106,985	$ 105,310	$ 105,915	$ 104,100
County Clerk	106,965	93,331	92,539	91,789
Elections	78,080	87,315	158,570	133,535
Buildings and grounds	98,647	109,362	101,051	84,588
Employee fringe benefits	10,500	48,414	42,000	52,215
Treasurer	49,257	47,893	48,802	47,953
Collector	131,263	132,068	129,156	135,377
Recorder of Deeds	93,329	92,800	93,782	91,427
Circuit Clerk	20,483	21,656	31,542	32,334
Associate Circuit Court	13,015	6,940	-	(135)
Court administration	11,850	9,770	11,550	9,367
Public Administrator	49,378	48,834	49,481	48,586
Sheriff	642,522	615,438	592,272	598,775
Jail	-	-	-	-
Prosecuting Attorney	290,521	287,668	285,066	278,611
Juvenile Officer	73,959	74,243	75,732	75,985
Coroner	34,154	43,264	38,249	48,928
Emergency Management	-	-	-	-
University Extension	-	-	-	-
Other County Government	394,257	360,158	314,862	321,447
Health and Welfare	426,653	382,026	383,808	356,773
Debt Services	23,910	23,776	22,786	22,776
Transfers out	-	255,000	170,000	164,048
Emergency fund	76,731	-	85,628	-
Total Disbursements	$ 2,732,459	$ 2,845,266	$ 2,832,791	$ 2,698,479
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (174,752)	$ (230,527)	$ 21,485	$ 134,381
CASH, JANUARY 1	278,128	278,128	47,601	47,601
CASH, DECEMBER 31	$ 103,376	$ 47,601	$ 69,086	$ 181,982

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-1

CRAWFORD COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 503,200	$ 549,880	$ 538,700	$ 539,945	$ -	$ -	$ -	$ -
Sales taxes	700,000	704,344	650,000	711,332	-	-	-	-
Intergovernmental	685,000	1,117,669	660,000	688,173	263,000	272,287	264,000	273,525
Charges for services	500	8,851	1,700	4,198	2,500	-	-	-
Interest	44,000	33,985	24,000	40,220	5,000	4,848	4,000	7,028
Other	157,800	50,661	32,300	4,873	-	-	-	385
Transfers in	-	-	-	48,678	-	-	-	-
Total Receipts	$ 2,090,500	$ 2,465,390	$ 1,906,700	$ 2,037,419	$ 270,500	$ 277,135	$ 268,000	$ 280,938
DISBURSEMENTS								
Salaries	$ 625,000	$ 625,189	$ 603,000	614,687	$ 179,000	$ 176,138	$ 179,000	$ 171,966
Employee fringe benefits	143,500	135,644	133,000	127,870	26,000	25,988	26,000	25,041
Materials and supplies	530,000	615,371	659,000	1,012,107	20,000	18,897	21,000	20,493
Services and other	497,600	452,607	541,600	304,173	22,250	17,409	12,050	9,141
Capital outlay	462,200	283,168	215,000	109,973	-	-	-	-
Construction	145,000	79,839	120,000	3,771	-	-	-	-
Transfers out	43,000	50,000	130,000	130,000	7,500	9,000	-	-
Total Disbursements	$ 2,446,300	$ 2,241,818	$ 2,401,600	$ 2,302,581	$ 254,750	$ 247,432	$ 238,050	$ 226,641
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (355,800)	$ 223,572	$ (494,900)	$ (265,162)	$ 15,750	$ 29,703	$ 29,950	$ 54,297
CASH, JANUARY 1	752,592	752,592	976,164	976,164	84,654	84,654	114,357	114,357
CASH, DECEMBER 31	$ 396,792	$ 976,164	$ 481,264	$ 711,002	$ 100,404	$ 114,357	$ 144,307	$ 168,654

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-2

CRAWFORD COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CHILDREN'S TRUST FUND				UNCLAIMED FEES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,200	1,404	1,200	1,203	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	10	11	10	11	-	-	-	-
Other	-	-	-	-	-	162	-	-
Transfers in	-	-	-	-	-	-	-	48
Total Receipts	$ 1,210	$ 1,415	$ 1,210	$ 1,214	$ -	$ 162	$ -	$ 48
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and other	1,210	1,415	1,210	601	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 1,210	$ 1,415	$ 1,210	$ 601	$ -	$ -	$ -	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ -	$ -	$ 613	$ -	$ 162	$ -	$ 48
CASH, JANUARY 1	-	-	-	-	-	-	162	162
CASH, DECEMBER 31	$ -	$ -	$ -	$ 613	$ -	$ 162	$ 162	$ 210

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-3

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	E911 COMMUNICATIONS				CRIMINAL COSTS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	425,500	414,290	416,000	418,461	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	180,000	194,326	170,000	258,012
Interest	5,327	3,745	3,100	1,733	4,000	4,219	4,000	6,924
Other	28,100	11,947	15,200	27,080	-	-	-	-
Transfers in	-	-	-	-	-	110,000	170,000	164,000
Total Receipts	$ 458,927	$ 429,982	$ 434,300	$ 447,274	$ 184,000	$ 308,545	$ 344,000	$ 428,936
DISBURSEMENTS								
Salaries	$ 220,390	$ 233,143	$ 241,032	$ 257,978	$ -	$ -	$ -	$ -
Employee fringe benefits	59,459	62,315	63,550	77,735	-	-	-	-
Materials and supplies	4,800	5,138	4,604	6,659	-	-	-	-
Services and other	163,586	185,515	153,266	184,885	-	-	-	6,856
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	200,000	286,667	342,000	484,950
Total Disbursements	$ 448,235	$ 486,111	$ 462,452	$ 527,257	$ 200,000	$ 286,667	$ 342,000	$ 491,806
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 10,692	$ (56,129)	$ (28,152)	$ (79,983)	$ (16,000)	$ 21,878	$ 2,000	$ (62,870)
CASH, JANUARY 1	357,063	357,063	300,934	300,934	- 40,992	40,992	62,870	62,870 -
CASH, DECEMBER 31	$ 367,755	$ 300,934	$ 272,782	$ 220,951	$ 24,992	$ 62,870	$ 64,870	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-4

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENIOR CITIZEN SERVICES				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 110,650	$ 122,076	$ 120,000	$ 118,632	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	650	593	600	595	1,700	-	-	1,635
Other	-	-	-	-	42,000	-	-	41,102
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 111,300	$ 122,669	$ 120,600	$ 119,227	$ 43,700	$ -	$ -	$ 42,737
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	9,000	-	$ 16,160	$ 58,102
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	17,000	-	35,786	-
Services and other	96,400	115,232	115,000	117,234	2,000	-	-	-
Capital outlay	-	-	-	-	5,000	-	16,555	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	12,000	-	-	-
Total Disbursements	$ 96,400	$ 115,232	$ 115,000	$ 117,234	$ 45,000	$ -	$ 68,501	$ 58,102
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 14,900	$ 7,437	$ 5,600	$ 1,993	$ (1,300)	$ -	$ (68,501)	$ (15,365)
CASH, JANUARY 1	47,113	47,113	54,550	54,550	- 52,420	52,420	52,420	52,420 -
CASH, DECEMBER 31	$ 62,013	$ 54,550	$ 60,150	$ 56,543	$ 51,120	$ 52,420	$ (16,081)	$ 37,055

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-5

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	RECORDS PRESERVATION FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	11,875	9,957	10,875	9,157	-	-	-	-
Charges for services	-	-	-	-	-	2,376	7,000	4,410
Interest	1,000	1,080	-	1,147	-	408	-	473
Other	-	-	-	-	7,000	5,582	-	5,840
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 12,875	$ 11,037	$ 10,875	$ 10,304	$ 7,000	$ 8,366	$ 7,000	$ 10,723
DISBURSEMENTS								
Salaries	-	-	$ -	$ 1,944	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	149	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	10,200	-	12,000	19,391	7,000	8,220	7,000	8,215
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 10,200	$ -	$ 12,000	$ 21,484	$ 7,000	$ 8,220	$ 7,000	$ 8,215
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 2,675	$ 11,037	$ (1,125)	$ (11,180)	$ -	$ 146	$ -	$ 2,508
CASH, JANUARY 1	28,020	28,020	39,057	39,057	11,658	11,658	11,804	11,804
CASH, DECEMBER 31	$ 30,695	$ 39,057	$ 37,932	$ 27,877	$ 11,658	$ 11,804	$ 11,804	$ 14,312

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-6

CRAWFORD COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	PROSECUTING ATTORNEY BAD CHECK FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	15,000	13,543	13,800	11,163	1,280	1,394	1,300	1,983
Interest	500	295	300	126	30	19	20	66
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 15,500	$ 13,838	$ 14,100	$ 11,289	$ 1,310	$ 1,413	$ 1,320	$ 2,049
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	21,700	16,674	18,600	17,054	1,900	1,212	1,500	100
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 21,700	$ 16,674	$ 18,600	$ 17,054	$ 1,900	$ 1,212	$ 1,500	$ 100
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (6,200)	$ (2,836)	$ (4,500)	$ (5,765)	$ (590)	$ 201	$ (180)	$ 1,949
CASH, JANUARY 1	8,947	8,947	6,111	6,111	777	777	978	978
CASH, DECEMBER 31	$ 2,747	$ 6,111	$ 1,611	$ 346	$ 187	$ 978	$ 798	$ 2,927

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-7

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TAX COLLECTION FUND				COURTHOUSE AND JAIL CAPITAL IMPROVEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	122,000	124,296	120,000	125,529
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,000	9,663	-	1,400	-	-	-	-
Interest	40	600	-	845	12,000	6,163	6,000	9,188
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 1,040	$ 10,263	$ -	$ 2,245	$ 134,000	$ 130,459	$ 126,000	$ 134,717
DISBURSEMENTS								
Salaries	-	-	-	2,600	-	-	-	-
Employee fringe benefits	-	-	-	452	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	2,000	2,852	3,000	4,041	255,000	111,167	146,000	74,094
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 2,000	$ 2,852	$ 3,000	$ 7,093	$ 255,000	$ 111,167	$ 146,000	$ 74,094
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (960)	$ 7,411	$ (3,000)	$ (4,848)	$ (121,000)	$ 19,292	$ (20,000)	$ 60,623
CASH, JANUARY 1	17,028	17,028	24,439	24,439	198,092	198,092	217,384	217,384
CASH, DECEMBER 31	$ 16,068	$ 24,439	$ 21,439	$ 19,591	$ 77,092	$ 217,384	$ 197,384	$ 278,007

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-8

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT EQUIPMENT FUND				AMERICAN DISABILITY ACT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	3,539	-	2,852	3,000	1,862	1,800	1,989
Other	62,000	61,885	65,000	67,001	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 62,000	$ 65,424	$ 65,000	$ 69,853	$ 3,000	$ 1,862	$ 1,800	$ 1,989
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	99,500	78,051	94,122	90,088	-	-	-	-
Services and other	-	4,646	-	-	5,000	4,369	5,000	2,554
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 99,500	$ 82,697	$ 94,122	$ 90,088	$ 5,000	$ 4,369	$ 5,000	$ 2,554
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (37,500)	$ (17,273)	$ (29,122)	$ (20,235)	$ (2,000)	$ (2,507)	$ (3,200)	$ (565)
CASH, JANUARY 1	104,502	104,502	87,229	87,229	57,338	57,338	54,831	54,831
CASH, DECEMBER 31	$ 67,002	$ 87,229	$ 58,107	$ 66,994	$ 55,338	$ 54,831	$ 51,631	$ 54,266

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-9

CRAWFORD COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	INMATE SECURITY FUND				SHERIFF'S SPECIAL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	3,600	5,534	5,000	7,153	52,000	47,342	50,000	48,686
Charges for services	-	-	-	-	-	-	-	-
Interest	400	640	500	688	2,000	984	-	1,079
Other	-	-	-	-	-	7,055	-	13,773
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 4,000	$ 6,174	$ 5,500	$ 7,841	$ 54,000	$ 55,381	$ 50,000	$ 63,538
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ 15,140	$ 16,000	$ 15,140
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	4,540	4,276	5,080	19,845	75,000	56,604	39,000	34,488
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 4,540	$ 4,276	$ 5,080	$ 19,845	$ 75,000	$ 71,744	$ 55,000	$ 49,628
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (540)	$ 1,898	$ 420	$ (12,004)	$ (21,000)	$ (16,363)	$ (5,000)	$ 13,910
CASH, JANUARY 1	18,493	18,493	20,391	20,391	40,311	40,311	23,948	23,948
CASH, DECEMBER 31	$ 17,953	$ 20,391	$ 20,811	$ 8,387	$ 19,311	$ 23,948	$ 18,948	$ 37,858

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-10

CRAWFORD COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	FAMILY ACCESS FUND				ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,000	2,277	2,000	1,581
Charges for services	-	-	-	-	-	-	-	-
Interest	30	41	40	47	100	196	-	161
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 30	$ 41	$ 40	$ 47	$ 1,100	$ 2,473	$ 2,000	$ 1,742
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	2,000	3,664	3,000	2,492
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ -	$ -	$ -	$ -	$ 2,000	$ 3,664	$ 3,000	$ 2,492
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 30	$ 41	$ 40	$ 47	$ (900)	$ (1,191)	$ (1,000)	$ (750)
CASH, JANUARY 1	1,219	1,219	1,260	1,260	5,101	5,101	3,910	3,910
CASH, DECEMBER 31	$ 1,249	$ 1,260	$ 1,300	$ 1,307	$ 4,201	$ 3,910	$ 2,910	$ 3,160

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-11

CRAWFORD COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COUNTY JAIL PROJECT FUND				RECORDER TECHNOLOGY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	845,000	828,533	818,000	836,765	-	-	-	-
Intergovernmental	255,000	-	-	-	-	-	-	-
Charges for services	839,000	571,258	725,000	555,000	13,250	5,520	6,250	5,171
Interest	3,500	1,330	4,000	658	800	302	-	473
Other	800	18,055	22,000	172,665	-	300	-	-
Transfers in	-	429,462	340,000	420,996	-	-	-	-
Total Receipts	$1,943,300	$1,848,638	$1,909,000	$1,986,084	$ 14,050	$ 6,122	$ 6,250	$ 5,644
DISBURSEMENTS								
Salaries	$ 768,000	$ 777,023	$ 773,039	$ 757,227	$ -	$ -	$ -	$ -
Employee fringe benefits	154,859	143,307	148,337	134,742	-	-	-	-
Materials and supplies	189,000	188,028	172,700	203,257	1,600	1,334	200	-
Services and other	785,269	803,064	772,650	922,213	2,000	-	1,500	3,727
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$1,897,128	$1,911,422	$1,866,726	$2,017,439	$ 3,600	$ 1,334	$ 1,700	$ 3,727
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 46,172	$ (62,784)	$ 42,274	$ (31,355)	$ 10,450	$ 4,788	$ 4,550	$ 1,917
CASH, JANUARY 1	115,482	115,482	52,698	52,698	- 6,488	6,488	11,276	11,276 -
CASH, DECEMBER 31	$ 161,654	$ 52,698	$ 94,972	$ 21,343	$ 16,938	$ 11,276	$ 15,826	$ 13,193

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-12

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S REVOLVING FUND				LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	14,000	17,932	17,000	13,933	-	-	-	-
Interest	500	837	-	1,164	3,000	2,450	2,000	3,036
Other	-	-	-	-	50,000	56,802	50,000	54,079
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 14,500	$ 18,769	$ 17,000	$ 15,097	$ 53,000	$ 59,252	$ 52,000	$ 57,115
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	18,500	14,530	9,000	7,254	32,750	32,436	83,750	55,431
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	12,000	-	-
Total Disbursements	$ 18,500	$ 14,530	$ 9,000	$ 7,254	$ 32,750	$ 44,436	$ 83,750	$ 55,431
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (4,000)	$ 4,239	$ 8,000	$ 7,843	$ 20,250	$ 14,816	$ (31,750)	$ 1,684
CASH, JANUARY 1	22,930	22,930	27,169	27,169	62,655	62,655	77,471	77,471
CASH, DECEMBER 31	$ 18,930	$ 27,169	$ 35,169	$ 35,012	$ 82,905	$ 77,471	$ 45,721	$ 79,155

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-13

CRAWFORD COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	NATIONAL FOREST FUND				GLOBAL IMAGING SYSTEM FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ 246,651	$ -	$ 194,710	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	8,000	9,006
Interest	-	-	-	-	300	112	100	167
Other	-	-	-	-	-	6,713	-	-
Transfers in	-	-	-	-	9,000	9,000	-	-
Total Receipts	$ -	$ 246,651	$ -	$ 194,710	$ 9,300	$ 15,825	$ 8,100	$ 9,173
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	246,651	-	146,032	10,000	15,336	10,000	7,430
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	48,678	-	-	-	-
Total Disbursements	$ -	$ 246,651	$ -	$ 194,710	$ 10,000	$ 15,336	$ 10,000	$ 7,430
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ -	$ -	$ -	$ (700)	$ 489	$ (1,900)	$ 1,743
CASH, JANUARY 1	-	-	-	-	3,404	3,404	3,893	3,893
CASH, DECEMBER 31	$ -	$ -	$ -	$ -	$ 2,704	$ 3,893	$ 1,993	$ 5,636

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-14

CRAWFORD COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	OFFICE OF JUSTICE PROGRAMS RECOVERY ACT GRANT				SCENIC RAILWAY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	28,453	20,000	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	248	200	-	1,000	899	-	965
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ -	$ 28,701	$ 20,200	$ -	$ 1,000	$ 899	$ -	$ 965
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	1,803	-	-	-	-	-	-
Services and other	-	-	-	26,898	-	5,492	-	729
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ -	$ 1,803	$ -	$ 26,898	$ -	$ 5,492	$ -	$ 729
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ 26,898	$ 20,200	$ (26,898)	$ 1,000	$ (4,593)	$ -	$ 236
CASH, JANUARY 1	-	-	26,898	26,898	- 30,894	30,894	26,301	26,301 -
CASH, DECEMBER 31	$ -	$ 26,898	$ 47,098	$ -	$ 31,894	$ 26,301	$ 26,301	$ 26,537

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-15

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Crawford County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk-Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, Treasurer and Collector.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Crawford County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity. The financial statements also include the E-911 Board which is a separate legal entity within the County that is required by the Missouri State Auditor's Office to be included in the County's reporting entity for financial reporting purposes. The Senate Bill 40 Board is audited and separately reported on by other independent auditors and is not presented in the accompanying financial statements. Request for copies of those financial statements should be directed to the Senate Bill 40 Board.

Certain elected County officials, particularly the County Collector, Treasurer, Circuit Clerk, and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are

financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.

2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the following funds.

Fund	2010	2009
National Forest Fund	X	X
Office of Justice Programs Recovery Act Grant	N/A	X
Scenic Railway Fund	X	N/A

9. Section 50.740 RSMo. Prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	2010	2009
General Revenue Fund	N/A	X
Children's Trust Fund	N/A	X
E-911 Communications	X	X
Criminal Costs Fund	X	X
Senior Citizens Services	X	X
Records Preservation Fund	X	N/A
Law Enforcement Training Fund	X	X
Prosecuting Attorney Tax Collection Fund	X	X
Inmate Security Fund	X	N/A
Election Services Fund	N/A	X
County Jail Project Fund	X	X
Recorder's Technology Fund	X	N/A
Law Enforcement Restitution Fund	N/A	X
National Forest Fund	X	X
Global Imaging System Fund	N/A	X
Office of Justice Programs Recovery Act Grant	X	X
Scenic Railway Fund	X	X

Because a budget was not adopted for the funds listed in Note 1.D.8, expenditures in those respective funds exceeded budgetary authority to the extent that a budget was not adopted.

Additionally, the County budgeted expenditures to exceed estimated revenues and available fund balance resulting in a negative budgeted fund balance for the Tax Maintenance Fund in 2010.

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2010 and 2009, for purposes of taxation were:

	2010	2009
Real Estate	$ 222,284,389	$ 217,285,670
Personal Property	68,429,637	66,302,004

During 2010 and 2009, the County Commission approved a tax levy per $100 of assessed valuation of tangible taxable property for the calendar years 2010 and 2009, for purposes of County taxation, as follows:

	2010	2009
General Revenue	$ 0.1051	$ 0.0991
Special Road and Bridge	0.1881	0.1881
Senior Citizens	0.0427	0.0427
SB 40	0.0854	0.0854

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Also included in the Cash and Investments caption are investments owned by the Aggregate Cemetery Trust Fund.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amounts of the County's deposits were $2,072,918 and $2,326,106, respectively, and the bank balances were $2,483,650 and $2,702,015, respectively. Of the bank balances, $584,588 and $646,248 for December 31, 2010 and December 31, 2009, respectively, were covered by federal depository insurance and the remainder were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2010 and 2009, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue, Special Road and Bridge, Senior Citizens Services and Senate Bill 40. Tax Collections on deposit amounted to $7,081,286 and $7,145,550 at December 31, 2010 and 2009, respectively. The County Collector's deposits were covered by federal depository insurance of $250,000 as of December 31, 2010 and 2009 and the remainder were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2010 and 2009, the County collected and remitted to CERF employee contributions of approximately $199,341 and $200,532, respectively, for the years then ended.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 60 days of sick/personal time -- to accrue at one half day per complete calendar month of employment. Upon termination, the employee will not be compensated for any unused sick time.

Vacation time is accrued for every full-time employee, and accrues at the rate of one week per year after one year of service, two weeks per year after two years of service, three weeks per year after ten years of service, and four weeks per year after fifteen years of service. There is a maximum carryover of five days to the next calendar year. Upon termination, the employee will be compensated for any unused vacation time.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT –

The County had the following debt outstanding at December 31, 2010:

A. $2,975,000 in 2001 Series Jail Project, Insured Leasehold Revenue Bonds due in annual installments of $210,000 beginning in 2011 increasing incrementally to $340,000 at maturity on November 1, 2021. Interest is paid semiannually at 4.10% beginning in 2011 increasing incrementally to 5.00% until maturity on November 1, 2021. The schedule of remaining principal and interest is presented below:

Payment Date	Principal Due	Interest Rate	Interest Due	Total Due
May 1, 2011	$ -	4.10%	$ 70,756	$ 70,756
November 1, 2011	210,000	4.10%	70,756	280,756
May 1, 2012	-	4.20%	66,346	66,346
November 1, 2012	220,000	4.20%	66,346	286,346
May 1, 2013	-	4.35%	61,561	61,561
November 1, 2013	230,000	4.35%	61,561	291,561
May 1, 2014	-	4.45%	56,444	56,444
November 1, 2014	245,000	4.45%	56,444	301,444
May 1, 2015	-	4.60%	50,809	50,809
November 1, 2015	255,000	4.60%	50,809	305,809
May 1, 2016	-	4.75%	44,753	44,753
November 1, 2016	265,000	4.75%	44,753	309,753
May 1, 2017	-	4.80%	38,393	38,393
November 1, 2017	280,000	4.80%	38,393	318,393
May 1, 2018	-	4.85%	31,603	31,603
November 1, 2018	295,000	4.85%	31,603	326,603
May 1, 2019	-	4.90%	24,375	24,375
November 1, 2019	310,000	4.90%	24,375	334,375
May 1, 2020	-	5.00%	16,625	16,625
November 1, 2020	325,000	5.00%	16,625	341,625
May 1, 2021	-	5.00%	8,500	8,500
November 1, 2021	340,000	5.00%	8,500	348,500

B. $515,000 in 2002 Series Jail Project, Insured Leasehold Revenue Bonds due in annual installments of $30,000 beginning in 2011 increasing incrementally to $55,000 at maturity on November 1, 2022. Interest is paid semiannually at 5.25% until maturity on November 1, 2022. The schedule of remaining principal and interest is presented below:

Payment Date	Principal Due	Interest Rate	Interest Due	Total Due
May 1, 2011	$ -	5.25%	$13,519	$ 13,519
November 1, 2011	30,000	5.25%	13,519	43,519
May 1, 2012	-	5.25%	12,731	12,731
November 1, 2012	35,000	5.25%	12,731	47,731
May 1, 2013	-	5.25%	11,813	11,813
November 1, 2013	35,000	5.25%	11,813	46,813
May 1, 2014	-	5.25%	10,894	10,894
November 1, 2014	35,000	5.25%	10,894	45,894
May 1, 2015	-	5.25%	9,975	9,975
November 1, 2015	40,000	5.25%	9,975	49,975
May 1, 2016	-	5.25%	8,925	8,925
November 1, 2016	40,000	5.25%	8,925	48,925
May 1, 2017	-	5.25%	7,875	7,875
November 1, 2017	45,000	5.25%	7,875	52,875
May 1, 2018	-	5.25%	6,694	6,694
November 1, 2018	45,000	5.25%	6,694	51,694
May 1, 2019	-	5.25%	5,513	5,513
November 1, 2019	50,000	5.25%	5,513	55,513
May 1, 2020	-	5.25%	4,200	4,200
November 1, 2020	50,000	5.25%	4,200	54,200
May 1, 2021	-	5.25%	2,888	2,888
November 1, 2021	55,000	5.25%	2,888	57,888
May 1, 2022	-	5.25%	1,444	1,444
November 1, 2022	55,000	5.25%	1,444	56,444

8. CHANGE IN REPORTING ENTITY

The E-911 fund included within the report is affected by Missouri House Bill 1492 that revised the State statutes regarding emergency service boards. This Board is currently defined as a political subdivision of the state. Therefore, they will not subsequently be included in the scope of the County for reporting purposes. The change was effective as of August 28, 2010. In accordance with this consideration, the emergency service board should not be included as part of the Crawford County reporting entity subsequent to December 31, 2010.

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2010 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through May 31, 2011, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

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CERTIFIED PUBLIC ACCOUNTANTS

McBRIDE, LOCK & ASSOCIATES

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Crawford County, Missouri

We have audited the accompanying financial statements of Crawford County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated May 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Crawford County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Crawford County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Crawford County, Missouri's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph in this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses, as defined above. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and recommendations as item 1 through 4 that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crawford County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed three instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 3, 5, and 6.

We noted a certain other matter that we reported to management of Crawford County, Missouri, in the findings and recommendations section as item 7.

Crawford County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Crawford County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
May 31, 2011

FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Lack of Organization

Condition: During fieldwork, we experienced difficulty in obtaining documentation that should have been readily available in both the county clerk's office and the collector's office. The County Clerk took office in January 2011 and the Collector took office in March 2011. Both respective officeholders stated that prior officeholders did not leave the office documentation in an organized manner.

Collector's Annual Settlements for the tax years within our audit scope were not able to be located during fieldwork. The County located and provided the respective Collector's Annual Settlements to the auditor two weeks subsequent to the request. To date, only the first of the three pages for the certified copy of the Collector's Annual Statement for the tax year ended February 28, 2010 has been provided. The remaining respective pages included with the Collector's Annual Settlement for the tax year ended February 28, 2010 appeared to apply to the tax year ended February 28, 2007.

Additionally, the County Clerk had difficulty locating documentation related to expenditures of federal awards reported on the Schedule of Expenditures of Federal Awards (SEFA) prepared by the County. It took approximately one and a half weeks for this information to be located.

Recommendation: We recommend the County implement policies and procedures to ensure that documentation that should be readily available be maintained and filed in an organized manner and can be provided upon request.

County's Response: The County has created and implemented new policies since January 1, 2011. These new policies and procedures should ensure better organization of documents and records. Increased communication between offices also should better allow for organization and documentation.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

2. Documentation of Pay Rates

Condition: We noted that personnel files include no documentation of approved pay rates. The last reference to approved pay rates on file is from 2006. Minutes from commission minutes noted discussion of pay rates, however, there was nothing documenting the actual approved pay rates.

Recommendation: We recommend the County implement policies and procedures regarding documentation of employee pay rates.

County's Response: The Commission has completed and updated approval for pay rates and such will be approved annually upon completion of the budget for each fiscal year.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

3. Budgetary Controls

Condition: We noted two issues with the County's budgeting process during 2010 and 2009, as follows:

a) Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the National Forest Fund (2010 and 2009), Office of Justice Programs Recovery Act Grant Fund (2009), and the Scenic Railway Fund (2010). A formal budget was not adopted for these three respective funds for the years noted. Chapter 50, RSMo, requires the preparation and filing of annual budgets for all funds to present a complete financial plan for the ensuing year.

b) Actual expenditures exceeded budgeted expenditures for the following funds in 2010 and 2009 by more than an inconsequential amount:

	2010	2009
General Revenue Fund	N/A	X
Children's Trust Fund	N/A	X
E-911 Communications	X	X
Criminal Costs Fund	X	X
Senior Citizens Services	X	X
Records Preservation Fund	X	N/A
Law Enforcement Training Fund	X	X
Prosecuting Attorney Tax Collection Fund	X	X
Inmate Security Fund	X	N/A
Election Services Fund	N/A	X
County Jail Project Fund	X	X
Recorder's Technology Fund	X	N/A
Law Enforcement Restitution Fund	N/A	X
National Forest Fund	X	X
Global Imaging System Fund	N/A	X
Office of Justice Programs Recovery Act Grant	X	X
Scenic Railway Fund	X	X

State Statutes prohibit the County from approving expenditures in excess of the budgeted amount for any County fund. This requirement ensures that expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting. This finding is similar to Prior Audit Finding 08-2 and 08-8.

Recommendation: We recommend the County ensure compliance with State Statutes by adopting a formal budget for all funds and refraining from approving expenditures in excess of budgeted amounts. In the event that the originally adopted budget is inadequate to finance current year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County Response: The County has created and implemented new policies since January 1, 2011. Monthly, the Commission reviews the budget, revenue, and expenses and adopts budget amendments as necessary to maintain budget variances.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

4. Tax Maintenance Fund Controls

Condition: Duties related to the Tax Maintenance Fund are not adequately separated. The County Collector performs duties related to preparing and signing checks, accounting, performing bank reconciliations, approving invoices or vouchers for payment, and preparing and approving purchase orders. An adequate separation of duties in the disbursement process is essential for an effective internal control system. Internal controls are essential to prevent and detect errors or irregularities. This finding is similar to Prior Audit Finding 08-4.

Recommendation: We recommend the County Collector establish an effective system of controls over disbursements from the Tax Maintenance Fund. If it is not practicable to provide for adequate separation of duties, the County Collector should consider transferring the fund to the County Treasurer.

County's Response: The fund was transferred to the County Treasurer on March 4, 2011. The account is reviewed monthly along with County funds. Further, the FY2011 Budget included expenses and revenues for the Tax Maintenance Fund.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

ITEMS OF NONCOMPLIANCE

5. Competitive Bidding Procedures

Condition: Evidence documenting the solicitation of competitive bids for goods and services procured by the County was not always available. Our review included sixteen purchases which required competitive bids. For six of the purchases, no bid documentation was available. For two purchases, bid documentation was available however there was no evidence that the notice for bid was advertised as required by state statute. Examples of items purchased without documentation of competitive bids include a John Deere tractor and mower for $68,207, an International dump truck for $72,660, and a communication tower for $33,500. This finding is similar to Prior Audit Finding 08-7.

Section 50.660, RSMo, requires that County obtain bids on any purchase in excess of $4,500 and that County advertise the notice for bid on any purchase in excess of $6,000 from any one person, firm, or corporation during any period of ninety days. Competitive bidding helps to assure the County receives fair value for goods and services procured and ensures all interested parties are given an equal opportunity to participate in county business.

Recommendation: We recommend the County Commission solicit bids for all purchases in accordance with state statute and maintain adequate documentation of all bids obtained and justification for awards.

County Response: The County will continue to solicit bids for all purchases in accordance with the state statue and maintain adequate documentation of all bids obtained and justification for awards.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

6. Schedule of Expenditures of Federal Awards

Condition: The County does not have adequate procedures in place to track federal expenditures for the preparation of the Schedule of Expenditures for Federal Awards (SEFA). Total expenditures were overstated by $196,774 for 2009 because receipts data was used to report expenditures on the SEFA for FEMA Disaster Grants. County records show that all expenditures related to the FEMA disaster grant for Emergency Protective Measures occurred prior to October 2008. However, FEMA receipts were not received until April 2009. Because expenditure records were not used to report this grant on the SEFA, $196,774 was reported in error for 2009, and the County had incorrectly assumed that they were subject to the Single Audit for this audit period. This finding is similar to Prior Audit Finding 08-9.

An accurate SEFA is necessary to ensure that federal financial activity is audited and reported in accordance with federal audit requirements. Failure to follow federal audit requirements could result in future reductions of federal awards. A similar finding was also reported in the prior audit.

Recommendation: We recommend the County Commission ensure that the Schedule of Expenditures for Federal Awards is prepared accurately and completely as dictated by federal audit requirements.

County Response: The County will continue to ensure that the Schedule of Expenditures for Federal Awards is prepared accurately and completely as dictated by federal audit requirements.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

OTHER MATTERS

In planning and performing our audit of the financial statements of Crawford County, Missouri (the County) as of and for the years ended December 31, 2010 and 2009, in accordance with general accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit, we became aware of certain matters that are an opportunity for strengthening internal controls and operating efficiency. Our comment and suggestion regarding these matters are summarized below. We previously reported on the County's internal control in our report dated May 31, 2011. This document does not affect our report dated May 31, 2011.

7. Accounting for Transfers

Condition: The financial statements of the County as presented in the annual budget document present transfers between funds. However, we noted that some transfers were identified as expenditures and revenues within the funds. Additionally, there were costs identified as reimbursements that were shown as transfers. The financial statements included in this report have been adjusted so that transfers in and out between funds are equal as of December 31, 2010 and 2009. This finding is similar to Prior Audit Finding 08-10.

Recommendation: In order to ensure that transfers are properly reported and are in balance (transfers to other funds equal transfers from other funds), we recommend the transfers be clearly identified as transfers and presented in the budget within the Transfer category. Other types of transactions should not be presented in the Transfers Category.

County Response: The County will continue to ensure that the transfers are properly reported and are in balance. Further, the County will continue to ensure the transfers are clearly identified as transfers and presented in the budget within the Transfer category.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

CRAWFORD COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Crawford County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2008 and 2007.

08-1. The prior County Treasurer did not routinely post deposits to the accounting records. The controls in place prior to January 1, 2007 were inadequate and allowed for the delay in deposits of over $400,000. The semi-annual report for the period through December 31, 2006 which would define the beginning balances, was not complete.

Status - Resolved.

08-2. The County Commission did not adequately monitor expenditures in relation to budgeted amounts. As a result, actual disbursements exceeded budgeted amounts for numerous funds. For 2008, expenditures exceeded budgeted amounts for 13 funds and 2007 expenditures exceeded budgeted amounts for 8 funds.

Status - Not Resolved. See Finding No. 3.

08-3. The County Clerk does not maintain an account book with the County Collector and no evidence was available to indicate that procedures were performed by the County Clerk or the County Commission to verify the County Collector's monthly or annual settlements.

Status – Resolved.

08-4. Duties related to the Tax Maintenance Fund are not adequately separated. The County Collector performs duties related to preparing and signing checks, accounting, performing bank reconciliations, approving invoices or vouchers for payment and preparing and approving purchase orders.

Status – Not Resolved. See Finding No. 4.

08-5. Accounting records and budget documents maintained by the E-911 Board contained several apparent errors and inconsistencies.

Status – Resolved.

08-6. Adequate documentation to explain and validate expenditures was not always obtained and reviewed by the County Commission.

Status – Resolved.

08-7. Competitive bids were not always solicited for goods and services procured by the County. Of the 23 purchases we reviewed which required competitive bids, County Clerk files contained no bid documentation for twelve of these items.

Status – Not Resolved. See Finding No. 5.

08-8. Formal budgets were not prepared for the Scenic Railway Fund in 2007 and the Global Imaging Fund and Family Access Fund in 2008. The County Clerk indicated that requests were made for these budgets from responsible officials but no budget was provided.

Status – Not Resolved. See Finding No. 3.

08-9. The County does not have adequate procedures in place to track federal awards for preparation of the SEFA. Total expenditures were understated by $196,774 for 2008 because the county reported receipts instead of expenditures on the SEFA for the FEMA Disaster Grants.

Status – Not Resolved. See Finding No. 6.

08-10. Transfers-in and transfers-out amounts as presented in the budgets were significantly out of balance. Transfers-out exceeded transfers-in by $186,580 and $488,017 for 2007 and 2008 respectively.

Status – Not Resolved. See Finding No. 7.

08-11. The daughter of one officeholder is also that officeholder's Deputy. This close relationship can create a conflict of interest situation.

Status – Resolved.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Madison County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Madison County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-76

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THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2010 AND 2009

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
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FINANCIAL SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Madison, Missouri

We have audited the accompanying financial statements of the County of Madison ("County"), Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note I, the financial statements were prepared using accounting practices prescribed or permitted by Missouri State Law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County of Madison, Missouri, as of December 31, 2010 and 2009, and the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of the County of Madison, Missouri, as of December 31, 2010 and 2009, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note I.

As discussed in Note XIII, the Schedule of Expenditures and Federal Awards (SEFA), until corrected did not include the expenditures related to the Community Development Block Grant ($508,490.67) as of July 19, 2011. Accordingly, an adjustment has been made to the SEFA as of January 5, 2012, to correct the error.

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As described in Note X, the County of Madison has converted from a modified cash (GASB 34) basis of accounting to the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2010 and December 31, 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations,* and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note I.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

July 19, 2011

FINANCIAL STATEMENTS

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2010

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2010	RECEIPTS 2010	DISBURSEMENTS 2010	CASH AND INVESTMENT BALANCES DECEMBER 31, 2010
General Revenue	$ 315,482.99	$ 1,062,671.00	$ 1,127,614.09	$ 250,539.90
Special Road & Bridge	138,217.36	1,938,874.79	1,995,664.80	81,427.35
Assessment	45,776.21	182,167.23	209,700.50	18,242.94
911	11,766.74	395,831.91	400,769.02	6,829.63
MCLEST	81,613.08	696,039.96	737,006.27	40,646.77
LETF	8,863.67	3,844.82	4,097.07	8,611.42
Restitution	30,313.44	24,536.87	4,402.17	50,448.14
Forfeiture	7,165.09	8,092.51	9,009.04	6,248.56
User	10,887.39	6,957.85	6,364.40	11,480.84
Domestic Violence	2,348.74	1,039.41	1,150.00	2,238.15
P A Training	1,525.99	638.03	1,131.31	1,032.71
P A Bad Check	3,537.72	11,982.85	15,369.68	150.89
TIF	799,450.01	601,971.42	591,084.40	810,337.03
TOTAL	$ 1,456,948.43	$ 4,934,648.65	$ 5,103,362.75	$ 1,288,234.33

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2009	RECEIPTS 2009	DISBURSEMENTS 2009	CASH AND INVESTMENT BALANCES DECEMBER 31, 2009
General Revenue	$ 320,892.05	$ 1,130,400.19	$ 1,135,809.25	$ 315,482.99
Special Road & Bridge	164,043.85	3,291,275.79	3,317,102.28	138,217.36
Assessment	20,693.22	214,222.45	189,139.46	45,776.21
911	16,705.27	291,998.69	296,937.22	11,766.74
MCLEST	122,828.19	720,285.58	761,500.69	81,613.08
LETF	8,163.03	3,815.02	3,114.38	8,863.67
Restitution	9,468.46	22,344.98	1,500.00	30,313.44
Forfeiture	7,285.20	1,334.86	1,454.97	7,165.09
User	10,627.21	7,173.14	6,912.96	10,887.39
Domestic Violence	2,595.87	1,002.87	1,250.00	2,348.74
P A Training	899.86	626.13	-	1,525.99
P A Bad Check	4,368.97	17,384.39	18,215.64	3,537.72
TIF	726,145.52	527,615.54	454,311.05	799,450.01
TOTAL	$ 1,414,716.70	$ 6,229,479.63	$ 6,187,247.90	$ 1,456,948.43

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	GENERAL REVENUE FUND			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 214,487.00	$ 202,706.11	$ 198,602.98	$ 200,709.57
Sales Taxes	508,000.00	490,419.40	528,000.00	507,485.30
Intergovernmental	173,656.00	163,773.48	187,098.00	185,156.92
Charges for Services	239,800.00	200,883.11	216,021.18	228,337.83
Interest	3,200.00	4,888.90	4,700.00	8,710.57
Other	10,000.00	-	450.00	-
Transfers In	-	-	20,000.00	-
TOTAL RECEIPTS	1,149,143.00	1,062,671.00	1,154,872.16	1,130,400.19
DISBURSEMENTS				
County Commission	81,390.00	81,637.46	81,755.00	80,680.67
County Clerk	75,925.00	71,820.49	74,250.00	73,051.90
Elections	87,850.00	64,762.57	39,550.00	31,839.66
Buildings and Grounds	109,882.00	112,564.92	107,313.00	167,990.15
Employee Fringe Benefits	141,850.00	149,556.09	166,498.20	139,796.59
County Treasurer	42,180.00	40,169.65	40,549.00	40,023.85
Collector	76,057.00	68,036.96	75,110.60	75,046.33
Recorder of Deeds	78,645.00	77,420.97	78,628.77	78,313.97
Circuit Clerk	35,075.00	29,705.58	37,432.70	29,817.78
Court Administration	3,523.25	4,990.17	8,575.00	3,980.19
Public Administrator	19,105.00	18,894.54	18,474.22	18,300.54
Prosecuting Attorney	114,291.66	128,649.00	114,291.66	127,102.72
Coroner	34,450.00	34,418.49	25,825.00	29,617.37
Tax Maintenance Fund	19,500.00	12,574.53	14,600.00	8,422.59
Other	144,300.00	130,871.82	127,930.40	151,808.94
Health and Welfare	4,000.00	540.85	-	-
Transfers Out	100,000.00	101,000.00	80,000.00	80,016.00
Emergency Fund	35,000.00	-	60,000.00	-
TOTAL DISBURSEMENTS	1,203,023.91	1,127,614.09	1,150,783.55	1,135,809.25
RECEIPTS OVER (UNDER) DISBURSEMENTS	(53,880.91)	(64,943.09)	4,088.61	(5,409.06)
CASH AND INVESTMENT BALANCES, JANUARY 1	315,482.99	315,482.99	320,892.05	320,892.05
CASH AND INVESTMENT BALANCES DECEMBER 31	$ 261,602.08	$ 250,539.90	$ 324,980.66	$ 315,482.99

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	SPECIAL ROAD & BRIDGE FUND			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 348,000.00	$ 322,299.09	$ 309,000.00	$ 331,440.90
Sales Taxes	460,000.00	438,613.33	524,000.00	459,296.63
Intergovernmental	1,460,498.00	967,403.08	393,750.00	2,076,807.36
Charges for Services	700.00	270.00	60.00	545.35
Interest	4,000.00	2,844.74	5,200.00	4,092.56
Other	205,500.00	207,444.55	798,482.41	415,464.99
Transfers In	-	-	673,000.00	3,628.00
TOTAL RECEIPTS	2,478,698.00	1,938,874.79	2,703,492.41	3,291,275.79
DISBURSEMENTS				
Salaries	298,500.00	306,588.51	278,000.00	224,050.94
Employee Fringe Benefits	101,500.00	99,680.87	157,700.00	170,500.41
Supplies	155,000.00	133,462.73	134,400.00	94,634.14
Insurance	37,000.00	36,532.00	35,000.00	36,421.00
Road & Bridge Materials	421,651.00	483,759.10	314,000.00	152,218.18
Equipment Repairs	100,000.00	48,404.52	61,400.00	141,329.54
Rentals	20,000.00	13,625.94	43,000.00	41,745.30
Equipment Purchases	146,500.00	205,468.82	91,450.00	85,022.32
R&B Construction	1,000.00	737.20	758,000.00	1,142,496.73
Other Expenditures	99,455.54	103,121.46	856,381.52	867,287.40
Debt Service	563,000.00	564,283.65	361,369.32	361,396.32
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	1,943,606.54	1,995,664.80	3,090,700.84	3,317,102.28
RECEIPTS OVER (UNDER) DISBURSEMENTS	535,091.46	(56,790.01)	(387,208.43)	(25,826.49)
CASH AND INVESTMENT BALANCES, JANUARY 1	138,217.36	138,217.36	164,043.85	164,043.85
CASH AND INVESTMENT BALANCES DECEMBER 31	$ 673,308.82	$ 81,427.35	$ (223,164.58)	$ 138,217.36

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	ASSESSMENT FUND				911			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 145,021.78	$ 139,832.43	$ 142,000.00	$ 171,449.84	$ 89,547.00	$ -	$ 60,000.00	$ -
Charges for Services	400.00	500.00	575.00	400.00	61,500.00	63,600.00	120,000.00	61,480.00
Interest	600.00	774.31	650.00	594.61	300.00	196.97	500.00	288.19
Other	500.00	1,060.49	680.00	1,778.00	130,200.00	212,034.94	600.00	130,230.50
Operating Transfers In	40,000.00	40,000.00	40,000.00	40,000.00	100,000.00	120,000.00	112,000.00	100,000.00
TOTAL RECEIPTS	186,521.78	182,167.23	183,905.00	214,222.45	381,547.00	395,831.91	293,100.00	291,998.69
DISBURSEMENTS								
Assesor	224,323.00	209,700.50	204,423.00	189,139.46	-	-	-	-
Training	-	-	-	-	-	-	-	-
Salaries	-	-	-	-	188,000.00	193,024.80	154,312.00	189,254.49
Fringe Benefits	-	-	-	-	44,800.00	59,866.50	77,300.00	44,641.83
Office Expense	-	-	-	-	41,350.00	40,819.21	42,600.00	42,101.67
Radio Equipment	-	-	-	-	14,000.00	13,779.88	14,000.00	18,379.58
Mileage and Training	-	-	-	-	3,200.00	3,656.63	3,200.00	2,559.65
Other Expenses	-	-	-	-	89,547.00	89,622.00	-	-
TOTAL DISBURSEMENTS	224,323.00	209,700.50	204,423.00	189,139.46	380,897.00	400,769.02	291,412.00	296,937.22
RECEIPTS OVER (UNDER) DISBURSEMENTS	(37,801.22)	(27,533.27)	(20,518.00)	25,082.99	650.00	(4,937.11)	1,688.00	(4,938.53)
CASH AND INVESTMENT BALANCES, JANUARY 1	45,776.21	45,776.21	20,693.22	20,693.22	11,766.74	11,766.74	16,705.27	16,705.27
CASH AND INVESTMENT BALANCES DECEMBER 31	$ 7,974.99	$ 18,242.94	$ 175.22	$ 45,776.21	$ 12,416.74	$ 6,829.63	$ 18,393.27	$ 11,766.74

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	MCLEST				LETF			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Tax Revenues	$ 508,000.00	$ 490,235.83	$ 525,000.00	$ 507,224.88	$ -	$ -	$ -	$ -
Intergovernmental Revenues	14,300.00	17,195.28	2,000.00	16,891.72	-	-	-	-
Charges for Services	160,485.00	157,219.10	209,000.00	155,414.47	-	-	-	-
Interest	1,300.00	669.65	2,300.00	1,288.72	100.00	85.53	200.00	109.47
Other	38,400.00	30,720.10	25,200.00	39,465.79	3,840.00	3,759.29	3,800.00	3,705.55
Transfers In	-	-	7,700.00	-	-	-	-	-
TOTAL RECEIPTS	722,485.00	696,039.96	771,200.00	720,285.58	3,940.00	3,844.82	4,000.00	3,815.02
DISBURSEMENTS								
Salary	251,038.00	264,363.10	251,038.00	262,864.00	-	-	-	-
Fringe Benefits	95,800.00	102,988.73	95,800.00	95,533.87	-	-	-	-
Other	58,400.00	51,260.53	73,410.00	56,141.45	-	-	-	-
Jail	105,265.00	101,223.35	108,177.60	103,737.57	-	-	-	-
Building and Grounds	104,200.00	99,610.66	102,000.00	103,906.71	-	-	-	-
Debt Service	14,500.00	12,500.00	27,000.00	25,500.00	-	-	-	-
Juvenile Office	42,595.00	42,429.90	42,700.00	42,573.14	-	-	-	-
Commissary	-	-	16,000.00	-	-	-	-	-
Inmate Security	1,500.00	2,630.00	-	4,090.20	-	-	-	-
Sheriff Revolving	500.00	-	-	3,541.75	-	-	-	-
Transfer Out	60,000.00	60,000.00	60,000.00	63,612.00	-	-	-	-
Training	-	-	-	-	5,000.00	4,097.07	4,000.00	3,114.38
TOTAL DISBURSEMENTS	733,798.00	737,006.27	776,125.60	761,500.69	5,000.00	4,097.07	4,000.00	3,114.38
RECEIPTS OVER (UNDER) DISBURSEMENTS	(11,313.00)	(40,966.31)	(4,925.60)	(41,215.11)	(1,060.00)	(252.25)	-	700.64
CASH AND INVESTMENT BALANCES, JANUARY 1	81,613.08	81,613.08	122,828.19	122,828.19	8,863.67	8,863.67	8,163.03	8,163.03
CASH AND INVESTMENT BALANCES DECEMBER 31	$ 70,300.08	$ 40,646.77	$ 117,902.59	$ 81,613.08	$ 7,803.67	$ 8,611.42	$ 8,163.03	$ 8,863.67

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	RESTITUTION				FORFEITURE			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 20,000.00	$ 24,113.88	$ 8,000.00	$ 22,139.34	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	200.00	422.99	90.00	205.64	90.00	69.50	175.00	92.89
Other	-	-	-	-	8,914.40	8,023.01	1,379.97	1,241.97
TOTAL RECEIPTS	20,200.00	24,536.87	8,090.00	22,344.98	9,004.40	8,092.51	1,554.97	1,334.86
DISBURSEMENTS								
Equipment	-	-	-	-	8,914.40	9,009.04	1,379.97	1,454.97
Office	5,000.00	3,682.19	500.00	1,500.00	-	-	-	-
Other	1,000.00	719.98	-	-	-	-	-	-
TOTAL DISBURSEMENTS	6,000.00	4,402.17	500.00	1,500.00	8,914.40	9,009.04	1,379.97	1,454.97
RECEIPTS OVER (UNDER) DISBURSEMENTS	14,200.00	20,134.70	7,590.00	20,844.98	90.00	(916.53)	175.00	(120.11)
CASH AND INVESTMENT BALANCES, JANUARY 1	30,313.44	30,313.44	9,468.46	9,468.46	7,165.09	7,165.09	7,285.20	7,285.20
CASH AND INVESTMENT BALANCES DECEMBER 31	$ 44,513.44	$ 50,448.14	$ 17,058.46	$ 30,313.44	$ 7,255.09	$ 6,248.56	$ 7,460.20	$ 7,165.09

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	USER				DOMESTIC VIOLENCE			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	$ -	$ 6,844.75	$ -	$ 7,047.50	$ -	$ -	$ -	$ -
Interest	-	113.10	300.00	125.64	40.00	27.41	47.00	36.87
Other	12,000.00	-	10,500.00	-	1,000.00	1,012.00	910.00	966.00
TOTAL RECEIPTS	12,000.00	6,957.85	10,800.00	7,173.14	1,040.00	1,039.41	957.00	1,002.87
DISBURSEMENTS								
Office	-	748.40	-	1,296.96	-	-	800.00	-
Equipment	-	-	-	-	-	-	-	-
Deputy Salary	5,616.00	5,616.00	5,616.00	5,616.00	-	-	-	-
Donations	-	-	-	-	1,750.00	1,150.00	-	1,250.00
TOTAL DISBURSEMENTS	5,616.00	6,364.40	5,616.00	6,912.96	1,750.00	1,150.00	800.00	1,250.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	6,384.00	593.45	5,184.00	260.18	(710.00)	(110.59)	157.00	(247.13)
CASH AND INVESTMENT BALANCES, JANUARY 1	10,887.39	10,887.39	10,627.21	10,627.21	2,348.74	2,348.74	2,595.87	2,595.87
CASH AND INVESTMENT BALANCES DECEMBER 31	$ 17,271.39	$ 11,480.84	$ 15,811.21	$ 10,887.39	$ 1,638.74	$ 2,238.15	$ 2,752.87	$ 2,348.74

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	PROSECUTING ATTORNEY TRAINING				PROSECUTING ATTORNEY BAD CHECK			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	10.00	14.51	-	13.88	120.00	19.56	-	89.57
Other	615.00	623.52	615.00	612.25	20,000.00	10,963.29	20,000.00	17,294.82
Transfers In	-	-	-	-	-	1,000.00	-	-
TOTAL RECEIPTS	625.00	638.03	615.00	626.13	20,120.00	11,982.85	20,000.00	17,384.39
DISBURSEMENTS								
Salary	-	-	-	-	-	-	20,000.00	-
Mileage/Training	1,500.00	1,131.31	1,000.00	-	-	-	-	-
Operating	-	-	-	-	20,000.00	15,369.68	-	18,215.64
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Circuit Judge & Juvenile	-	-	-	-	-	-	-	-
Coroner	-	-	-	-	-	-	-	-
Task Force	-	-	-	-	-	-	-	-
COPS Grant	-	-	-	-	-	-	-	-
Lake Patrol	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
FEMA	-	-	-	-	-	-	-	-
Misc	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,500.00	1,131.31	1,000.00	-	20,000.00	15,369.68	20,000.00	18,215.64
RECEIPTS OVER (UNDER) DISBURSEMENTS	(875.00)	(493.28)	(385.00)	626.13	120.00	(3,386.83)	-	(831.25)
CASH AND INVESTMENT BALANCES, JANUARY 1	1,525.99	1,525.99	899.86	899.86	3,537.72	3,537.72	4,368.97	4,368.97
CASH AND INVESTMENT BALANCES DECEMBER 31	$ 650.99	$ 1,032.71	$ 514.86	$ 1,525.99	$ 3,657.72	$ 150.89	$ 4,368.97	$ 3,537.72

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	TIF			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	-
Interest	10,000.00	6,906.96	18,000.00	8,807.00
Other	653,070.00	595,064.46	2,198,600.00	518,808.54
TOTAL RECEIPTS	663,070.00	601,971.42	2,216,600.00	527,615.54
DISBURSEMENTS				
Eats Area	653,105.00	591,084.40	1,771,200.00	454,311.05
Expenses	-	-	-	-
Office Expenditures	-	-	-	-
Computer Expenditures	-	-	-	-
Equipment	-	-	-	-
Capital Improvement	-	-	-	-
Professional Services	-	-	-	-
Other	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	653,105.00	591,084.40	1,771,200.00	454,311.05
RECEIPTS OVER (UNDER) DISBURSEMENTS	9,965.00	10,887.02	445,400.00	73,304.49
CASH AND INVESTMENT BALANCES, JANUARY 1	799,450.01	799,450.01	726,145.52	726,145.52
CASH AND INVESTMENT BALANCES DECEMBER 31	$ 809,415.01	$ 810,337.03	$ 1,171,545.52	$ 799,450.01

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2010

	Unclaimed Fees	Overplus Savings	Capital School Savings	CERF	Cherokee Pass Fire Dept. Grant	District School Checking
ASSETS						
Cash and Cash Equivalents	$ 16,867.15	$ 34,559.05	$ 46,061.05	$ 5,893.78	$ 16.83	$ 10.01
Total Assets	16,867.15	34,559.05	46,061.05	5,893.78	16.83	10.01
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	16,867.15	34,559.05	46,061.05	5,893.78	16.83	10.01
TOTAL LIABILITIES AND FUND BALANCES	$ 16,867.15	$ 34,559.05	$ 46,061.05	$ 5,893.78	$ 16.83	$ 10.01

	Ozark Regional Library Checking	Collector	Partial Payment	Recorder of Deeds	Jail Commissary	PA Restitution Account
ASSETS						
Cash and Cash Equivalents	$ 2.96	$ 4,763,399.72	$ 10,786.60	$ -	$ 3,214.48	$ 2,923.01
Total Assets	2.96	4,763,399.72	10,786.60	-	3,214.48	2,923.01
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	904.37	-	-
UNRESERVED FUND BALANCES	2.96	4,763,399.72	10,786.60	(904.37)	3,214.48	2,923.01
TOTAL LIABILITIES AND FUND BALANCES	$ 2.96	$ 4,763,399.72	$ 10,786.60	$ -	$ 3,214.48	$ 2,923.01

	PA Bad Check Account	Prosecuting Attorney Account	Sheriff	Collector Protested Account	Total Agency Funds
ASSETS					
Cash and Cash Equivalents	$ 247.76	$ 16,720.15	$ 800.50	$ 268.49	$ 4,901,771.54
Total Assets	247.76	16,720.15	800.50	268.49	4,901,771.54
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	$ 904.37
UNRESERVED FUND BALANCES	247.76	16,720.15	800.50	268.49	4,900,867.17
TOTAL LIABILITIES AND FUND BALANCES	$ 247.76	$ 16,720.15	$ 800.50	$ 268.49	$ 4,901,771.54

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
REGULATORY BASIS - AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2009

	Unclaimed Fees	Overplus Savings	Capital School Savings	CERF	Cherokee Pass Fire Dept. Grant	District School Checking
ASSETS						
Cash and Cash Equivalents	$ 1,723.47	$ 49,688.48	$ 52,000.63	$ 1,257.89	$ 212.73	$ 6,728.05
Total Assets	1,723.47	49,688.48	52,000.63	1,257.89	212.73	6,728.05
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	1,723.47	49,688.48	52,000.63	1,257.89	212.73	6,728.05
TOTAL LIABILITIES AND FUND BALANCES	$ 1,723.47	$ 49,688.48	$ 52,000.63	$ 1,257.89	$ 212.73	$ 6,728.05

	Ozark Regional Library Checking	Collector	Partial Payment	Recorder of Deeds	Jail Commissary	PA Restitution Account
ASSETS						
Cash and Cash Equivalents	$ 169.12	$ 4,559,169.53	$ 7,802.28	$ -	$ 1,161.42	$ 3,130.86
Total Assets	169.12	4,559,169.53	7,802.28	-	1,161.42	3,130.86
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	350.37	-	-
UNRESERVED FUND BALANCES	169.12	4,559,169.53	7,802.28	(350.37)	1,161.42	3,130.86
TOTAL LIABILITIES AND FUND BALANCES	$ 169.12	$ 4,559,169.53	$ 7,802.28	$ -	$ 1,161.42	$ 3,130.86

	PA Bad Check Account	Prosecuting Attorney Account	Sheriff	Collector Protested Account	Total Agency Funds
ASSETS					
Cash and Cash Equivalents	$ 203.84	$ 16,720.15	$ 885.00	$ 22,913.92	$ 4,723,767.37
Total Assets	203.84	16,720.15	885.00	22,913.92	4,723,767.37
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	$ 350.37
UNRESERVED FUND BALANCES	203.84	16,720.15	885.00	22,913.92	4,723,417.00
TOTAL LIABILITIES AND FUND BALANCES	$ 203.84	$ 16,720.15	$ 885.00	$ 22,913.92	$ 4,723,767.37

The accompanying notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Madison, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1818 by an Act of the Missouri Territory. In addition to the three board members, there are eleven elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Surveyor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Madison County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri State Law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances– All Governmental Funds, a Comparative Statement of Receipts and Disbursements and Changes in Cash and Investment Balances– Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures. During our audit we noted that the County was noncompliant with Missouri budgetary state statute Chapter 50 RSMo.

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

   Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2010 and 2009, for purposes of taxation was:

	2010	2009
Real Estate	$ 78,868,240	$ 78,554,180
Personal Property	25,072,910	25,237,326
Railroad and Utilities	7,500,000	7,447,931
	$ 111,441,150	$ 111,239,437

During 2010 and 2009, the County Commission approved a $1.3389 and $1.3325 tax levy respectively per $100 of assessed valuation of tangible taxable property for the calendar year 2010 and 2009, for purpose of County taxation, as follows:

	2010	2009
General Revenue Fund	$ 0.1666	$ 0.1628
Road and Bridge Fund	0.2863	0.2855
County Health Department	0.0987	0.0984
County Library	0.0987	0.0984
County Hospital	0.1943	0.1937
County Workshop (SB40)	0.1943	0.1937
County Ambulance District	0.3000	0.3000
	$ 1.3389	$ 1.3325

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

F. Cash Deposits and Investments (concluded)

Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

H. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose. Fund balance is unrestricted at December 31, 2010 and 2009.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amount of the County's deposits was $1,288,234.33 and $1,456,948.43, and the bank balance was respectively $5,166,105.27 and $5,296,751.25. As of December 31, 2010, and 2009, 100% of the County's investments were guaranteed by the U. S. Government.

II. DEPOSITS AND INVESTMENTS (continued)

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2010, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursments and Changes in Cash and Investment Balances	
Deposits	$ 1,107,940.87
Investments	180,293.46
Total Deposits and Investments as of December 31, 2010	$ 1,288,234.33

The carrying values of deposits and investments at December 31, 2009, are as follows:

Statement of Receipts, Disbursments and Changes in Cash and Investment Balances	
Deposits	$ 1,279,844.08
Investments	177,104.35
Total Deposits and Investments as of December 31, 2009	$ 1,456,948.43

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2010 and 2009.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

II. DEPOSITS AND INVESTMENTS (concluded)

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2010 and 2009.

III. LEASES – CAPITAL

The County entered into a capital lease for the purchase of a durapatcher as of May 17, 2010, for the Road and Bridge Department. The purchase was for $59,000 with annual payments of $14,679 over a five year period. The interest rate was calculated to 8.628%.

The County entered into a capital lease for the purchase of a two Freightliner Trucks, a GMC truck and a Sterling Truck as of December 22, 2008, for the Road and Bridge Department. The purchase was for $256,028.77 with 16 quarterly payments of $19,059. The interest rate was calculated to 9.411%.

The County entered into a capital lease for the purchase of a John Deere tractor as of March 17, 2009, for the Road and Bridge Department. The purchase was for $47,255.85 with annual payments of $11,749 over a five year period. The interest rate was calculated to 9.409%.

All of the above leases were consolidated as of December 2, 2010, into a capital lease for $261,114. The debt will be paid back over 36 months at $23,749 beginning February 15, 2011.

III. LEASES – CAPITAL (concluded)

2010

	Balance at December 31, 2009	Amount Borrowed	Amount Repaid	Balance at December 31, 2010	Interest Paid During Year
Durapatcher	$ -	$ 59,000.00	$ 59,000.00	$ -	$ -
Tractor	37,723.99	-	37,723.99	-	3,549.57
Freightliners and Sterling Trucks	197,257.90	-	197,257.90	-	16,496.12
Consolidated Debt	-	261,114.00	-	261,114.00	-
Totals	$ 234,981.89	$ 320,114.00	$ 293,981.89	$ 261,114.00	$ 20,045.69

2009

	Balance at December 31, 2008	Amount Borrowed	Amount Repaid	Balance at December 31, 2009	Interest Paid During Year
Durapatcher	$ -	$ -	$ -	$ -	$ -
Tractor	-	47,255.85	9,531.86	37,723.99	2,217.14
Freightliners and Sterling Trucks	-	256,028.77	58,770.87	197,257.90	17,465.13
Freightliners	190,851.33	-	190,851.33	-	-
Consolidated Debt	-	-	-	-	-
Totals	$ 190,851.33	$ 303,284.62	$ 259,154.06	$ 234,981.89	$ 19,682.27

2010 Amortizations

Fiscal Year Ending December 31,	Principal	Interest	Total
2011	$ 72,735.80	$ 22,260.20	$ 94,996.00
2012	93,831.61	1,164.39	94,996.00
2013	94,546.59	449.41	94,996.00
TOTALS	$ 261,114.00	$ 23,874.00	$ 284,988.00

2009 Amortizations

Fiscal ear Ending December 31,	Principal	Interest	Total
10	$ 67,939.31	$ 20,045.69	$ 87,985.00
11	74,534.35	13,450.65	87,985.00
12	81,769.65	6,215.35	87,985.00
13	10,738.58	1,010.42	11,749.00
14	-	-	-
2015	-	-	-
	$ 234,981.89	$ 40,722.11	$ 275,704.00

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2010 and 2009 are as follows:

	2010		2009	
FUNDS	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
General	$ -	$ 101,000.00	$ -	$ 80,016.00
Road and Bridge	-	-	3,628.00	-
Assessment	40,000.00	-	40,000.00	-
911	120,000.00	-	100,000.00	-
MCLEST	-	60,000.00	-	63,612.00
PA Bad Check	1,000.00	-	-	-
	$ 161,000.00	$ 161,000.00	$ 143,628.00	$ 143,628.00

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer of employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for the law enforcement, all other departments in the county the age is sixty.

Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, 2121 Schotthill Road, Jefferson City, MO 65102, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 4% of their annual salary in order to participate in the CERF. During 2010 and 2009, the Primary Government collected and remitted to CERF, employee contributions of approximately $51,131.76 and $51,936.52, respectively, for the years then ended.

VI. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed $2,431 and $2,057, respectively, for the years ended December 31, 2010 and 2009.

VII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not currently involved in pending litigation at December 31, 2010.

B. Compensated Absences

The County provides employees with up to thirty days of paid vacation per year based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation leave. Vacation days not used by the end of the year they are earned are forfeited. The County will not make payments in lieu of vacation leave. Although employees accrue unused hours the County was unable to determine their outstanding liability.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.700 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

X. ACCOUNTING CHANGE

For the years ended December 31, 2010 and December 31, 2009, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements.

XI. SUBSEQUENT EVENTS

No subsequent events were noted for disclosure.

XII. PRIOR PERIOD ERROR CORRECTION

As per Attorney General Opinion No. 7-83: Section 29.230.1, RSMo 1969, was to authorize the State Auditor to audit the accounts of “court clerks" only in third and fourth class counties.

Since the issuance of the 1977 opinion, certain changes have been wrought by the adoption of C.C.S.S.J.R. 24, 1976 Mo. Laws 819 (adopted August 3, 1976; effective January 2, 1979), sometimes known as the “Judicial Article Amendment", and the Court Reform and Revision Act of 1978, H.B. 1634, 1978 Mo. Laws. 696. These changes have made the circuit courts agencies of the State of Missouri. Accounts of the circuit courts and all divisions of the circuit courts in the custody of officers or employees of the circuit courts, e.g., circuit and division clerks, are subject to audit pursuant to Article IV, Section 13, Missouri Constitution, and Section 29.200, RSMo 1978.

Due to the County Courts being considered as separate from the County Government, these funds are no longer included as funds of the County, therefore the Juvenile Assessment, Time Payment and Circuit Clerk Interest Funds are no longer included as part of the County’s financial statements with December 31, 2008, balances of $2,397.68, 8,877.67 and $4,368.95 respectively.

XIII. CORRECTION TO REPORT SUBSEQUENT TO ISSUANCE

Subsequent to the issuance of the audit report of Madison County, dated July 19, 2011, the County was made aware that certain funds received and passed through to local municipalities were considered to be from Federal sources. Prior to correction, these amounts had not been included in the County’s Schedule of Expenditures and Federal Awards (SEFA). The SEFA has been corrected by including expenditures of the Community Development Block Grant which was passed through to the Cherokee Pass Volunteer Fire Department and the Madison County Sheltered Workshop in the amounts of $285,750 and $222,740.67.

SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT

STATE COMPLIANCE SECTION

SCHEDULE OF STATE FINDINGS

For the year ended December 31, 2010, actual expenditures exceeded the budgeted expenditures in the Road and Bridge, 911, Madison County Law Enforcement Tax, Forfeiture and User funds.

For the year ended December 31, 2009, actual expenditures exceeded the budgeted expenditures in the Road and Bridge, 911, Forfeiture, Restitution, User and Domestic Violence funds.

During 2009 the County deficit budgeted for the Road and Bridge fund.

FEDERAL COMPLIANCE SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Madison, Missouri

We have audited the financial statements of the County of Madison ("County"), Missouri as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated July 19, 2011. The financial statements were prepared using accounting practices prescribed or permitted by Missouri State Law, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting; FS 09/10-01, FS 09/10-02, FS 09/10-03, FS 09/10-04 , FS 09/10-05, SA 09/10-01 and SA 09/10-02. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated July 19, 2011.

The County's responses to the findings identified in our audit are described in the accompany schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

July 19, 2011

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditor's Report

To The County Commission
The County of Madison
Fredericktown, Missouri

Compliance

We have audited the County of Madison's, (the County) compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and December 31, 2009. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and December 31, 2009.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items SA09/10-01 and SA09/10-02. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

July 19, 2011

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2010 AND 2009

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	December 31, 2010 Federal Share of Expenditures	December 31, 2009 Federal Share of Expenditures
	U.S. DEPARTMENT OF AGRICULTURE			
	Passed Through State Office of Administration			
10.XXX	Law Enforcement Grant	08-LE-11090505-019	$ 2,480.00	$ 2,485.00
		08-LE-11090505-037	4,000.00	4,000.00
	U.S. DEPARTMENT OF INTERIOR			
	Direct Program			
15.266	PILT-Payment in Lieu of Taxes	N/A	37,685.00	57,865.00
	U.S. DEPARTMENT OF JUSTICE			
	Direct Program			
16.XXX	Equitable Sharing of Seized and Forfeited Property	N/A	9,009.04	1,454.97
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed Through State Highway and Transportation Commission			
20.205	Highway Planning and Construction	BRO020(7)	-	664,912.07
		BRO020(9)	-	252,296.15
	Passed Through Missouri Safety Center			
20.601	Alcohol Impaired Driving Counter Measures Incentive Grants I	LKK073-NHTSA	3,160.73	-
20.600	State Community Highway Safety	LKK058-NHTSA	-	943.67
20.613	Child Safety and Child Booster Seats Incentive Grant	LKK040-NHTSA	-	471.81
20.607	Alcohol Open Container Requirements	LKK040-NHTSA	-	943.67
	ELECTION ASSISTANCE COMMISSION			
	Passed Through the Office of Secretary of State			
90.401	Help America Vote Act Requirements Payments	HAVA	888.37	-
	U.S. DEPARTMENT OF HOMELAND SECURITY			
	Passed Through the State Emergency Management Agency			
97.036	Disaster Grants - Public Assistance Grants (Presidentially Declared Disasters)	SEMA	-	520,677.78
97.004	State Domestic Preparedness Equipment Support Program	SEMA	89,547.00	-
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed Through the Missouri Department of Economic Development			
14.228	Community Development Block Grant	2006PF24	-	222,740.67
		2009PF07	-	285,750.00
	Total Expenditures of Federal Awards		$ 146,770.14	$ 2,014,540.79

NOTE 1 – BASIS OF PRESENTATION

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Madison County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistanc*e means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUBRECIPIENTS

The County provided federal awards to the following subrecipients during the years ended December 31, 2010 and 2009:

Subrecipient	Program	CFDA #	2010	2009
Madison County Sheltered Work Shop	Community Development Block Grant	14.228	$ -	$ 222,740.67
Cherokee Pass Volunteer Fire Department	Community Development Block Grant	14.228	-	285,750.00
Total			$ -	$ 508,490.67

NOTE 3 – NON MAJOR PROGRAM TEST

Per Revised Statutes of Missouri, § 513.653. Peace officers using federal forfeiture system, audit of federal seizure proceeds – copies provided to whom. – Law enforcement agencies involved in using the federal forfeiture system under federal law shall be required at the end of their respective fiscal year to acquire an independent audit of the federal seizures and the proceeds received therefrom and provide this audit to their respective governing body. A copy of such audit shall be provided to the state auditor's office. This audit shall be paid for out of the proceeds of such federal forfeitures.

The federal forfeiture seizure program is tested during the current year, but not considered to be a major program.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unqualified Regulatory Basis

2. Internal control over financial reporting:

a. Any material weakness(es) identified? 2010 ___ Yes X No

2009 ___ Yes X No

b. Any significant deficiencies identified that are not considered to be material weaknesses? 2010 X Yes ___ None Reported

2009 X Yes ___ None Reported

3. Any noncompliance material to financial statements noted? 2010 ___ Yes X No

2009 ___ Yes X No

B. Federal Awards

1. Internal control over major programs:

Any material weakness(es) identified? 2010 ___ Yes X No

2009 ___ Yes X No

2. Any significant deficiencies identified that are not considered to be material weaknesses? 2010 X Yes ___ None Reported

2009 X Yes ___ None Reported

3. Type of auditor's report issued on compliance for major programs: 2010 - Unqualified

2009 - Unqualified

4. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*? 2010 X Yes ___ No

2009 X Yes ___ No

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

5. Identification of major programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2009	20.205	Highway Planning and Construction
2009	97.036	Disaster Grant – Public Assistance Grant (Presidentially Declared Disasters)
2009	14.228	Community Development Block Grant

6. Dollar threshold used to distinguish between type A and type B programs: $ 300,000

7. Auditee qualified as low-risk auditee? 2010 ___ Yes X No

2009 ___ Yes X No

II. FINANCIAL STATEMENT FINDINGS

FS 09/10-01 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs the County informed us that internal control documentation had not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County follows procedures set forth by the Missouri State Statutes. At this time no formal document is required.

II. FINANCIAL STATEMENT FINDINGS (continued)

FS 09/10-02 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of Responsible Officials and Planned Corrective Actions: The County follows procedures as set forth by the Missouri State Statutes. Furthermore, the County carries applicable liability insurance as well as office holders being bonded to help protect the County against fraudulent acts.

II. FINANCIAL STATEMENT FINDINGS (continued)

FS 9/10-03 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Prosecuting Attorney and Sheriff's Commissary accounts.

Condition: During our audit, we discovered that bank reconciliations were not prepared on a timely basis.

Context: This deficiency became apparent through our testing of the Prosecuting Attorney and Commissary cash accounts and the related reconciliations.

Effect: Not preparing timely bank reconciliations does not allow timely adjustments to the County's cash accounts.

Cause: Management has not prepared bank reconciliations on a timely basis.

Recommendation: We recommend that the Prosecuting Attorney and Sheriff Office Staff prepare monthly bank reconciliations and adjustments to the cash accounts.

Views of Responsible Officials and Planned Corrective Actions: The County will consider the auditor's recommendation.

FS 09/10-04 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Recorder's office.

Condition: We noted negative cash balances in the Recorder's office according to reconciliations.

Context: This deficiency became apparent through our testing of the Recorder's cash accounts and the related reconciliations.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the County Recorder prepare monthly bank reconciliations and adjustments to the cash accounts.

II. FINANCIAL STATEMENT FINDINGS (concluded)

Views of Responsible Officials and Planned Corrective Actions: The County will consider the auditor's recommendation.

FS 09/10-05 Criteria: Deposits must be made in a timely manner.

Condition: During our audit, we became aware through testing that the Prosecuting Attorney's office has failed to perform deposits in a timely manner.

Context: This deficiency became apparent through our testing of the Prosecuting Attorney's cash accounts and the related reconciliations.

Effect: The actual balances of the Prosecuting Attorney's accounts may be incorrect and distributions for restitution and bad checks may not be made in a timely manner.

Cause: The Prosecuting Attorney's office staff was not performing deposits in a timely manner.

Recommendation: We recommend that the Prosecuting Attorney's office prepare deposits in a timely manner.

Views of Responsible Officials and Planned Corrective Actions: The County will consider the auditor's recommendation.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The following findings, recommendations, and questioned costs are the results of the single audit of Madison County, Missouri for fiscal years ended December 31, 2010 and 2009. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: A significant deficiency in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

A. Category of Internal Control Weakness (concluded)

2. Material Weakness: A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.

2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than $10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

C. Federal Award Findings and Questioned Costs

SA 09/10-01	Federal Grantor:	U.S. Department of Homeland Security
Other Information	Pass-Through Grantor:	State Emergency Management Agency
Significant Deficiency	Federal CFDA Number:	97.036
	Program Title:	Disaster Grant - Public Assistance Grant (Presidentially Declared Disasters)
	Federal Grantor:	U.S. Department of Housing and Urban Development
	Pass-Through Grantor:	Missouri State Department of Economic Development
	Federal CFDA Number:	14.228
	Program Title:	Community Development Block Grant

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Federal Expenditures and Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information for the Disaster Grant – Public Assistance Grant (Presidentially Declared Disasters).

Also the amount that should have been reported for the Community Development Block Grant had been excluded from the SEFA.

Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (concluded)

B. Federal Award Findings and Questioned Costs (concluded)

Recommendation (concluded): The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The County will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

SA 09/10-02	Federal Grantor:	U.S. Department of Justice
Other Information	Pass-Through Grantor:	N/A
Significant Deficiency	Federal CFDA Number:	16.XXX
	Program Title:	Equitable Sharing of Seized and Forfeited Property

Information on the federal program: The County was not compliant with the requirements of the Seized and Forfeited Property Program.

Criteria: Entities that receive funding from the Equitable Sharing of Seized and Forfeited Property program must comply with the program guidelines set forth through the Guide to Equitable Sharing for State and Local Law Enforcement Agencies.

Condition: Through correspondence with the County Sheriff's Office we became aware that the spending and reporting guidelines of the Equitable Sharing of Seized and Forfeited Property were not being met.

Questioned Costs: Not applicable

Context: We discovered the above issues during the audit of this program.

Effect: The County is non-compliant with the guidelines of this program. This may cause the County to be ineligible to participate in this program for future years.

Cause: The County had these funds segregated for several years and was not aware of the spending time frames and continued reporting requirements set forth by the Department of Justice.

Recommendation: The County should contact the Department of Justice for how to proceed due to the funds should have been spent in prior years.

Views of responsible officials and planned corrective actions: The County will ensure that the requirements of this program are met for future years.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2010 AND 2009

I. FOLLOW-UP PRIOR YEAR FINDINGS

07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters in an Audit, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Auditor's Evaluation: The County has implemented appropriate corrective action in the current year being audited.

07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

I. FOLLOW-UP PRIOR YEAR AUDIT FINDINGS (continued)

07/08-02 Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Auditor's Evaluation: The County has not implemented appropriate corrective action in the current year being audited. See financial statement finding 09/10-01.

07/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Auditor's Evaluation: The County has not implemented appropriate corrective action in the current year being audited. See financial statement finding 09/10-2.

07/08-04 Criteria: The County did not prepare budgets for the Madison County Re-Development Fund for the year ended December 31, 2007.

Condition: The state requires budgets for each of the County's funds.

1. FOLLOW-UP PRIOR YEAR AUDIT FINDINGS (concluded)

07/08-04 Effect: The County did not properly budget all funds.

Cause: Management did not create a budget for the Madison County Re-development Fund.

Recommendation: We recommend that the county budgets all funds, including the Madison County Re-development Fund.

Auditor's Evaluation: The County has implemented appropriate corrective action in the current year being audited.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS – PRIOR YEAR

There were no prior year findings related to federal awards.

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

To the Board of Commissioners
County of Madison

In planning and performing our audit of the financial statements of the County of Madison (County) as of and for the years ended December 31, 2010 and 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency, is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other material and significant matters are presented as follows:

I. Deficiencies Considered to be Significant
II. Changes Impacting Governmental Organizations
III. Information Required by Professional Standards

County of Madison's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants
July 19, 2011

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 09/10-01

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs the County informed us that internal control documentation had not been prepared.

Effect: The new SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County follows procedures set forth by the Missouri State Statutes. At this time no formal document is required.

FS 09/10-02

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

Management's Response: The County follows procedures as set forth by the Missouri State Statutes. Furthermore, the County carries applicable liability insurance as well as office holders being bonded to help protect the County against fraudulent acts.

FS 9/10-03

Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Prosecuting Attorney's office.

Condition: During our audit, we discovered that bank reconciliations were not prepared on a timely basis.

Context: This deficiency became apparent through our testing of the Prosecuting Attorney's cash accounts and the related reconciliations.

Effect: Not preparing timely bank reconciliations does not allow timely adjustments to the County's cash accounts.

Cause: Management has not prepared bank reconciliations on a timely basis.

Recommendation: We recommend that the Prosecuting Attorney prepare monthly bank reconciliations and adjustments to the cash accounts.

Management Response: The County will consider the auditor's recommendation.

FS 09/10-04

Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Recorder's office.

Condition: We noted negative cash balances in the Recorder's office according to reconciliations.

Context: This deficiency became apparent through our testing of the Recorder's cash accounts and the related reconciliations.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the County Recorder prepare monthly bank reconciliations and adjustments to the cash accounts.

Management Response: The County will consider the auditor's recommendation.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

FS 09/10-05 Criteria: Deposits must be made in a timely manner.

Condition: During our audit, we became aware through testing that the Prosecuting Attorney's office has failed to perform deposits in a timely manner.

Context: This deficiency became apparent through our testing of the Prosecuting Attorney's cash accounts and the related reconciliations.

Effect: The actual balances of the Prosecuting Attorney's accounts may be incorrect and distributions for restitution and bad checks may not be made in a timely manner.

Cause: The Prosecuting Attorney's office staff was not performing deposits in a timely manner.

Recommendation: We recommend that the Prosecuting Attorney's office prepare deposits in a timely manner.

Views of Responsible Officials and Planned Corrective Actions: The County will consider the auditor's recommendation.

SA 09/10-01	Federal Grantor:	U.S. Department of Homeland Security
Other Information	Pass-Through Grantor:	State Emergency Management Agency
Significant Deficiency	Federal CFDA Number:	97.036
	Program Title:	Disaster Grant - Public Assistance Grant (Presidentially Declared Disasters)
	Federal Grantor:	U.S. Department of Housing and Urban Development
	Pass-Through Grantor:	Missouri State Department of Economic Development
	Federal CFDA Number:	14.228
	Program Title:	Community Development Block Grant

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Federal Expenditures and Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information for the Disaster Grant – Public Assistance Grant (Presidentially Declared Disasters).

Also the amount that should have been reported for the Community Development Block Grant had been excluded from the SEFA.

Questioned Costs: Not applicable

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements.

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The County will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

SA 09/10-02	Federal Grantor:	U.S. Department of Justice
Other Information	Pass-Through Grantor:	N/A
Significant Deficiency	Federal CFDA Number:	16.XXX
	Program Title:	Equitable Sharing of Seized and Forfeited Property

Information on the federal program: The County was not compliant with the requirements of the Seized and Forfeited Property Program.

Criteria: Entities that receive funding from the Equitable Sharing of Seized and Forfeited Property program must comply with the program guidelines set forth through the Guide to Equitable Sharing for State and Local Law Enforcement Agencies.

Condition: Through correspondence with the County Sheriff's Office we became aware that the spending and reporting guidelines of the Equitable Sharing of Seized and Forfeited Property were not being met.

Questioned Costs: Not applicable

Context: We discovered the above issues during the audit of this program.

Effect: The County is non-compliant with the guidelines of this program. This may cause the County to be ineligible to participate in this program for future years.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

Cause: The County had these funds segregated for several years and was not aware of the spending time frames and continued reporting requirements set forth by the Department of Justice.

Recommendation: The County should contact the Department of Justice for how to proceed due to the funds should have been spent in prior years.

Views of responsible officials and planned corrective actions: The County will ensure that the requirements of this program are met for future years.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

Governments frequently establish governmental audit requirements for entities to undergo an audit of their compliance with applicable compliance requirements. To address such governmental audit requirements, the Auditing Standards Board has issued Statement on Auditing Standards (SAS) No. 117, *Compliance Audits,* which supersedes SAS No. 74, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistanc*e. SAS No. 117 was primarily developed in response to the results of a federal study on the quality of audits performed under Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* (also referred to as single audits), which showed that improvements were needed in many areas.

SAS No. 117 establishes standards and provides guidance on performing and reporting (in accordance with GAAS, *Government Auditing Standards*, and a governmental audit requirement that requires an auditor to express an opinion on compliance) on an audit of an entity's compliance with applicable compliance requirements of a governmental audit requirement. Examples of such engagements include single audits and audits performed under the U.S. Department of Housing and Urban Development (HUD) *Consolidated Audit Guide for Audits of HUD Programs.*

SAS No. 117 updates SAS No. 74 to reflect changes in the compliance audit environment and incorporates the risk assessment standards. It requires the auditor to adapt and apply the AU sections of AICPA *Professional Standards* to a compliance audit and provides guidance on how to do so. It identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits and used in the SAS, and identifies the elements to be included in an auditor's report on a compliance audit. The SAS is effective for compliance audits for fiscal periods ending on or after June 15, 2010 with earlier application permitted.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 28, 2011, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the regulatory basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered County of Madison's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (continued)

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on July 19, 2011.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Madison are described in Note I to the financial statements. As described in Note X for the years ended December 31, 2010, and December 31, 2009, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the Notes to the financial statements. The new method of accounting presentation was implemented to conform with Missouri State Law. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 19, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During our testing we noted late fees on credit card statements. This was not considered to be a significant deficiency or a material weakness, but we consider it to be necessary to communicate to management.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Butler County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Butler County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-75

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2010 & 2009

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
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FINANCIAL SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Butler, Missouri

We have audited the accompanying financial statements of the County of Butler ("County"), Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note I, these financial statements were prepared using accounting practices prescribed or permitted by Missouri Law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County of Butler, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of the County of Butler, Missouri, as of December 31, 2010 and 2009, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note I.

As described in Note X, the County of Butler has converted from a modified cash (GASB 34) basis of accounting to the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2010 and December 31, 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note I.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

August 29, 2011

FINANCIAL STATEMENTS

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2010

FUND	CASH AND INVESTMENTS JANUARY 1, 2010	RECEIPTS 2010	DISBURSEMENTS 2010	CASH AND INVESTMENTS DECEMBER 31, 2010
General Revenue	$ 2,125,996.52	$ 4,519,652.37	$ 4,457,089.67	$ 2,188,559.22
Special Road & Bridge	682,153.15	3,001,298.60	3,179,422.74	504,029.01
Assessment	289,568.68	455,157.40	429,279.07	315,447.01
LETF	1,531.23	7,332.02	7,862.40	1,000.85
PAT	3,392.81	902.59	2,768.12	1,527.28
CDBG Grant Fund	61.62	445,003.21	445,003.21	61.62
PAD	1,698.80	1,647.83	1,030.08	2,316.55
Eastern Capital Improvement	494,299.68	809,334.58	702,568.05	601,066.21
Western Capital Improvement	547,463.65	809,334.55	699,785.19	657,013.01
Care of Handicapped	411,330.51	462,639.94	475,086.04	398,884.41
Drainage District #12	19,519.92	2,852.33	420.00	21,952.25
Domestic Violence	4,863.65	15,673.96	20,264.76	272.85
36th JJC Escrow Fund	-	-	-	-
DRA Fund	-	50.00	20.58	29.42
Community Policing	963.61	5,669.86	1,079.48	5,553.99
Sheriff Drug	325.62	-	-	325.62
Special Elections/HAVA	37,255.63	178,947.42	170,350.23	45,852.82
Bad Check	151,979.17	80,517.86	65,418.86	167,078.17
Recorder User Fee	235,865.64	22,929.32	-	258,794.96
Butler County 911	94,269.16	135,572.15	148,546.25	81,295.06
Health & Dental Escrow	49,938.26	1,203,660.84	1,246,404.57	7,194.53
Collector's TMF	228,361.54	61,341.35	12,006.66	277,696.23
Senior Citizens	70,882.57	230,776.08	231,795.23	69,863.42
LERF	2,433.91	3,942.50	2,738.40	3,638.01
Sheriff Civil	17,739.08	48,997.64	52,062.44	14,674.28
Sheriff Revolving	15,420.51	26,390.00	28,905.05	12,905.46
Law Enforcement Complex	615,766.90	2,792,976.91	2,995,907.11	412,836.70
TOTAL	$ 6,103,081.82	$ 15,322,601.31	$ 15,375,814.19	$ 6,049,868.94

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

FUND	CASH AND INVESTMENTS JANUARY 1, 2009	RECEIPTS 2009	DISBURSEMENTS 2009	CASH AND INVESTMENTS DECEMBER 31, 2009
General Revenue	$ 1,878,294.18	$ 4,060,212.11	$ 3,812,509.77	$ 2,125,996.52
Special Road & Bridge	551,155.24	2,635,074.62	2,504,076.71	682,153.15
Assessment	245,766.61	525,018.09	481,216.02	289,568.68
LETF	11,292.52	4,706.78	14,468.07	1,531.23
PAT	4,036.53	847.08	1,490.80	3,392.81
CDBG Grant Fund	61.62	29,764.28	29,764.28	61.62
PAD	2,493.35	2,600.84	3,395.39	1,698.80
Eastern Capital Improvement	455,543.88	705,520.08	666,764.28	494,299.68
Western Capital Improvement	514,972.54	705,520.10	673,028.99	547,463.65
Care of the Handicapped	442,081.98	472,158.57	502,910.04	411,330.51
Drainage District #12	17,313.38	3,006.54	800.00	19,519.92
Domestic Violence	252.64	16,061.78	11,450.77	4,863.65
36th JJC Escrow	-	-	-	-
DRA Fund	-	-	-	-
Community Policing	2,013.61	1,950.00	3,000.00	963.61
Sheriff Drug	535.62	-	210.00	325.62
Special Elections/HAVA	23,078.63	70,363.57	56,186.57	37,255.63
Bad Check	140,741.91	97,159.67	85,922.41	151,979.17
Recorder User Fee	216,492.57	24,262.01	4,888.94	235,865.64
Butler County 911	111,587.86	159,610.07	176,928.77	94,269.16
Health & Dental Escrow	19,260.73	945,054.98	914,377.45	49,938.26
Collector's TMF	184,558.51	57,460.36	13,657.33	228,361.54
Senior Citizens	82,140.75	232,928.02	244,186.20	70,882.57
LERF	2,180.62	4,273.29	4,020.00	2,433.91
Sheriff Civil	48,345.43	48,775.40	79,381.75	17,739.08
Sheriff Revolving	13,494.50	19,727.98	17,801.97	15,420.51
Law Enforcement Complex	836,440.21	2,690,506.50	2,911,179.81	615,766.90
TOTAL	$ 5,804,135.42	$ 13,512,562.72	$ 13,213,616.32	$ 6,103,081.82

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	GENERAL REVENUE FUND			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 500,000.00	$ 537,985.58	$ 480,000.00	$ 534,774.92
Sales Taxes	1,770,000.00	1,997,223.69	1,770,000.00	1,975,246.01
Intergovernmental	1,128,422.00	798,820.39	953,780.00	410,587.71
Charges for Services	1,209,287.39	1,139,649.28	1,001,700.00	1,083,845.04
Interest	1,000.00	606.29	40,000.00	1,074.52
Other	25,200.00	45,367.14	67,050.00	54,683.91
Transfers In	13,000.00	-	-	-
TOTAL RECEIPTS	4,646,909.39	4,519,652.37	4,312,530.00	4,060,212.11
DISBURSEMENTS				
County Commission	129,021.96	121,919.04	129,021.96	126,023.05
County Clerk	166,919.69	148,629.61	167,670.31	151,655.32
Elections	190,000.00	155,570.52	84,000.00	38,572.97
Buildings and Grounds	615,869.72	288,919.32	651,000.00	324,296.88
Employee Fringe Benefits	879,000.00	688,382.83	782,200.00	600,000.64
County Treasurer	97,986.37	89,603.44	97,103.89	90,160.13
Collector	181,882.47	161,538.71	183,487.12	181,019.53
Recorder of Deeds	196,387.09	182,020.93	199,983.77	180,258.88
Circuit Clerk	75,000.00	47,648.40	85,000.00	41,929.14
Associate Circuit Court	-	-	-	-
Court Administration	95,890.00	44,619.14	14,120.00	28,915.14
Public Administrator	132,551.14	108,831.24	134,858.99	114,032.96
Sheriff	-	-	-	-
Jail	-	-	-	-
Prosecuting Attorney	304,689.03	306,691.34	299,262.12	301,103.96
Juvenile Officer	506,403.76	306,753.99	384,870.56	290,726.53
Coroner	100,267.22	73,162.16	103,116.32	78,981.85
Other	1,662,197.91	1,209,247.81	1,533,646.53	805,232.79
Health and Welfare	10,000.00	1,600.00	10,000.00	9,600.00
Debt Service	-	-	-	-
Transfers Out	555,000.00	521,951.19	450,000.00	450,000.00
Emergency Fund	550,000.00	-	450,000.00	-
TOTAL DISBURSEMENTS	6,449,066.36	4,457,089.67	5,759,341.57	3,812,509.77
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,802,156.97)	62,562.70	(1,446,811.57)	247,702.34
CASH AND INVESTMENT BALANCES, JANUARY 1	2,125,996.52	2,125,996.52	1,878,400.85	1,878,294.18
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 323,839.55	$ 2,188,559.22	$ 431,589.28	$ 2,125,996.52

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ 170,000.00	$ 173,205.29	$ 160,000.00	$ 176,398.83	$ -	$ -	$ -	$ -
Sales Taxes	800,000.00	855,953.03	770,000.00	846,534.00	-	-	-	-
Intergovernmental	4,502,600.00	1,969,944.35	1,870,250.00	1,598,009.27	433,368.00	430,760.84	$422,000.00	497,258.82
Charges for Services	-	-	-	-	27,000.00	24,198.64	31,750.00	27,490.73
Interest	300.00	137.59	7,000.00	300.45	100.00	83.52	6,000.00	198.54
Other	2,300.00	2,058.34	2,300.00	13,832.07	10,000.00	114.40	250.00	70.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	5,475,200.00	3,001,298.60	2,809,550.00	2,635,074.62	470,468.00	455,157.40	460,000.00	525,018.09
DISBURSEMENTS								
Assessor	-	-	-	-	493,056.43	429,279.07	558,626.15	481,216.02
Salaries	1,350,000.00	1,288,722.77	1,285,000.00	1,269,717.88	-	-	-	-
Employee Fringe Benefits	773,000.00	666,506.46	673,000.00	592,052.95	-	-	-	-
Supplies	546,000.00	411,441.91	613,000.00	447,551.10	-	-	-	-
Insurance	96,000.00	83,403.70	96,000.00	86,494.13	-	-	-	-
Road & Bridge Materials	6,000.00	2,036.70	7,000.00	4,584.66	-	-	-	-
Equipment Repairs	20,000.00	3,693.82	20,000.00	27,449.54	-	-	-	-
Rentals	1,500.00	540.00	1,500.00	505.65	-	-	-	-
Road & Bridge Construction	3,305,000.00	682,358.24	605,000.00	33,327.36	-	-	-	-
Other	54,500.00	40,719.14	57,000.00	42,393.44	-	-	-	-
TOTAL DISBURSEMENTS	6,152,000.00	3,179,422.74	3,357,500.00	2,504,076.71	493,056.43	429,279.07	558,626.15	481,216.02
RECEIPTS OVER (UNDER) DISBURSEMENTS	(676,800.00)	(178,124.14)	(547,950.00)	130,997.91	(22,588.43)	25,878.33	(98,626.15)	43,802.07
CASH AND INVESTMENT BALANCES, JANUARY 1	682,153.15	682,153.15	551,155.24	551,155.24	289,568.68	289,568.68	245,766.61	245,766.61
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 5,353.15	$ 504,029.01	$ 3,205.24	$ 682,153.15	$ 266,980.25	$315,447.01	$147,140.46	$289,568.68

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	LAW ENFORCEMENT TRAINING FUND				PAT FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 1,550.00	$ 1,451.10	$ 1,700.00	$ 1,568.39	$ -	$ -	$ -	$ -
Charges for Services	1,900.00	1,993.34	2,000.00	2,743.84	550.00	526.09	550.00	508.54
Interest	-	-	100.00	4.19	-	-	-	-
Other	1,050.00	2,387.58	1,500.00	390.36	305.00	376.50	290.00	260.00
Transfers In	1,500.00	1,500.00	-	-	-	-	-	78.54
TOTAL RECEIPTS	6,000.00	7,332.02	5,300.00	4,706.78	855.00	902.59	840.00	847.08
DISBURSEMENTS								
Sheriff	7,500.00	7,862.40	15,500.00	14,468.07	-	-	-	-
Prosecuting Attorney	-	-	-	-	1,750.00	2,768.12	1,750.00	1,490.80
TOTAL DISBURSEMENTS	7,500.00	7,862.40	15,500.00	14,468.07	1,750.00	2,768.12	1,750.00	1,490.80
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,500.00)	(530.38)	(10,200.00)	(9,761.29)	(895.00)	(1,865.53)	(910.00)	(643.72)
CASH AND INVESTMENT BALANCES, JANUARY 1	1,531.23	1,531.23	11,292.52	11,292.52	3,392.81	3,392.81	4,036.53	4,036.53
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 31.23	$ 1,000.85	$ 1,092.52	$ 1,531.23	$ 2,497.81	$ 1,527.28	$ 3,126.53	$ 3,392.81

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	CDBG GRANT FUND				PAD FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	2,000.00	1,647.83	2,000.00	2,600.84
Grant Receipts	-	445,003.21	-	29,764.28	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	445,003.21	-	29,764.28	2,000.00	1,647.83	2,000.00	2,600.84
DISBURSEMENTS								
Expenses	-	-	-	-	3,000.00	1,030.08	2,200.00	3,395.39
Passport	-	-	-	-	-	-	-	-
Time Payment	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Road and Bridge Projects	-	445,003.21	-	29,764.28	-	-	-	-
TOTAL DISBURSEMENTS	-	445,003.21	-	29,764.28	3,000.00	1,030.08	2,200.00	3,395.39
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	(1,000.00)	617.75	(200.00)	(794.55)
CASH AND INVESTMENT BALANCES, JANUARY 1	61.62	61.62	61.62	61.62	1,698.80	1,698.80	2,493.35	2,493.35
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 61.62	$ 61.62	$ 61.62	$ 61.62	$ 698.80	$ 2,316.55	$ 2,293.35	$ 1,698.80

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	EASTERN CAPITAL IMPROVEMENT FUND				WESTERN CAPITAL IMPROVEMENT FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	650,000.00	713,239.88	633,000.00	705,327.57	650,000.00	713,239.86	633,000.00	705,327.56
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	150.00	708.18	7,000.00	192.51	150.00	708.17	7,000.00	192.54
Other	94,000.00	95,386.52	-	-	94,000.00	95,386.52	-	-
TOTAL RECEIPTS	744,150.00	809,334.58	640,000.00	705,520.08	744,150.00	809,334.55	640,000.00	705,520.10
DISBURSEMENTS								
Road Improvments and Construction	1,155,000.00	702,568.05	1,000,000.00	666,764.28	1,155,000.00	699,785.19	1,000,000.00	673,028.99
TOTAL DISBURSEMENTS	1,155,000.00	702,568.05	1,000,000.00	666,764.28	1,155,000.00	699,785.19	1,000,000.00	673,028.99
RECEIPTS OVER (UNDER) DISBURSEMENTS	(410,850.00)	106,766.53	(360,000.00)	38,755.80	(410,850.00)	109,549.36	(360,000.00)	32,491.11
CASH AND INVESTMENT BALANCES, JANUARY 1	494,299.68	494,299.68	455,543.88	455,543.88	547,463.65	547,463.65	514,972.54	514,972.54
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 83,449.68	$ 601,066.21	$ 95,543.88	$ 494,299.68	$ 136,613.65	$ 657,013.01	$ 154,972.54	$ 547,463.65

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	CARE OF THE HANDICAPPED FUND				DRAINAGE DISTRICT 12 FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ 470,000.00	$ 460,740.55	$440,000.00	$ 470,277.15	$ 2,400.00	$ 2,848.79	$ 2,000.00	$ 2,998.37
Intergovernmental	900.00	1,782.58	2,100.00	1,556.64	-	-	-	-
Charges for Services	-	-		-	-	-	-	-
Interest	100.00	116.81	11,400.00	324.78	10.00	3.54	300.00	8.17
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	471,000.00	462,639.94	453,500.00	472,158.57	2,410.00	2,852.33	2,300.00	3,006.54
DISBURSEMENTS								
Adapt	83,500.00	83,500.00	83,500.00	83,500.00	-	-	-	-
Willheaven	125,600.00	125,600.04	125,600.00	153,600.04	-	-	-	-
MAG	264,864.00	264,864.00	264,688.00	264,688.00	-	-	-	-
Care of the Handicapped	3,000.00	1,122.00	3,000.00	1,122.00	-	-	-	-
Drainage Expenses	-	-	-	-	20,500.00	420.00	15,500.00	800.00
TOTAL DISBURSEMENTS	476,964.00	475,086.04	476,788.00	502,910.04	20,500.00	420.00	15,500.00	800.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,964.00)	(12,446.10)	(23,288.00)	(30,751.47)	(18,090.00)	2,432.33	(13,200.00)	2,206.54
CASH AND INVESTMENT BALANCES, JANUARY 1	411,330.51	411,330.51	442,081.98	442,081.98	19,519.92	19,519.92	17,313.38	17,313.38
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 405,366.51	$ 398,884.41	$418,793.98	$ 411,330.51	$ 1,429.92	$ 21,952.25	$ 4,113.38	$ 19,519.92

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	DOMESTIC VIOLENCE FUND				36TH JJC ESCROW FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	7,500.00	6,292.43	9,000.00	7,153.94	-	-	-	-
Charges for Services	8,200.00	9,381.53	9,000.00	8,907.84	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	15,700.00	15,673.96	18,000.00	16,061.78	-	-	-	-
DISBURSEMENTS								
Grants and Fees	20,500.00	20,264.76	18,000.00	11,450.77	-	-	-	-
TOTAL DISBURSEMENTS	20,500.00	20,264.76	18,000.00	11,450.77	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,800.00)	(4,590.80)	-	4,611.01	-	-	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	4,863.65	4,863.65	252.64	252.64	-	-	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 63.65	$ 272.85	$ 252.64	$ 4,863.65	$ -	$ -	$ -	$ -

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THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	DRA FUND				COMMUNITY POLICING FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	50.00	-	-	-	-	-	-
Interest	-	-	-	-	-	-	100.00	-
Other	-	-	-	-	2,100.00	5,669.86	1,500.00	1,950.00
Transfers In	-	-	-	-	-	-	-	-
	-		-					
TOTAL RECEIPTS	-	50.00	-	-	2,100.00	5,669.86	1,600.00	1,950.00
DISBURSEMENTS								
Office	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Community Policing	-	-	-	-	3,000.00	1,079.48	3,000.00	3,000.00
Supplies	-	-	-	-	-	-	-	-
Road & Bridge Construction	-	20.58	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	20.58	-	-	3,000.00	1,079.48	3,000.00	3,000.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	29.42	-	-	(900.00)	4,590.38	(1,400.00)	(1,050.00)
CASH AND INVESTMENT BALANCES, JANUARY 1	-	-	-	-	963.61	963.61	2,013.61	2,013.61
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ -	$ 29.42	$ -	$ -	$ 63.61	$ 5,553.99	$ 613.61	$ 963.61

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	SHERIFF DRUG FUND				SPECIAL ELECTIONS FUND/HAVA FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	261,698.00	178,947.32	75,000.00	70,363.57
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	1,500.00	-	-	-	-	0.10	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,500.00	-	-	-	261,698.00	178,947.42	75,000.00	70,363.57
DISBURSEMENTS								
Office	1,500.00	-	535.62	210.00	-	-	-	-
Election	-	-	-	-	246,500.00	169,779.39	87,000.00	55,799.41
HAVA	-	-	-	-	400.00	-	-	387.16
State Grants	-	-	-	-	31,298.00	570.84	-	-
TOTAL DISBURSEMENTS	1,500.00	-	535.62	210.00	278,198.00	170,350.23	87,000.00	56,186.57
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	(535.62)	(210.00)	(16,500.00)	8,597.19	(12,000.00)	14,177.00
CASH AND INVESTMENT BALANCES, JANUARY 1	325.62	325.62	535.62	535.62	37,255.63	37,255.63	23,078.63	23,078.63
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 325.62	$ 325.62	$ -	$ 325.62	$ 20,755.63	$ 45,852.82	$ 11,078.63	$ 37,255.63

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	BAD CHECK FUND				RECORDER USER FEE FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	100,000.00	80,479.86	115,000.00	96,264.17	23,000.00	22,579.00	18,000.00	23,960.25
Interest	-	38.00	3,000.00	60.50	200.00	350.32	500.00	301.76
Other	-	-	-	835.00	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	100,000.00	80,517.86	118,000.00	97,159.67	23,200.00	22,929.32	18,500.00	24,262.01
DISBURSEMENTS								
Office	46,000.00	29,919.82	46,000.00	29,631.18	-	-	-	-
Equipment	41,000.00	11,530.12	46,000.00	25,557.06	216,000.00	-	214,000.00	4,888.94
Mileage & Training	13,750.00	7,466.66	14,000.00	8,203.46	-	-	-	-
Other	56,000.00	16,502.26	52,500.00	22,530.71	-	-	-	-
TOTAL DISBURSEMENTS	156,750.00	65,418.86	158,500.00	85,922.41	216,000.00	-	214,000.00	4,888.94
RECEIPTS OVER (UNDER) DISBURSEMENTS	(56,750.00)	15,099.00	(40,500.00)	11,237.26	(192,800.00)	22,929.32	(195,500.00)	19,373.07
CASH AND INVESTMENT BALANCES, JANUARY 1	151,979.17	151,979.17	140,741.91	140,741.91	235,865.64	235,865.64	216,492.57	216,492.57
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 95,229.17	$ 167,078.17	$ 100,241.91	$ 151,979.17	$ 43,065.64	$ 258,794.96	$ 20,992.57	$ 235,865.64

The accompanying notes to the financial statements are an integral part of this statment.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	BUTLER COUNTY 911 FUND				HEALTH & DENTAL ESCROW FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ 125,000.00	$ 135,556.65	$ 125,000.00	$ 139,559.48	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	50.00	15.50	2,000.00	55.59	-	-	-	-
Other	-	-	-	19,995.00	1,337,500.00	1,203,660.84	1,084,500.00	945,054.98
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	125,050.00	135,572.15	127,000.00	159,610.07	1,337,500.00	1,203,660.84	1,084,500.00	945,054.98
DISBURSEMENTS								
911 Expenses	85,000.00	48,546.25	60,000.00	76,928.77	-	-	-	-
Transfers Out	100,000.00	100,000.00	100,000.00	100,000.00	-	-	-	-
County Insurance	-	-	-	-	1,319,500.00	1,246,404.57	1,077,000.00	914,377.45
TOTAL DISBURSEMENTS	185,000.00	148,546.25	160,000.00	176,928.77	1,319,500.00	1,246,404.57	1,077,000.00	914,377.45
RECEIPTS OVER (UNDER) DISBURSEMENTS	(59,950.00)	(12,974.10)	(33,000.00)	(17,318.70)	18,000.00	(42,743.73)	7,500.00	30,677.53
CASH AND INVESTMENT BALANCES, JANUARY 1	94,269.16	94,269.16	111,587.86	111,587.86	49,938.26	49,938.26	19,260.73	19,260.73
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 34,319.16	$ 81,295.06	$ 78,587.86	$ 94,269.16	$ 67,938.26	$ 7,194.53	$ 26,760.73	$ 49,938.26

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	SENIOR CITIZENS FUND				LAW ENFORCEMENT RESTITUTION FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ 230,000.00	$ 229,901.90	$ 230,000.00	$ 232,094.77	$ -	$ -	$ -	$ -
Intergovernmental	700.00	824.13	900.00	714.13	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	100.00	50.05	2,100.00	119.12	-	-	50.00	-
Other	-	-	-	-	4,100.00	3,942.50	3,000.00	4,273.29
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	230,800.00	230,776.08	233,000.00	232,928.02	4,100.00	3,942.50	3,050.00	4,273.29
DISBURSEMENTS								
Nutrition	132,000.00	131,486.23	133,100.00	129,804.24	-	-	-	-
Home Health Services	63,800.00	55,817.21	67,100.00	68,051.02	-	-	-	-
Transportation	29,000.00	29,241.70	31,900.00	31,658.30	-	-	-	-
Support Service	14,920.00	13,920.00	15,070.00	13,360.00	-	-	-	-
Administration	18,000.00	1,330.09	18,000.00	1,312.64	-	-	-	-
Equipment and Supplies	-	-	-	-	6,000.00	2,738.40	5,000.00	4,020.00
TOTAL DISBURSEMENTS	257,720.00	231,795.23	265,170.00	244,186.20	6,000.00	2,738.40	5,000.00	4,020.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(26,920.00)	(1,019.15)	(32,170.00)	(11,258.18)	(1,900.00)	1,204.10	(1,950.00)	253.29
CASH AND INVESTMENT BALANCES, JANUARY 1	70,882.57	70,882.57	82,140.75	82,140.75	2,433.91	2,433.91	2,180.62	2,180.62
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 43,962.57	$ 69,863.42	$ 49,970.75	$ 70,882.57	$ 533.91	$ 3,638.01	$ 230.62	$ 2,433.91

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
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YEARS ENDED DECEMBER 31, 2010 AND 2009

	SHERIFF CIVIL FUND				SHERIFF REVOLVING FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	3.59	1,250.00	22.72	-	-	200.00	7.98
Other	53,000.00	48,994.05	74,000.00	48,752.68	15,000.00	26,390.00	10,000.00	19,720.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	53,000.00	48,997.64	75,250.00	48,775.40	15,000.00	26,390.00	10,200.00	19,727.98
DISBURSEMENTS								
Sheriff Civil Expense	13,500.00	12,062.44	30,250.00	4,381.75	-	-	-	-
Transfers Out	40,000.00	40,000.00	44,000.00	75,000.00	25,000.00	25,000.00	12,500.00	12,500.00
Sheriff Revolving	-	-	-	-	4,100.00	3,905.05	6,000.00	5,301.97
TOTAL DISBURSEMENTS	53,500.00	52,062.44	74,250.00	79,381.75	29,100.00	28,905.05	18,500.00	17,801.97
RECEIPTS OVER (UNDER) DISBURSEMENTS	(500.00)	(3,064.80)	1,000.00	(30,606.35)	(14,100.00)	(2,515.05)	(8,300.00)	1,926.01
CASH AND INVESTMENT BALANCES, JANUARY 1	17,739.08	17,739.08	48,345.43	48,345.43	15,420.51	15,420.51	13,494.50	13,494.50
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 17,239.08	$ 14,674.28	$ 49,345.43	$ 17,739.08	$ 1,320.51	$ 12,905.46	$ 5,194.50	$ 15,420.51

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	LAW ENFORCEMENT COMPLEX FUND				COLLECTORS TMF FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ 1,410,000.00	$ 1,426,481.38	$ 1,350,000.00	$ 1,410,656.73	$ 3,500.00	$ 1,248.92	$ -	$ 3,859.44
Intergovernmental	523,157.16	514,137.40	519,248.41	398,636.16	50,000.00	59,796.86	55,000.00	53,368.92
Charges for Services	217,000.00	136,055.89	290,000.00	221,372.50	-	-	-	-
Interest	500.00	202.06	15,000.00	363.98	150.00	295.57	-	232.00
Other	33,500.00	30,648.99	38,000.00	21,977.13	-	-	-	-
Transfers In	718,500.00	685,451.19	637,500.00	637,500.00	-	-	-	-
TOTAL RECEIPTS	2,902,657.16	2,792,976.91	2,849,748.41	2,690,506.50	53,650.00	61,341.35	55,000.00	57,460.36
DISBURSEMENTS								
Sheriff-Salaries	814,425.25	823,459.30	780,557.30	793,027.47	227,575.00	12,006.66	184,090.91	13,657.33
Jail-Salaries	359,092.19	354,741.18	356,438.44	350,466.92	-	-	-	-
Employee Fringe Benefits	646,020.96	494,338.25	563,999.62	467,288.46	-	-	-	-
Sheriff Expense	394,964.00	344,851.79	343,000.00	253,515.10	-	-	-	-
Jail Expense	220,000.00	238,201.97	328,000.00	214,066.60	-	-	-	-
Buildings & Grounds	908,598.50	740,314.62	875,173.41	832,815.26	-	-	-	-
TOTAL DISBURSEMENTS	3,343,100.90	2,995,907.11	3,247,168.77	2,911,179.81	227,575.00	12,006.66	184,090.91	13,657.33
RECEIPTS OVER (UNDER) DISBURSEMENTS	(440,443.74)	(202,930.20)	(397,420.36)	(220,673.31)	(173,925.00)	49,334.69	(129,090.91)	43,803.03
CASH AND INVESTMENT BALANCES, JANUARY 1	615,766.90	615,766.90	836,440.21	836,440.21	228,361.54	228,361.54	184,558.51	184,558.51
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 175,323.16	$ 412,836.70	$ 439,019.85	$ 615,766.90	$ 54,436.54	$ 277,696.23	$ 55,467.60	$ 228,361.54

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2010

	2010					
	School Account	**Surplus Land Tax**	**Fee Account**	**CERF**	**Payroll Account**	**Pros. Attny Bad Check**
ASSETS						
Cash and Cash Equivalents	$ 65,706.24	$ 55,300.43	$ 65.65	$ 1.20	$ 1,144.90	$ 5,768.22
Total Assets	65,706.24	55,300.43	65.65	1.20	1,144.90	5,768.22
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	65,706.24	55,300.43	65.65	1.20	1,144.90	5,768.22
TOTAL LIABILITIES AND FUND BALANCES	$ 65,706.24	$ 55,300.43	$ 65.65	$ 1.20	$ 1,144.90	$ 5,768.22

	Prosecuting Attorney	**Recorder of Deeds**	**Sheriff Bond Account**	**Sheriff Civil Account**	**Sheriff Inmate Account**	**Sheriff Commissary Account**
ASSETS						
Cash and Cash Equivalents	$ 712.49	$ 24,399.00	$ -	$ 599.39	$ 5,569.98	$ 3,573.63
Total Assets	712.49	24,399.00	-	599.39	5,569.98	3,573.63
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	712.49	24,399.00	-	599.39	5,569.98	3,573.63
TOTAL LIABILITIES AND FUND BALANCES	$ 712.49	$ 24,399.00	$ -	$ 599.39	$ 5,569.98	$ 3,573.63

	Law Library	**Collectors Accounts**	**Total 2010 Agency Funds**
ASSETS			
Cash and Cash Equivalents	$ 17,414.34	$ 15,100,396.65	$ 15,280,652.12
Total Assets	17,414.34	15,100,396.65	15,280,652.12
LIABILITIES AND FUND BALANCES			
TOTAL LIABILITIES	-	-	-
UNRESERVED FUND BALANCES	17,414.34	15,100,396.65	15,280,652.12
TOTAL LIABILITIES AND FUND BALANCES	$ 17,414.34	$ 15,100,396.65	$ 15,280,652.12

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2009

	2009					
	School Account	**Surplus Land Tax**	**Fee Account**	**CERF**	**Payroll Account**	**Pros. Attny Bad Check**
ASSETS						
Cash and Cash Equivalents	$ 57,058.20	$ 51,665.06	$ 65.65	$ 140.07	$ 1,144.90	$ 4,650.23
Total Assets	57,058.20	51,665.06	65.65	140.07	1,144.90	4,650.23
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	57,058.20	51,665.06	65.65	140.07	1,144.90	4,650.23
TOTAL LIABILITIES AND FUND BALANCES	$ 57,058.20	$ 51,665.06	$ 65.65	$ 140.07	$ 1,144.90	$ 4,650.23

	Prosecuting Attorney	**Recorder of Deeds**	**Sheriff Bond Account**	**Sheriff Civil Account**	**Sheriff Inmate Account**	**Sheriff Commissary Account**
ASSETS						
Cash and Cash Equivalents	$ 465.87	$ 23,844.00	$ -	$ 17,647.26	$ 5,717.71	$ 2,561.58
Total Assets	465.87	23,844.00	-	17,647.26	5,717.71	2,561.58
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	100.00	-	-	100.00
UNRESERVED FUND BALANCES	465.87	23,844.00	(100.00)	17,647.26	5,717.71	2,461.58
TOTAL LIABILITIES AND FUND BALANCES	$ 465.87	$ 23,844.00	$ (100.00)	$ 17,647.26	$ 5,717.71	$ 2,461.58

	Law Library	**Collectors Accounts**	**Total 2009 Agency Funds**
ASSETS			
Cash and Cash Equivalents	$ 24,707.72	$ 13,811,668.30	$ 14,001,336.55
Total Assets	24,707.72	13,811,668.30	14,001,336.55
LIABILITIES AND FUND BALANCES			
TOTAL LIABILITIES	-	-	-
UNRESERVED FUND BALANCES	24,707.72	13,811,668.30	14,001,336.55
TOTAL LIABILITIES AND FUND BALANCES	$ 24,707.72	$ 13,811,668.30	$ 14,001,336.55

The accompanying notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Butler, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1849 by an Act of the Missouri Territory. In addition to the three Commissioners, there are nine elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk and ex officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the primary government of Butler County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

   Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

   State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2010 and 2009, for purposes of taxation was:

	2010	2009
Real Estate	$ 371,977,918	$ 394,523,697
Personal Property	118,498,177	113,596,647
Railroad and Utilities	25,850,896	23,772,694
	$ 516,326,991	$ 531,893,038

During 2010 and 2009, the County Commission approved a $.1337 and $.1337, respectively, tax levy per $100 of assessed valuation of tangible taxable property for the calendar year 2010 and 2009, for purposes of County taxation, as follows:

	2010	2009
General Revenue Fund	$ .0995	$ .0995
Special Road and Bridge Fund	.0342	.0342
	1.337	1.337

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on a weighted average of cash balance. Cash equivalents include any instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash and Equivalents" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County’s funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amount of the County's deposits was $6,049,868.94 and $6,103,081.82, and the bank balance was $6,211,548.18 and $6,320,534.24, respectively. As of December 31, 2010 and 2009, 100% of the County’s investments were guaranteed by the U.S. Government.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2010, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances -		
Deposits	$	6,049,868.94
Investments		-
Total Deposits & Investments as of December 31, 2010	$	6,049,868.94

II. DEPOSITS AND INVESTMENTS (concluded)

The carrying values of deposits and investments at December 31, 2009, are as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances -		
Deposits	$	6,103,081.82
Investments		-
Total Deposits & Investments as of December 31, 2009	$	6,103,081.82

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2010 & 2009.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the year end December 31, 2010 & 2009.

III. LONG-TERM DEBT

On December 1, 1998 Butler County issued Leasehold Revenue Refunding Bonds for $6,095,000 for the Butler County Jail project. Interest rate ranges from 3.25% to 4.50% payable in annual installments ranging from $350,000 to $540,000 and maturing on December 1, 2013.

2010

DEBT	BALANCE AT 12/31/2009	AMOUNT BORROWED	AMOUNT REPAID	BALANCE AT 12/31/2010	INTEREST PAID DURING YEAR
1999 BOND	$ 2,005,000.00	$ -	$ (475,000.00)	$ 1,530,000.00	$ 88,800.00
TOTAL	$ 2,005,000.00	$ -	$ (475,000.00)	$ 1,530,000.00	$ 88,800.00

2009

DEBT	BALANCE AT 12/31/2008	AMOUNT BORROWED	AMOUNT REPAID	BALANCE AT 12/31/2009	INTEREST PAID DURING YEAR
1999 BOND	$ 2,455,000.00	$ -	$ (450,000.00)	$2,005,000.00	$ 107,700.00
TOTAL	$ 2,455,000.00	$ -	$ (450,000.00)	$ 2,005,000.00	$ 107,700.00

2010 AMORTIZATIONS

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2011	$ 475,000.00	$ 68,375.00	$ 543,375.00
2012	515,000.00	47,475.00	562,475.00
2013	540,000.00	24,300.00	564,300.00
	$ 1,530,000.00	$ 140,150.00	$ 1,670,150.00

2009 AMORTIZATIONS

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2010	$ 475,000.00	$ 88,800.00	$ 563,800.00
2011	475,000.00	68,375.00	543,375.00
2012	515,000.00	47,475.00	562,475.00
2013	540,000.00	24,300.00	564,300.00
	$ 2,005,000.00	$ 228,950.00	$ 2,233,950.00

III. LONG-TERM DEBT (Continued)

CAPITAL LEASE:

On April 25, 2007 the County entered into a Capital Lease with Marlin Leasing for Konica Copier for the Prosecuting Attorneys office. The lease has a principal of $11,124 with zero percent interest. Monthly payments beginning May 2007 of $309 with a 36 month term are stated in the agreement.

On April 16, 2010 the County entered into a Capital Lease with Marlin Leasing for Konica Copier for the Prosecuting Attorneys office. The lease has a principal of $6,120 with zero percent interest. Monthly payments beginning May 2010 of $255 with a 24 month term are stated in the agreement.

2010

CAPITAL LEASE	BALANCE AT 12/31/2009	AMOUNT BORROWED	PAYMENTS 2010	BALANCE AT 12/31/2010	INTEREST PAID DURING YEAR
2007 Copier Lease	$ 1,236.00	$ -	$ (1,236.00)	$ -	$ -
2010 Copier Lease	-	6,120.00	(2,040.00)	4,080.00	-
TOTAL	$ 1,236.00	$ 6,120.00	$ (3,276.00)	$ 4,080.00	$ -

2009

CAPITAL LEASE	BALANCE AT 12/31/2008	AMOUNT BORROWED	PAYMENTS 2009	BALANCE AT 12/31/2009	INTEREST PAID DURING YEAR
2007 Copier Lease	$ 4,944.00	$ -	$ (3,708.00)	$ 1,236.00	$ -
2010 Copier Lease	-	-	-	-	-
TOTAL	$ 4,944.00	$ -	$ (3,708.00)	$ 1,236.00	$ -

The annual requirements to amortize all Capital Leases outstanding as of December 31, 2010, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2011	$ 3,060.00	$ -	$ 3,060.00
2012	1,020.00	-	1,020.00
Totals	$ 4,080.00	$ -	$ 4,080.00

III. LONG-TERM DEBT (Concluded)

The annual requirements to amortize all Capital leases outstanding as of December 31, 2009, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	$ 1,236.00	$ -	$ 1,236.00
Totals	$ 1,236.00	$ -	$ 1,236.00

OPERATING LEASE:

On March 1, 2010 the County entered into an operating lease with Scheffer Financial Services for the lease of a Canon IR5070 Copier for the Prosecuting Attorneys office. The payments are $230 a month for a 60 month term.

2010 AMORTIZATIONS

YEARS ENDING DECEMBER 31,	PAYMENT	TOTAL
2011	$ 2,760.00	$ 2,760.00
2012	2,760.00	2,760.00
2013	2,760.00	2,760.00
2014	2,760.00	2,760.00
	$ 11,040.00	$ 11,040.00

2009 AMORTIZATIONS

YEARS ENDING DECEMBER 31,	PAYMENT	TOTAL
2010	$ 2,070.00	$ 2,070.00
2011	2,760.00	2,760.00
2012	2,760.00	2,760.00
2013	2,760.00	2,760.00
2014	2,760.00	2,760.00
2015-2019	690.00	690.00
	$ 13,800.00	$ 13,800.00

IV. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2010 and 2009 are as follows:

	2010		2009	
	Transfers In	Transfers Out	Transfers In	Transfers Out
MAJOR FUNDS				
General Fund	$ -	$ 521,951.19	$ -	$ 450,000.00
Law Enforcement Complex	685,451.19	-	637,500.00	-
Law Enforcement Training	1,500.00	-	-	-
Sheriff Civil Fund	-	40,000.00	-	75,000.00
Sheriff Revolving	-	25,000.00	-	12,500.00
Butler County 911	-	100,000.00	-	100,000.00
TOTAL	**$ 686,951.19**	**$ 686,951.19**	**$ 637,500.00**	**$ 637,500.00**

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires actual performance of duties not less than 1,000 hours per calendar year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (Concluded)

B. Pension Benefits

All benefits vest after 8 years of creditable service. Employees who retire on or after 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional Joint and survivor annuity and 10-year certain life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost of living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, 2121 Schotthill Road, Jefferson City, MO 65101, or by calling 1-573-632-9203.

C. Funding Policy

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of Missouri Legislature. During 2010 and 2009, the Primary Government collected and remitted to CERF, employee contributions of approximately for $73,298.13 and $67,729.04, respectively, for the years then ended.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Butler County participates in the Missouri Local Government Employees Retirement System (LAGERS) an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMO. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

A. Plan Description (Concluded)

The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Policy

Butler County's full time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rates for 2010 are 20.6% (general), 13.3% (police), and 19.2% (road), for 2009 they are 19.6% (general), 12.3% (police), and 18.2% (road) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for 2010 were as follows:

Annual required contribution	$	668,026
Interest on net pension obligation		-
Adjustment on annual required contribution		-
Annual Pension Cost		668,026
Actual contributions		660,678
Increase (decrease) in NPO		7,348
NPO beginning of year		-
NPO end of year	$	7,348

For 2010, the annual required contribution (ARC) was determined as part of the February 29, 2008 and February 28, 2009 annual actuarial valuations using the entry age actuarial cost method. For 2009, the the political subdivision's annual pension cost of $655,525 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2007 and /or February 29, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5 percent per year, compounded annually, (b) projected salary increases of 4.0 percent per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0 percent to 6.0 percent per year, depending on age, attributable to seniority/merit, (d) pre-retirement mortality based on RP 2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality Table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (Concluded)

assets was determined using the techniques that smooth the effects of short-term volatility in the market value of the investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis for each year. The amortization period for 2010 was as follows: as of February 29, 2008 was 15 years for General division, 15 years for the Police division and 15 years for Roads division. The amortization period as of February 28, 2009 was 22 years for the General division, 30 years for the Police division and 23 years for the Roads division. The amortization period for 2009 was as follows: the amortization period at February 28, 2009 was 15 years.

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
6/30/2008	$ 628,732	100%	$ 0
6/30/2009	655,525	100%	0
6/30/2010	668,026	98.9%	7,348

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/29/2008	$5,927,689	$ 8,315,447	$ 2,387,758	71%	$ 3,658,047	65%
2/28/2009	4,889,222	8,525,211	3,635,989	57%	3,613,264	101%
2/28/2010	5,491,452	8,995,678	3,504,226	61%	3,717,139	94%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contract the LAGERS office in Jefferson City.

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed $7,752 and $7,752, respectively, for the years ended December 31, 2010 and 2009.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in a pending lawsuit at December 31, 2010. No provision has been made in the financial statements for any loss that might arise in the event of an unfavorable outcome of these matters. County management believes that such litigation and claims will ultimately be resolved without material financial liability if any to the County.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Vacation days do not carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue one sick day per month. The County allows employees to carry forward six days a year to a maximum of thirty days. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Rural Services Self-Insured Workers' Trust Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

X. ACCOUNTING CHANGE

For the years ended December 31, 2010 and December 31, 2009, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements.

XI. RESTATEMENT OF FUND BALANCE

For the years ended December 31, 2009 and December 31, 2010 we are restating the beginning fund balance as of December 31, 2008 for the following itemized reasons.

12/31/08 Fund Balance from Audit Report	$	5,871,182.37
General Fund adjustment for overpayment of Prior Period Deductions		(106.67)
Circuit JIS Fund - Removed since Circuit Court is not part of the County Funds		(41,027.69)
Law Library Fund - Moved to an Agency Fund		(24,674.23)
Sheriff Commissary Fund - Moved to an Agency Fund		(1,299.98)
CDBG Grant Fund - Moved from an Agency fund to a County Fund		61.62
12/31/08 Revised Fund Balance	$	5,804,135.42

XII. SUBSEQUENT EVENTS

As of the date of the audit report, there are no subsequent events to report.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

SCHEDULE OF STATE FINDINGS

A. For the year ended December 31, 2010, expenditures exceeded those budgeted for the following: Law Enforcement Training Fund, PAT Fund, CDBG Grant Fund, and the DRA Fund.

B. For the year ended December 31, 2009, expenditures exceeded those budgeted for the following: PAD Fund, CDBG Grant Fund, Care of Handicapped Fund, Butler County 911 Fund and the Sheriff Civil Fund.

C. For the year ended December 31, 2010, the DRA fund was not budgeted. It began to be budgeted starting in the 2011 budget.

D. For the years ended December 31, 2010 and December 31, 2009 the CDBG Grant Fund was not budgeted. It began to be budgeted starting in the 2011 budget.

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FEDERAL COMPLIANCE SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Butler, Missouri

We have audited the financial statements of the County of Butler ("County"), Missouri, as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated August 29, 2011. The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. (FS 10/09-01, FS 10/09-02, FS 10/09-03, FS 10/09-04, FS 10/09-05, FS 10/09-06 and FS 10/09-07) A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated August 29, 2011.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, the Federal awarding agencies and pass-through entities and is not to be and should not be used by anyone other than those specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

August 29, 2011

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditor's Report

To The County Commission
The County of Butler
Poplar Bluff, Missouri

Compliance

We have audited the County of Butler's ("County") compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2010 and December 31, 2009. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and December 31, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items SA10/09-02 and SA10/09-03.

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Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiencies as described in the accompanying schedule of findings and questioned costs as item SA 10/09-01. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Management's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit management's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

August 29, 2011

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2010 & 2009

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2010	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2009
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through State:				
Office of Administration:				
Schools and Roads Grants to States (PILT)	10.665		176,379.86	229,513.92
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through State:				
Department of Social Services:				
ARRA - Homeless Prevention and Rapid Re-Housing Grant	14.257		6,292.43	7,153.94
Community Development Block Grant	14.228	07-PF-38	3,400.00	27,035.18
		2008-D1-19	441,603.21	-
U.S. DEPARTMENT OF INTERIOR				
Direct Program:				
PILT - Payment in Lieu of Taxes	15.226		45,983.00	34,717.00
U.S. DEPARTMENT OF JUSTICE				
Passed Through State:				
State Department of Public Safety:				
Juvenile Accountability Block Grant	16.523	1035605	-	23,804.02
Juvenile Justice & Delinquency Prevention	16.540		69,170.25	77,316.49
National Crime History Improvement Program	16.554		1,238.80	-
Edward Byrne Memorial State and Local Law Enforce	16.580	2006DJBX0845	-	2,832.00
Passed Through Missouri Sheriff's Association:				
Domestic Cannabis Eradication/Suppression	16.XXX	2000DDBX0163	1,953.00	37,769.30
Rural Crime Grant	16.810	2008-DD-B9-0084	2,469.34	-
ARRA-Recovery Act Justice Assistance Grant	16.804	2009-SB-B9-2239	29,305.00	-
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through State:				
Highway and Transportation Commission:				
Highway Planning and Construction	20.205	STP-5100(007)	181,742.14	31,494.38
		STP9900012	-	2,729.10
		BRO-012(27)	493,896.10	1,832.98
DWI Enforcement	20.600	11K8-03-71	2,544.73	-
DWI Enforcement	20.601	LLK040	-	2,316.16
DWI Enforcement	20.600	10-PT-02-107	409.54	1,142.66
DWI Enforcement	20.601	10-PT-02-107	5,618.84	-
CIOT/CPS Enforcement	20.600	LKK058	-	1,025.84
HMV Enforcement	20.600	11-PT-02-82	2,031.07	-
HMV Enforcement	20.600	09-PT-02-26	-	7,863.74
MINI Grants	20.601	LKK073	2,262.15	-
Child Passenger Safety	20.601	LKK081	500.00	-
DWI Enforcement	20.607	LLK040	-	2,623.06
Lake Contract	20.XXX		38,475.00	38,475.00
CIOT/CPS Enforcement	20.613	LKK063	-	529.32
ELECTION ASSISTANCE COMMISSION				
Passed Through the Office of Secretary of State:				
Help America Vote Act Requirements Payments	90.401		-	350.98
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES				
Passed Through State:				
Department of Social Services:				
Child Support Services	93.563		374,495.45	371,138.20
Community Services Block Grant	93.569		78,679.50	39,339.75
Child Care Asthma Quality Improvement	93.713			
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through State Department of Public Safety:				
State Domestic Preparedness Equipment Support				
Homeland Security Grant Program	97.067	4360005370T	-	4,100.91
Disaster Grant - Public Assistance Grant	97.036	4360005370L	-	312,225.26
Public Assistance Grants	97.703	4360005370L	1,000.00	1,000.00
Emergency Management Performance Grant	97.042	4360005370Q	23,836.18	32,517.35
Total Expenditures of Federal Awards			**$ 1,983,285.59**	**$ 1,290,846.54**

NOTE 1 – BASIS OF PRESENTATION

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Butler County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistanc*e means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUBRECIPIENTS

The County provided federal awards to the following subrecipients during the years ended December 31, 2010 and 2009:

Subrecipient	Program	CFDA #	2010	2009
East Carter School District	Dept. of Agriculture-PILT	10.665	$ 29,251.72	$ 38,589.69
Greenville School District	Dept. of Agriculture-PILT	10.665	4,878.65	6,495.74
Doniphan School District	Dept. of Agriculture-PILT	10.665	2,862.40	3,811.55
Twin Rivers School District	Dept. of Agriculture-PILT	10.665	16,934.14	22,547.19
Poplar Bluff R-2 School District	Dept. of Agriculture-PILT	10.665	62,441.31	83,138.28
Total			$ 116,368.22	$ 154,582.45

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unqualified - Regulatory Basis

2. Internal control over financial reporting:

a. Material weakness(es) identified?	2010	___ Yes	_X_ No	
	2009	___ Yes	_X_ No	
b. Significant deficiencies identified?	2010	_X_ Yes	___ None Reported	
	2009	_X_ Yes	___ None Reported	

3. Noncompliance material to financial statements noted?

2010	___ Yes	_X_ No	
2009	___ Yes	_X_ No	

B. Federal Awards

1. Internal control over major programs:

a. Material weakness(es) identified?	2010	___ Yes	_X_ No	
	2009	___ Yes	_X_ No	
b. Significant deficiencies identified?	2010	_X_ Yes	___ None Reported	
	2009	_X_ Yes	___ None Reported	

2. Type of auditor's report issued on compliance for major programs:

2010 - Unqualified – Regulatory Basis

2009 - Unqualified – Regulatory Basis

3. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?

2010	_X_ Yes	___ No	
2009	_X_ Yes	___ No	

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

4. Identification of major programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2010/2009	10.665	Department of AG – PILT (Payment in Lieu of Taxes)
2010/2009	20.205	Department of Transportation – Highway Planning and Construction
2010/2009	14.228	Department of Housing and Urban Development - Community Development Block Grant
2010/2009	93.563	Department of Health & Human Services - Child Support Services
2010/2009	97.036	Department of Homeland Security - Presidentially Declared Disasters

5. Dollar threshold used to distinguish between type A and type B programs: $ 300,000

6. Auditee qualified as low-risk auditee? 2010 ___ Yes X No

2009 ___ Yes X No

II. FINANCIAL STATEMENT FINDINGS

10/09-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, Communicating Internal Control Related Matters Identified in an Audit, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

II. FINANCIAL STATEMENT FINDINGS (continued)

10/09-01 Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement. The County will pursue remedy for SAS 115 compliance if it is determined that it is required for a county of this size.

10/09-02 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement. Each official has their own internal controls within their office.

10/09-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

II. FINANCIAL STATEMENT FINDINGS (continued)

10/09-03 Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The Commission will encourage all elected officials to review and document antifraud risk assessments.

10/09-04 Criteria: Account balances should be properly and timely reconciled on a monthly basis in the Prosecuting Attorney's office for 2010 and 2009.

Condition: During our audit, we noted that the reconciliations of the prosecuting attorney's accounts are not being properly reconciled on a monthly basis due to the software being used and its report format setup for 2010 and 2009.

Context: Bank statement reconciliations are not being properly prepared due to the software report format being used.

Effect: Lack of proper reconciliation and monitoring of accounts may lead to errors that may not be found in a timely manner.

Cause: The Prosecuting Attorney's account reconciliation is not being properly prepared.

Recommendation: We recommend that the Prosecuting Attorney's office properly reconcile its accounts on a monthly basis and monitor the reconciliations to be sure they are being properly prepared. These reconciliations will ensure meaningful and accurate financial statements.

Views of responsible officials and planned corrective actions: The Prosecuting Attorney's office is currently working with Dennis Jones and Associates Bad Check Prosecution System Software to correct the reconciliation reports.

II. FINANCIAL STATEMENT FINDINGS (continued)

10/09-05 Criteria: The Sheriff's office December 2010 reconciliation should include all checks written up to and including December 31, 2010.

Condition: During our audit, we noted that the Sheriff's account reconciliation did not include eight checks that were written in December 2010.

Context: The bank reconciliation did not include eight checks written in December 2010.

Effect: Book balances in the Sheriff's office were overstated by $1,245.50.

Cause: The Sheriff's December 2010 bank reconciliation did not include eight checks that were written in December 2010.

Recommendation: Preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements. We recommend that the reconciliations be reviewed for accuracy and completeness by an individual not involved in the bank reconciliation preparation.

Views of responsible officials and planned corrective actions: Procedures will be reviewed to implement monitoring of bank reconciliations on a monthly basis.

10/09-06 Criteria: The Recorder's office should prepare complete and accurate bank reconciliations.

Condition: During our audit, we noted that the Recorder's bank reconciliations are not being prepared completely and accurately for 2010 and 2009.

Context: The bank reconciliations are not being prepared completely and accurately and have unknown discrepancies.

Effect: Incomplete and inaccurate bank reconciliations can lead to cash balances being over/under stated.

Cause: The Recorder's office December 2010 and 2009 bank reconciliations have unknown discrepancies.

Recommendation: Preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements. We recommend that procedures be implemented to prepare complete and accurate bank reconciliations and that the reconciliations be reviewed for accuracy and completeness by an individual not involved in the bank reconciliation preparation.

Views of responsible officials and planned corrective actions: The Recorder's Office has implemented a new procedure to have one person review the electronic funds transfers on a daily basis now instead of monthly.

II. FINANCIAL STATEMENT FINDINGS (concluded)

10/09-07

Criteria: SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*, as amended by SAS No. 78, *Consideration of Internal Control in a Financial Statement Audit*: An Amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties within the Recorder's, Collector's, and Treasurer's office.

Context: During the audit, we noted that the Recorder, Collector, Treasurer, and Deputy Treasurer are allowed to write, approve, sign and reconcile expenditures to the bank statement.

Effect: The design of the internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within each of the corresponding department.

Recommendation: These areas should be reviewed periodically and consideration given to improving the segregation of duties.

Views of responsible officials and planned corrective actions: We will review periodically the size and budget constraints limiting the number of personnel within each of the departments . We will continue to utilize the other internal controls, such as administrative oversight, to minimize the lack of sufficient segregation of duties.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010 & 2009

The following findings, recommendations, and questioned costs are the results of the single audit of Butler County, Missouri for the fiscal years ended December 31, 2010 and 2009. Each finding is referenced with a two-digit number representing the fiscal years audited, an “SA” to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010 & 2009 (continued)

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

2. Material Weakness: A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement.*

2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than $10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010 & 2009 (continued)

C. Federal Award Findings and Questioned Costs

SA10/09-01 All Programs except CFDA numbers 14.257 and 90.401.

Significant Deficiency

Information on the federal programs: The schedule of expenditures of federal awards contained errors.
Criteria: Section .310(b) of Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, requires the County to prepare a SEFA for the period covered by the County's financial statements.
Condition: The County did not comply with OMB Circular A-133 section .310(b).
Questioned Costs: Not applicable.
Context: During our audit of the schedule of expenditures of federal awards, we noted numerous errors in the amounts reported on the schedule.
Effect: Without an accurate and complete SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal funds.
Cause: The County did not implement prior year corrective action plans.
Recommendation: We recommend that County officials receive training in preparing the schedule of expenditures of federal awards.
Views of responsible officials and planned corrective actions: The County Clerk will work with all agencies receiving federal money to prepare an accurate schedule of expenditures of federal awards.

SA10/09-02 Highway Planning and Construction – CFDA No. 20.205

Significant Deficiency

Information on the federal programs: Required contracting procedures were not followed.
Criteria: OMB Circular A-133 Compliance Supplement and 41 CFR 105-71.135 prohibit entities from contracting with parties that are on the prohibited list.
Condition: The County does not have procedures in place to ensure that it complies with OMB Circular A-133 and 41 CFR 105-71.135 by not contracting with prohibited parties in administering federal funds.
Questioned Costs: Not applicable.
Context: During our audit of the schedule of expenditures of federal awards, we noted that the County did not check the Excluded Parties List System maintained by the General Services Administration to verify that parties it contracted with were not on the prohibited list.
Effect: As a result of not following required contracting procedures, there is an increased risk of federal funds being spent in violation of grant requirements.
Cause: The County did not perform required contracting procedures nor implement prior year corrective action plans.
Recommendation: We recommend that the County implement procedures to ensure that parties they contract with are not on the prohibited list.
Views of responsible officials and planned corrective actions: The County will work on implementing the required procedures to meet this compliance requirement.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010 & 2009 (concluded)

C. Federal Award Findings and Questioned Costs (concluded)

SA10/09-03 Highway Planning and Construction – CFDA No. 20.205
Payment in Lieu of Taxes (Dept. of Agriculture) – CFDA No. 10.665

Significant Deficiency

Information on the federal programs: Noncompliance with Single Audit Requirements in control over expenditures.

Criteria: The County is required to properly maintain separate expense accounts to account for federal expenditures.

Condition: The County did not properly maintain separate expense accounts to account for federal expenditures to prepare the schedule of expenditures of federal awards.

Questioned Costs: Not applicable.

Context: During our audit of the schedule of expenditures of federal awards, we noted that the County did not properly maintain separate expense accounts to account for federal expenditures.

Effect: As a result of not following required compliance controls over expenditures, the schedule of expenditures contained errors.

Cause: The County did not implement prior year corrective action plans.

Recommendation: We recommend that the County implement procedures to track all federal expenditures in the general ledger system by adding a grant code at the end of the account code.

Views of responsible officials and planned corrective actions: The County will work on implementing the required procedures to meet this compliance requirement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters in an Audit, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as FS 10/09-01.

FS 07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as FS 10/09-02.

FS 07/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as FS 10/09-03.

II. PRIOR YEAR FEDERAL AWARD FINDINGS

SA 07/08-01 The schedule of expenditures of federal awards contained errors.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as SA10/09-01.

SA 07/08-02 Weakness in control over expenditures in compliance with Single Audit Requirements.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as SA10/09-03.

SA 07/08-03 Documentation was not provided to support major program expenditures and internal control procedures.

Status: It appears this finding has been resolved in the current year.

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

To the County Commissioners
Butler County, Missouri

In planning and performing our audit of the financial statements of the County of Butler ("County") as of and for the years ended December 31, 2010 and 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the County's internal control listed below to be significant deficiencies.

Our comments concerning internal control and other significant matters are presented as follows:

I. Deficiencies Considered to be Significant
II. Changes Impacting Governmental Entities
III. Information Required by Professional Standards

Butler County's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, County Commissioners, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates
Certified Public Accountants
August 29, 2011

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

10/09-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, Communicating Internal Control Related Matters Identified in an Audit, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement. The County will pursue remedy for SAS 115 compliance if it is determined that it is required for a county of this size.

10/09-02

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Continued)

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement. Each official has their own internal controls within their office.

10/09-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The Commission will encourage all elected officials to review and document antifraud risk assessments.

10/09-04 Criteria: Account balances should be properly and timely reconciled on a monthly basis in the Prosecuting Attorney's office for 2010 and 2009.

Condition: During our audit, we noted that the reconciliations of the prosecuting attorney's accounts are not being properly reconciled on a monthly basis due to the software being used and its report format setup for 2010 and 2009.

Context: Bank statement reconciliations are not being properly prepared due to the software report format being used.

Effect: Lack of proper reconciliation and monitoring of accounts may lead to errors that may not be found in a timely manner.

Cause: The Prosecuting Attorney's account reconciliation is not being properly prepared.

Recommendation: We recommend that the Prosecuting Attorney's office properly reconcile its accounts on a monthly basis and monitor the reconciliations to be sure they are being properly prepared. These reconciliations will ensure meaningful and accurate financial statements.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Continued)

Views of responsible officials and planned corrective actions: The Prosecuting Attorney's office is currently working with Dennis Jones and Associates Bad Check Prosecution System Software to correct the reconciliation reports.

10/09-05 Criteria: The Sheriff's office December 2010 reconciliation should include all checks written up to and including December 31, 2010.

Condition: During our audit, we noted that the Sheriff's account reconciliation did not include eight checks that were written in December 2010.

Context: The bank reconciliation did not include eight checks written in December 2010.

Effect: Book balances in the Sheriff's office were overstated by $1,245.50.

Cause: The Sheriff's December 2010 bank reconciliation did not include eight checks that were written in December 2010.

Recommendation: Preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements. We recommend that the reconciliations be reviewed for accuracy and completeness by an individual not involved in the bank reconciliation preparation.

Views of responsible officials and planned corrective actions: Procedures will be reviewed to implement monitoring of bank reconciliations on a monthly basis.

10/09-06 Criteria: The Recorder's office should prepare complete and accurate bank reconciliations.

Condition: During our audit, we noted that the Recorder's bank reconciliations are not being prepared completely and accurately for 2010 and 2009.

Context: The bank reconciliations are not being prepared completely and accurately and have unknown discrepancies.

Effect: Incomplete and inaccurate bank reconciliations can lead to cash balances being over/under stated.

Cause: The Recorder's office December 2010 and 2009 bank reconciliations have unknown discrepancies.

Recommendation: Preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements. We recommend that procedures be implemented to prepare complete and accurate bank reconciliations and that the reconciliations be reviewed for accuracy and completeness by an individual not involved in the bank reconciliation preparation.

Views of responsible officials and planned corrective actions: The Recorder's Office has implemented a new procedure to have one person review the electronic funds transfers on a daily basis now instead of monthly.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Continued)

10/09-07 Criteria: SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*, as amended by SAS No. 78, *Consideration of Internal Control in a Financial Statement Audit*: An Amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties within the Recorder's, Collector's, and Treasurer's office.

Context: During the audit, we noted that the Recorder, Collector, Treasurer, and Deputy Treasurer are allowed to write, approve, sign and reconcile expenditures to the bank statement.

Effect: The design of the internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within each of the corresponding department.

Recommendation: These areas should be reviewed periodically and consideration given to improving the segregation of duties.

Views of responsible officials and planned corrective actions: We will review periodically the size and budget constraints limiting the number of personnel within each of the departments . We will continue to utilize the other internal controls, such as administrative oversight, to minimize the lack of sufficient segregation of duties.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010 & 2009

The following findings, recommendations, and questioned costs are the results of the single audit of Butler County, Missouri for the fiscal year ended December 31, 2010 and 2009. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

2. Material Weakness: A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Continued)

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.

2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than $10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

C. Federal Award Findings and Questioned Costs

SA10/09-01 All Programs except CFDA numbers 14.257 and 90.401.

Significant Deficiency

Information on the federal programs: The schedule of expenditures of federal awards contained errors.
Criteria: Section .310(b) of Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, requires the County to prepare a SEFA for the period covered by the County's financial statements.
Condition: The County did not comply with OMB Circular A-133 section .310(b).
Questioned Costs: Not applicable.
Context: During our audit of the schedule of expenditures of federal awards, we noted numerous errors in the amounts reported on the schedule.
Effect: Without an accurate and complete SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal funds.
Cause: The County did not implement prior year corrective action plans.
Recommendation: We recommend that County officials receive training in preparing the schedule of expenditures of federal awards.
Views of responsible officials and planned corrective actions: The County Clerk will work with all agencies receiving federal money to prepare an accurate schedule of expenditures of federal awards.

SA10/09-02 Highway Planning and Construction – CFDA No. 20.205

Significant Deficiency

Information on the federal programs: Required contracting procedures were not followed.
Criteria: OMB Circular A-133 Compliance Supplement and 41 CFR 105-71.135 prohibit entities from contracting with parties that are on the prohibited list.
Condition: The County does not have procedures in place to ensure that it complies with OMB Circular A-133 and 41 CFR 105-71.135 by not contracting with prohibited parties in administering federal funds.
Questioned Costs: Not applicable.
Context: During our audit of the schedule of expenditures of federal awards, we noted that the County did not check the Excluded Parties List System maintained by the General Services Administration to verify that parties it contracted with were not on the prohibited list.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Concluded)

Effect: As a result of not following required contracting procedures, there is an increased risk of federal funds being spent in violation of grant requirements.
Cause: The County did not perform required contracting procedures nor implement prior year corrective action plans.
Recommendation: We recommend that the County implement procedures to ensure that parties they contract with are not on the prohibited list.
Views of responsible officials and planned corrective actions: The County will work on implementing the required procedures to meet this compliance requirement.

SA10/09-03

Highway Planning and Construction – CFDA No. 20.205
Payment in Lieu of Taxes (Dept. of Agriculture) – CFDA No. 10.665

Significant Deficiency

Information on the federal programs: Noncompliance with Single Audit Requirements in control over expenditures.
Criteria: The County is required to properly maintain separate expense accounts to account for federal expenditures.
Condition: The County did not properly maintain separate expense accounts to account for federal expenditures to prepare the schedule of expenditures of federal awards.
Questioned Costs: Not applicable.
Context: During our audit of the schedule of expenditures of federal awards, we noted that the County did not properly maintain separate expense accounts to account for federal expenditures.
Effect: As a result of not following required compliance controls over expenditures, the schedule of expenditures contained errors.
Cause: The County did not implement prior year corrective action plans.
Recommendation: We recommend that the County implement procedures to track all federal expenditures in the general ledger system by adding a grant code at the end of the account code.
Views of responsible officials and planned corrective actions: The County will work on implementing the required procedures to meet this compliance requirement.

II. CHANGES IMPACTING GOVERNMENTAL ENTITIES

a. SAS 115, *Communicating Internal Control Related Matters Identified in an Audit*, is effective for periods ending on or after December 15, 2009 and supersedes SAS No. 112. This standard defines the terms *deficiency in internal control*, *significant deficiency*, and *material weakness*. It provides guidance on evaluating the severity of deficiencies in internal control identified in an audit of financial statements.

b. SAS 117, *Compliance Audits*, which supersedes SAS No. 74, is effective for compliance audits for periods ending on or after June 15, 2010. This SAS identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits and used in the SAS, and identifies the elements to be included in an auditor's report on a compliance audit. It reflects changes in the compliance audit environment and incorporates the risk assessment standards.

c. SAS 118, *Other Information in Documents Containing Audited Financial Statements*, is effective for audits of financial statements for periods beginning on or after December 15, 2010. This section addresses the auditor's responsibility in relation to other information in documents containing audited financial statements and the auditor's report thereon.

II. CHANGES IMPACTING GOVERNMENTAL ENTITIES (Concluded)

d. SAS 119, *Supplementary Information in Relation to the Financial Statements as a Whole*, is effective for audits of financial statements for periods beginning on or after December 15, 2010. This section addresses the auditor's responsibility when engaged to report on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *OMB Circular A-133*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 28, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. The County adopted the regulatory basis of accounting to report its financial statements for the years ended December 31, 2010 and 2009. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 29, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Barry County, Missouri

The Office of the State Auditor, in cooperation with Barry County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-74

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2010 & 2009

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
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FINANCIAL SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Barry, Missouri

We have audited the accompanying financial statements of the County of Barry ("County"), Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note I, these financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County of Barry, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of the County of Barry, Missouri, as of December 31, 2010 and 2009, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note I.

As described in Note XI, the County of Barry has converted from a modified cash (GASB 34) basis of accounting to the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2010 and December 31, 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is not fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note I.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 7, 2011

FINANCIAL STATEMENTS

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2010

FUND	CASH AND INVESTMENTS JANUARY 1, 2010	RECEIPTS 2010	DISBURSEMENTS 2010	CASH AND INVESTMENTS DECEMBER 31, 2010
General Revenue	$ 245,227.62	$ 3,547,048.34	$ 3,643,092.00	$ 149,183.96
Assessment	445,192.85	411,077.00	377,565.04	478,704.81
Law Enforcement Training Fund	849.69	3,556.63	2,169.71	2,236.61
Pat Fund	180.67	880.62	920.11	141.18
Micro-Film Fund	88,974.91	27,344.11	28,416.00	87,903.02
PA Delinquent Tax Fund	5,193.67	2,868.15	7,198.17	863.65
Special Law Enforcement Fund	652.99	588.39	170.25	1,071.13
Liberty Common Road Fund	30,805.95	12,385.42	34,191.14	9,000.23
PA Bad Check Fund	1,243.02	27,774.58	27,248.01	1,769.59
Sheriff's Fund	85.56	50,014.08	50,000.00	99.64
Post Fund	1,798.57	1,555.45	1,537.71	1,816.31
LEPC Fund	7,062.50	15,006.17	13,263.09	8,805.58
Election Fund	4,250.89	8,816.00	6,513.25	6,553.64
Special Road District Fund	634,785.17	816,758.00	678,801.62	772,741.55
Sheriff's Revolving Fund	12,487.73	14,162.39	8,052.88	18,597.24
Capital Projects Fund	39.51	55,000.00	55,000.00	39.51
Senior Citizens Services Board	60,002.15	216,860.00	217,431.36	59,430.79
SB40	757,529.90	341,406.26	308,462.00	790,474.16
Law Enforcement Restitution Fund	-	6,221.66	-	6,221.66
TOTAL	$ 2,296,363.35	$ 5,559,323.25	$ 5,460,032.34	$ 2,395,654.26

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

FUND	CASH AND INVESTMENTS JANUARY 1, 2009	RECEIPTS 2009	DISBURSEMENTS 2009	CASH AND INVESTMENTS DECEMBER 31, 2009
General Revenue	$ 220,983.00	$ 3,575,960.62	$ 3,551,716.00	$ 245,227.62
Assessment	377,788.91	414,894.00	347,490.06	445,192.85
Law Enforcement Training Fund	403.00	3,302.69	2,856.00	849.69
Pat Fund	332.00	871.00	1,022.33	180.67
Micro-Film Fund	77,849.97	29,514.91	18,389.97	88,974.91
PA Delinquent Tax Fund	1,788.00	3,405.67	-	5,193.67
Special Law Enforcement Fund	45.00	1,932.99	1,325.00	652.99
Liberty Common Road Fund	32,256.27	12,121.68	13,572.00	30,805.95
PA Bad Check Fund	1,348.88	34,400.00	34,505.86	1,243.02
Sheriff's Fund	-	50,002.56	49,917.00	85.56
Post Fund	2,080.00	1,832.57	2,114.00	1,798.57
LEPC Fund	4,911.00	12,984.50	10,833.00	7,062.50
Election Fund	8,212.00	12,004.89	15,966.00	4,250.89
Emergency Road and Bridge	536,726.26	989,804.00	891,745.09	634,785.17
Sheriff's Revolving Fund	5,372.00	11,820.73	4,705.00	12,487.73
Capital Projects Fund	168.00	95,967.00	96,095.49	39.51
Senior Citizens Services Board	68,370.73	214,462.42	222,831.00	60,002.15
SB40	840,060.13	331,783.77	414,314.00	757,529.90
Law Enforcement Restitution Fund	-	-	-	-
TOTAL	$ 2,178,695.15	$ 5,797,066.00	$ 5,679,397.80	$ 2,296,363.35

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	GENERAL REVENUE FUND			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 38,230.00	$ 39,207.00	$ 42,900.00	$ 38,970.00
Sales Taxes	1,732,006.00	1,743,524.00	1,839,850.00	1,732,006.00
Intergovernmental	877,252.00	847,511.00	907,005.00	833,950.33
Charges for Services	676,150.00	679,117.00	728,000.00	685,369.00
Interest	2,252.00	3,043.00	7,800.00	3,033.00
Other	117,500.00	234,646.34	72,423.00	262,381.62
Transfers In	-	-	-	20,250.67
TOTAL RECEIPTS	3,443,390.00	3,547,048.34	3,597,978.00	3,575,960.62
DISBURSEMENTS				
County Commission	138,577.00	93,566.00	93,750.00	93,256.00
County Clerk	70,915.00	70,905.00	71,005.00	70,905.00
Elections	78,452.00	77,756.00	61,010.00	58,157.00
Buildings and Grounds	170,486.00	178,043.00	167,511.00	173,459.00
Employee Fringe Benefits	481,010.00	486,072.00	506,342.00	498,019.00
County Treasurer	46,825.00	46,719.00	46,825.00	46,613.00
Collector	105,650.00	105,811.00	108,250.00	105,522.00
Recorder of Deeds	39,540.00	39,540.00	39,595.00	39,495.00
Circuit Clerk	39,650.00	32,860.00	35,300.00	34,039.00
Associate Circuit Court	-	-	-	-
Court Administration	7,146.00	7,118.00	35,300.00	5,762.00
Public Administrator	18,200.00	18,200.00	18,200.00	18,200.00
Public Safety	679,888.00	665,780.00	777,905.00	675,553.00
Jail	382,570.00	410,739.00	391,315.00	372,932.00
Prosecuting Attorney	273,697.00	270,896.00	271,797.00	266,428.00
Juvenile Officer	177,729.00	184,564.00	174,827.00	174,742.00
Coroner	25,200.00	22,125.00	120,700.00	21,219.00
Other	548,056.00	589,413.00	583,280.00	501,309.00
Health and Welfare	297,000.00	235,565.00	11,430.00	285,052.00
Debt Service	-	-	-	-
Transfers Out	-	-	-	-
Emergency Fund	107,420.00	107,420.00	111,054.00	111,054.00
TOTAL DISBURSEMENTS	3,688,011.00	3,643,092.00	3,625,396.00	3,551,716.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(244,621.00)	(96,043.66)	(27,418.00)	24,244.62
CASH AND INVESTMENT BALANCES, JANUARY 1	245,227.62	245,227.62	220,983.00	220,983.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 606.62	$ 149,183.96	$ 193,565.00	$ 245,227.62

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	ASSESSMENT FUND				LAW ENFORCEMENT TRAINING FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 378,748.00	$ 387,685.00	$ 405,422.00	$ 396,142.00	$ -	$ -	$ -	-
Charges for Services	12,900.00	18,448.00	15,578.00	14,736.00	-	-	-	-
Interest	2,100.00	4,854.00	14,500.00	3,908.00	-	-	-	-
Other	-	90.00	-	108.00	3,400.00	3,556.63	5,000.00	3,302.69
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	393,748.00	411,077.00	435,500.00	414,894.00	3,400.00	3,556.63	5,000.00	3,302.69
DISBURSEMENTS								
Assesor	484,269.00	377,565.04	481,814.00	347,490.06	4,250.00	2,169.71	-	-
Tuition	-	-	-	-	-	-	5,000.00	2,856.00
TOTAL DISBURSEMENTS	484,269.00	377,565.04	481,814.00	347,490.06	4,250.00	2,169.71	5,000.00	2,856.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(90,521.00)	33,511.96	(46,314.00)	67,403.94	(850.00)	1,386.92	-	446.69
CASH AND INVESTMENT BALANCES, JANUARY 1	445,192.85	445,192.85	377,788.91	377,788.91	849.69	849.69	403.00	403.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 354,671.85	$ 478,704.81	$ 331,474.91	$ 445,192.85	$ (0.31)	$ 2,236.61	$ 403.00	$ 849.69

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	PAT FUND				MICRO-FILM FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	$ 900.00	$ 880.62	$ 1,400.00	$ 871.00	$ -	$ -	$ -	$ -
Interest	-	-	-	-	800.00	835.00	1,500.00	659.00
Other	-	-	-	-	25,000.00	26,509.11	25,000.00	28,855.91
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	900.00	880.62	1,400.00	871.00	25,800.00	27,344.11	26,500.00	29,514.91
DISBURSEMENTS								
Prosecuting Attorney	1,725.00	920.11	1,725.00	1,022.33	-	-	-	-
Mico-film Expenses	-	-	-	-	110,000.00	28,416.00	104,250.00	18,389.97
TOTAL DISBURSEMENTS	1,725.00	920.11	1,725.00	1,022.33	110,000.00	28,416.00	104,250.00	18,389.97
RECEIPTS OVER (UNDER) DISBURSEMENTS	(825.00)	(39.49)	(325.00)	(151.33)	(84,200.00)	(1,071.89)	(77,750.00)	11,124.94
CASH AND INVESTMENT BALANCES, JANUARY 1	180.67	180.67	332.00	332.00	88,974.91	88,974.91	77,849.97	77,849.97
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ (644.33)	$ 141.18	$ 7.00	$ 180.67	$ 4,774.91	$ 87,903.02	$ 99.97	$ 88,974.91

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	P A DELINQENT TAX FUND				SPECIAL LAW ENFORCEMENT FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	30.00	28.85	36.00	31.00	1.00	5.39	1.00	1.00
Other	3,000.00	2,839.30	3,000.00	3,374.67	1,900.00	583.00	2,000.00	1,931.99
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,030.00	2,868.15	3,036.00	3,405.67	1,901.00	588.39	2,001.00	1,932.99
DISBURSEMENTS								
Miscellaneous	8,000.00	7,198.17	7,400.00	-	2,554.00	170.25	-	-
Law Enforcement Special	-	-	-	-	-	-	2,000.00	1,325.00
TOTAL DISBURSEMENTS	8,000.00	7,198.17	7,400.00	-	2,554.00	170.25	2,000.00	1,325.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,970.00)	(4,330.02)	(4,364.00)	3,405.67	(653.00)	418.14	1.00	607.99
CASH AND INVESTMENT BALANCES, JANUARY 1	5,193.67	5,193.67	1,788.00	1,788.00	652.99	652.99	45.00	45.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 223.67	$ 863.65	$ (2,576.00)	$ 5,193.67	$ (0.01)	$ 1,071.13	$ 46.00	$ 652.99

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	LIBERTY COMMON ROAD FUND				P A BAD CHECK FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ 627.00	$ 661.71	$ 793.00	$ 627.00	$ -	$ -	$ -	$ -
Sales Taxes	7,203.00	7,250.08	7,652.00	7,203.00	-	-	-	-
Intergovernmental	3,900.00	4,256.50	4,381.00	4,075.00	-	-	-	-
Charges for Services	-	-	-	-	34,000.00	27,655.99	39,000.00	34,299.00
Interest	220.00	217.13	192.00	216.00	95.00	118.59	850.00	101.00
Other	11,950.00	-	-	0.68	-	-	-	-
TOTAL RECEIPTS	23,273.00	12,385.42	13,018.00	12,121.68	34,095.00	27,774.58	39,850.00	34,400.00
DISBURSEMENTS								
Expenses	42,625.00	34,191.14	44,774.00	13,572.00	-	-	-	-
Bad Check Expenses	-	-	-	-	35,150.00	27,248.01	41,175.00	34,505.86
TOTAL DISBURSEMENTS	42,625.00	34,191.14	44,774.00	13,572.00	35,150.00	27,248.01	41,175.00	34,505.86
RECEIPTS OVER (UNDER) DISBURSEMENTS	(19,352.00)	(21,805.72)	(31,756.00)	(1,450.32)	(1,055.00)	526.57	(1,325.00)	(105.86)
CASH AND INVESTMENT BALANCES, JANUARY 1	30,805.95	30,805.95	32,256.27	32,256.27	1,243.02	1,243.02	1,348.88	1,348.88
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 11,453.95	$ 9,000.23	$ 500.27	$ 30,805.95	$ 188.02	$ 1,769.59	$ 23.88	$ 1,243.02

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	SHERIFF'S FUND				POST FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for Services	-	3,807.63	-	-	-	-	-	-
Interest	37.00	41.30	-	37.00	16.00	17.74	20.00	17.00
Other	50,000.00	46,165.15	50,000.00	49,965.56	1,800.00	1,537.71	2,300.00	1,815.57
TOTAL RECEIPTS	50,037.00	50,014.08	50,000.00	50,002.56	1,816.00	1,555.45	2,320.00	1,832.57
DISBURSEMENTS								
Car Fuel	50,000.00	50,000.00	50,000.00	49,917.00	-	-	-	-
Training	-	-	-	-	3,615.00	1,537.20	4,400.00	2,114.00
TOTAL DISBURSEMENTS	50,000.00	50,000.00	50,000.00	49,917.00	7,230.00	1,537.71	4,400.00	2,114.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	37.00	14.08	-	85.56	(5,414.00)	17.74	(2,080.00)	(281.43)
CASH AND INVESTMENT BALANCES, JANUARY 1	85.56	85.56	-	-	1,798.57	1,798.57	2,080.00	2,080.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 122.56	$ 99.64	$ -	$ 85.56	$ (3,615.43)	$ 1,816.31	$ -	$ 1,798.57

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	ELECTION FUND				SHERIFF'S REVOLVING FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	5,652.00	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	30.00	54.00	250.00	56.00	80.00	143.39	-	78.00
Other	4,000.00	8,762.00	2,500.00	11,948.89	12,000.00	14,019.00	10,000.00	11,742.73
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	4,030.00	8,816.00	8,402.00	12,004.89	12,080.00	14,162.39	10,000.00	11,820.73
DISBURSEMENTS								
Expenses	8,000.00	6,513.25	16,600.00	15,966.00	24,000.00	8,052.88	15,000.00	4,705.00
Transfers	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	8,000.00	6,513.25	16,600.00	15,966.00	24,000.00	8,052.88	15,000.00	4,705.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,970.00)	2,302.75	(8,198.00)	(3,961.11)	(11,920.00)	6,109.51	(5,000.00)	7,115.73
CASH AND INVESTMENT BALANCES, JANUARY 1	4,250.89	4,250.89	8,212.00	8,212.00	12,487.73	12,487.73	5,372.00	5,372.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 280.89	$ 6,553.64	$ 14.00	$ 4,250.89	$ 567.73	$ 18,597.24	$ 372.00	$ 12,487.73

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	EMERGENCY ROAD AND BRIDGE FUND				LEPC FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ 143,043.00	$ 144,215.00	$ 143,134.00	$ 143,043.00				
Intergovernmental	207,797.00	311,100.00	494,708.00	399,100.00	$ 12,100.00	$ 14,891.69	$ 12,900.00	$ 12,936.00
Interest	5,774.00	6,614.00	4,608.00	4,194.00	200.00	114.48	300.00	48.00
Other	600,000.00	354,829.00	600,000.00	443,467.00	-	-	-	0.50
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	956,614.00	816,758.00	1,242,450.00	989,804.00	12,300.00	15,006.17	13,200.00	12,984.50
DISBURSEMENTS								
Expense	-	-	-	-	11,700.00	13,263.09	16,700.00	10,833.00
Salaries	24,000.00	14,498.00	23,000.00	-	-	-	-	-
Fringe Benefits	4,050.00	2,486.00	1,525,000.00	-	-	-	-	-
Supplies	-	-	18,900.00	-	-	-	-	-
Road & Bridge Construction	1,547,500.00	620,317.00	-	770,812.42	-	-	-	-
Other	15,500.00	41,500.62	-	100,682.00	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Transfers	-	-	-	20,250.67	-	-	-	-
TOTAL DISBURSEMENTS	1,591,050.00	678,801.62	1,566,900.00	891,745.09	11,700.00	13,263.09	16,700.00	10,833.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(634,436.00)	137,956.38	(324,450.00)	98,058.91	600.00	1,743.08	(3,500.00)	2,151.50
CASH AND INVESTMENT BALANCES, JANUARY 1	634,785.17	634,785.17	536,726.26	536,726.26	7,062.50	7,062.50	4,911.00	4,911.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 349.17	$ 772,741.55	$ 212,276.26	$ 634,785.17	$ 7,662.50	$ 8,805.58	$ 1,411.00	$ 7,062.50

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	CAPITAL PROJECTS FUND				SENIOR CITIZENS SERVICES BOARD			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ 213,500.00	$ 216,312.00	$ 196,000.00	$ 213,830.42
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	55,000.00	-	-	600.00	548.00	1,000.00	632.00
Other	110,000.00	-	225,450.00	95,967.00	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	110,000.00	55,000.00	225,450.00	95,967.00	214,100.00	216,860.00	197,000.00	214,462.42
DISBURSEMENTS								
Expenses	110,000.00	55,000.00	225,450.00	96,095.49	214,100.00	217,431.36	226,124.00	222,831.00
TOTAL DISBURSEMENTS	110,000.00	55,000.00	225,450.00	96,095.49	214,100.00	217,431.36	226,124.00	222,831.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	(128.49)	-	(571.36)	(29,124.00)	(8,368.58)
CASH AND INVESTMENT BALANCES, JANUARY 1	39.51	39.51	168.00	168.00	60,002.15	60,002.15	68,370.73	68,370.73
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 39.51	$ 39.51	$ 168.00	$ 39.51	$ 60,002.15	$ 59,430.79	$ 39,246.73	$ 60,002.15

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	SB40				LAW ENFORCEMENT RESTITUTION FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ 300,000.00	$ 307,750.00	$ 300,000.00	$ 304,426.00	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	-	-	6,209.87	-	-
Interest	20,000.00	20,709.26	25,000.00	19,209.00	-	11.79	-	-
Other	-	12,947.00	-	8,148.77	-	-	-	-
TOTAL RECEIPTS	320,000.00	341,406.26	325,000.00	331,783.77	-	6,221.66	-	-
DISBURSEMENTS								
Operating expenses	628,794.00	308,462.00	628,794.00	414,314.00	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	628,794.00	308,462.00	628,794.00	414,314.00	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(308,794.00)	32,944.26	(303,794.00)	(82,530.23)	-	6,221.66	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	757,529.90	757,529.90	840,060.13	840,060.13	-	-	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 448,735.90	$ 790,474.16	$ 536,266.13	$ 757,529.90	$ -	$ 6,221.66	$ -	$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2010

	2010					
	Overplus	**County Common**	**Flood Control**	**Forest Reserve**	**Unclaimed Fees**	**Shelter Home**
ASSETS						
Cash and Cash Equivalents	$ 76,196.11	$ 41,505.43	$ -	$ 48,096.08	$ 1,138.98	$ 2,733.79
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	76,196.11	41,505.43	-	48,096.08	1,138.98	2,733.79
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	76,196.11	41,505.43	-	48,096.08	1,138.98	2,733.79
TOTAL LIABILITIES AND FUND BALANCES	$ 76,196.11	$ 41,505.43	$ -	$ 48,096.08	$ 1,138.98	$ 2,733.79

	General Revenue Tax Litigation Fund	**SRD Tax Litigation Fund**	**R.E. Tax Litigation Fund**	**Drug Court P I Fund**	**EATS Tax Escrow**	**PILOTS Escrow**
ASSETS						
Cash and Cash Equivalents	$ -	$ -	$ -	$ 13,216.52	$ 349,523.32	$ 389,544.83
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	-	-	13,216.52	349,523.32	389,544.83
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	-	-	-	13,216.52	349,523.32	389,544.83
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ -	$ -	$ 13,216.52	$ 349,523.32	$ 389,544.83

	Recorder	**Juvenile**	**Collector**	**Sheriff**	**Drug Task Force**	**County Clerk**
ASSETS						
Cash and Cash Equivalents	$ 24,801.25	$ 1,920.69	$ 15,446,856.25	$ 10,138.67	$ 99,036.83	$ 53.34
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	24,801.25	1,920.69	15,446,856.25	10,138.67	99,036.83	53.34
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	24,801.25	1,920.69	15,446,856.25	10,138.67	99,036.83	53.34
TOTAL LIABILITIES AND FUND BALANCES	$ 24,801.25	$ 1,920.69	$ 15,446,856.25	$ 10,138.67	$ 99,036.83	$ 53.34

	Total Fiduciary Funds
ASSETS	
Cash and Cash Equivalents	$ 16,504,762.09
Investments	
Other Investments	-
Total Investments	-
Total Assets	16,504,762.09
LIABILITIES AND FUND BALANCES	
TOTAL LIABILITIES	-
UNRESERVED FUND BALANCES	16,504,762.09
TOTAL LIABILITIES AND FUND BALANCES	$ 16,504,762.09

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2009

	2009					
	Overplus	**County Common**	**Flood Control**	**Forest Reserve**	**Unclaimed Fees**	**Shelter Home**
ASSETS						
Cash and Cash Equivalents	$ 122,520.08	$ 120,308.29	$ 26,678.22	$ 25,529.27	$ 1,250.94	$ 1,786.43
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	122,520.08	120,308.29	26,678.22	25,529.27	1,250.94	1,786.43
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	122,520.08	120,308.29	26,678.22	25,529.27	1,250.94	1,786.43
TOTAL LIABILITIES AND FUND BALANCES	$ 122,520.08	$ 120,308.29	$ 26,678.22	$ 25,529.27	$ 1,250.94	$ 1,786.43

	General Revenue Tax Litigation Fund	**SRD Tax Litigation Fund**	**R.E. Tax Litigation Fund**	**Drug Court P I Fund**	**EATS Tax Escrow**	**PILOTS Escrow**
ASSETS						
Cash and Cash Equivalents	$ 54,465.50	$ 54,473.26	$ 39,033.14	$ 3,584.05	$ -	$ -
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	54,465.50	54,473.26	39,033.14	3,584.05	-	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES - OVERDRAFT	-	-	-	-	-	-
UNRESERVED FUND BALANCES	54,465.50	54,473.26	39,033.14	(3,584.05)	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 54,465.50	$ 54,473.26	$ 39,033.14	$ (3,584.05)	$ -	$ -

	Recorder	**Juvenile**	**Collector**	**Sheriff**	**Drug Task Force**	**County Clerk**
ASSETS						
Cash and Cash Equivalents	$ 19,730.00	$ 8,355.84	$ 15,220,227.39	$ 14,898.42	$ 844.19	$ 3,878.29
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	19,730.00	8,355.84	15,220,227.39	14,898.42	844.19	3,878.29
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES - OVERDRAFT	-	-	-	-	-	-
UNRESERVED FUND BALANCES	19,730.00	8,355.84	15,220,227.39	1,786.43	844.19	3,878.29
TOTAL LIABILITIES AND FUND BALANCES	$ 19,730.00	$ 8,355.84	$ 15,220,227.39	$ 1,786.43	$ 844.19	$ 3,878.29

	Total Fiduciary Funds
ASSETS	
Cash and Cash Equivalents	$ 15,717,563.31
Investments	
Other Investments	-
Total Investments	-
Total Assets	15,717,563.31
LIABILITIES AND FUND BALANCES	
TOTAL LIABILITIES	-
UNRESERVED FUND BALANCES	15,717,563.31
TOTAL LIABILITIES AND FUND BALANCES	$ 15,717,563.31

The accompanying notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Barry, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1835 by an Act of the Missouri Territory. In addition to the three Commissioners, there are six elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Sheriff, and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the primary government of Barry County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

   Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

   State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2010 and 2009, for purposes of taxation was:

	2010	2009
Real Estate	$ 310,486,577	$ 304,936,717
Personal Property	116,501,935	119,888,521
Railroad and Utilities	15,378,760	14,378,846
	$ 442,367,272	$ 439,204,084

During 2010 and 2009, the County Commission approved a $0.1200 and $0.1200, respectively, tax levy per $100 of assessed valuation of tangible taxable property for the calendar year 2010 and 2009, for purposes of County taxation, as follows:

	2010	2009
General Revenue Fund	$ 0.0000	$ 0.0000
Senior Services	0.0500	0.0500
Developmentally Disabled	0.0700	0.0700
	$ 0.1200	$ 0.1200

F. Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund are readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

II. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash and Equivalents" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amount of the County's deposits was $2,395,654.26 and $2,296,363.35, and the bank balance was $16,647,014.10 and $14,151,738.38, respectively. As of December 31, 2010 and 2009, 100% of the County's investments were guaranteed by the U.S. Government.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2010, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances -		
Deposits	$	1,653,914.87
Investments		741,739.39
Total Deposits & Investments as of December 31, 2010	$	2,395,654.26

The carrying values of deposits and investments at December 31, 2009, are as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances -		
Deposits	$	1,586,741.45
Investments		709,621.90
Total Deposits & Investments as of December 31, 2009	$	2,296,363.35

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2010 and 2009.

II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2010 and 2009.

III. LONG-TERM DEBT

The County has $178,000 Barry County, Missouri General Obligation bonds Series 2002 (Shell Knob Senior Corporation Project Neighborhood Improvement District) dated May 1, 2002. Principal and interest payments are due annually on April 1, with an annual interest rate of 5.875%.

NID AMORTIZATION FOR 2009

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2010	$ 7,000.00	$ 8,107.50	$ 15,107.50
2011	8,000.00	7,696.25	15,696.25
2012	8,000.00	7,226.25	15,226.25
2013	9,000.00	6,756.25	15,756.25
2014	9,000.00	6,227.50	15,227.50
2015-2019	55,000.00	22,383.75	77,383.75
2020-2022	42,000.00	5,052.50	47,052.50
	$ 138,000.00	$ 63,450.00	$ 201,450.00

III. LONG-TERM DEBT (continued)

Balance – December 31, 2008	$	145,000.00
Additions		-
Payments		(7,000.00)
Balance – December 31, 2009	$	138,000.00

NID AMORTIZATION FOR 2010

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2011	$ 8,000.00	$ 7,696.25	$ 15,696.25
2012	8,000.00	7,226.25	15,226.25
2013	9,000.00	6,756.25	15,756.25
2014	9,000.00	6,227.50	15,227.50
2015	10,000.00	5,698.75	15,698.75
2016-2020	58,000.00	19,152.50	77,152.50
2021-2022	29,000.00	2,585.00	31,585.00
	$ 131,000.00	$ 55,342.50	$ 186,342.50

Balance – December 31, 2009	$	138,000.00
Additions		-
Payments		(7,000.00)
Balance – December 31, 2010	$	131,000.00

On October 27, 2008, the County entered into a promissory note with Security Bank of Southwest Missouri for a total principal amount of $200,000. However, the County only withdrew $83,000 for items related to the County Jail. The interest rate is 4.00% and matures on December 31, 2008. On February 2, 2009, the County Commission approved to extend the $200,000 loan, even though it still carries the $83,000 balance, until December 31, 2009 at an interest rate of 3.25%. On December 31, 2009, the County renewed the one year promissory note at a rate of 3.25%.

LOAN AMORTIZATION FOR 2009

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2010	$ 117,000.00	$ 4,022.56	$ 121,022.56
	$ 117,000.00	$ 4,022.56	$ 121,022.56

III. LONG-TERM DEBT (concluded)

Balance – December 31, 2008	$	83,000.00
Additions		34,000.00
Payments		-
Balance – December 31, 2009	$	117,000.00

LOAN AMORTIZATION FOR 2010

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2011	$ 119,202.56	$ 936.59	$ 120,139.15
	$ 119,202.56	$ 936.59	$ 120,139.15

Balance – December 31, 2009	$	117,000.00
Additions		55,000.00
Payments		(52,797.44)
Balance – December 31, 2010	$	119,202.56

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2010 and 2009 are as follows:

	2010		2009	
	Transfers In	Transfers Out	Transfers In	Transfers Out
MAJOR FUNDS				
General Fund	$ -	$ -	$ 20,250.67	$ -
Emerg. Road and Bridge Fund	-	-	-	20,250.67
TOTAL	$ -	$ -	$ 20,250.67	$ 20,250.67

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, in addition to the prior contributions requirements, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

B. Contributions (concluded)

During 2010 and 2009, the County collected and remitted to CERF, employee contributions of approximately $80,490.53 and $77,416.20, respectively, for the years then ended.

VI. OTHER RETIREMENT PLAN

Barry County does not participate in the Missouri Local Government Employees' Retirement System. Contributions to a voluntary plan are paid by a voluntary deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. These contributions are then remitted to Great West who administers the 401a Plan. Employee contributions were $12,220.46 and $12.914.70 for the years ended December 31, 2010 and 2009, respectively.

VII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

VIII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed $7,752 and $7,752, respectively, for the years ended December 31, 2010 and 2009.

IX. CLAIMS, COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in pending litigation at December 31, 2010.

B. Compensated Absences

The County provides employees with one week of vacation after the first year, two weeks after two years and three weeks after seven years. Vacation days are lost if not used. Sick leave is accrued ½ day per month with a maximum total number of 30 days. If an employee leaves or is terminated, the employee is reimbursed for half of the unused sick time that has been accrued. These have not been subjected to auditing procedures.

IX. CLAIMS, COMMITMENTS AND CONTINGENCIES (concluded)

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.700 RSMo 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

XI. ACCOUNTING CHANGE

For the years ended December 31, 2010 and December 31, 2009, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements.

XII. SUBSEQUENT EVENTS

There are no subsequent events to report as of the date of the audit report.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

SCHEDULE OF STATE FINDINGS

A. For the year ended December 31, 2010, funds were deficit budgeted for the following: law enforcement training fund, PAT fund, special law enforcement fund and POST fund.

B. For the year ended December 31, 2009, funds were deficit budgeted for the following: PA delinquent tax fund.

C. For the year ended December 31, 2010, there was no budget for the Law Enforcement Restitution fund.

D. For the year ended December 31, 2010, expenses exceeded those budgeted for the Senior Citizens' Service Board and LEPC fund.

FEDERAL COMPLIANCE SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Barry, Missouri

We have audited the financial statements of the County of Barry ("County"), Missouri, as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated September 7, 2011. The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. (FS 10/09-01, FS 10/09-02, FS 10/09-03, FS 10/09-04, FS 10/09-05 and SA 10/09-01) A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated September 7, 2011.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, the Federal awarding agencies and pass-through entities and is not to be and should not be used by anyone other than those specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 7, 2011

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditor's Report

To The County Commission
The County of Barry
Cassville, Missouri

Compliance

We have audited the County of Barry's ("County") compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2010 and December 31, 2009. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

As described in item SA 10/09-01 in the accompanying schedule of findings and questioned costs, Barry County did not comply with requirements regarding reporting requirements that are applicable to its ARRA JAG Program and the overall preparation of the schedule of expenditures of federal awards. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program and preparation of the schedule of expenditures of federal awards.

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and December 31, 2009.

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Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item SA 10/09-01. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Management's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit management's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 7, 2011

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2010 & 2009

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	EXPENDITURES DECEMBER 31, 2010	EXPENDITURES DECEMBER 31, 2009
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through State:				
Department of Social Services				
ARRA - Homeless Prevention and Rapid Re-housing	14.257		$ 87,477.00	$ 29,336.00
DEPARTMENT OF INTERIOR				
Direct Program				
PILT - Payment in Lieu of Taxes	15.226		76,622.00	75,069.00
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Public Safety Partnership and Community				
Policing Grants	16.710		-	128,130.00
	16.710	2007CKWX0283	8,403.17	-
	16.710	2009-SB-B9-2106	18,467.60	-
Passed Through:				
State Department of Public Safety:				
Edward Byrne Memorial Formula Grant Program	16.738	2006-JAG-20	-	87,342.00
	16.738	2007-JAG-INT-006	21,671.27	15,436.00
	16.738	2008-JAG1-023	78,755.95	-
Cape Girardeau County:				
Memorial State and Local Law Enf. Asst.	16.580	DDBX0163	-	38,767.00
Discretionary Grants Program		09JAGDTF003	-	25,713.00
		DPS2008	-	8,634.00
		2008-DD-BX-016	10,098.26	-
		2009-DD-BX-001	26,465.56	-
		2009SB892106	-	18,244.00
ARRA - Edward Byrne Memorial Justice Asst. Grant	16.803	2009-JAG-RA-003	-	107,634.00
		2007-JAG-RA-003	169,801.29	-
		2009-JAG-RA-040	10,672.08	-
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through State:				
Highway and Transportation Commission:				
Highway Planning and Construction	20.205	BRO-B005-(17)	129,601.45	251,971.96
Department of Public Safety:				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	CEPF-HMEP	6,611.65	5,165.00
2009 DWI Enforcement	20.607	LKK040NHTSA	-	714.00
2010 DWI Enforcement	20.601	LKK073NHTSA	950.24	-
		10-154-AL-103	9,856.64	-
GENERAL SERVICES ADMINISTRATION				
Passed Through State Office of Administration:				
Election Reform Payments	39.011		6,415.16	-
ELECTION ASSISTANCE COMMISSION				
Passed Through the Office of Secretary of State:				
Requirements Payments	90.401		6,177.10	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through State:				
Department of Health and Senior Services:				
Foster Care - Title IV-E	93.658	ERO172238	70,071.73	72,579.00
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through State Department of Public Safety:				
Public Assistance Grants (Presidentially Declared Disasters)	97.036	FEMA1676-DR-	-	2,774.00
Emergency Management Performance Grants	97.042	SEMS-SLA	4,323.00	6,476.41
Total Federal Expenditures			$ 742,441.15	$ 873,985.37

NOTE 1 – BASIS OF PRESENTATION

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Barry County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistanc*e means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUBRECIPIENTS

The County did not provide federal awards to any subrecipients during the years ended December 31, 2010 and 2009.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unqualified - Regulatory Basis

2. Internal control over financial reporting:

a. Material weakness(es) identified?	2010 ___ Yes	X No	
	2009 ___ Yes	X No	
b. Significant deficiencies identified?	2010 X Yes	___ None Reported	
	2009 X Yes	___ None Reported	

3. Noncompliance material to financial statements noted?

2010 ___ Yes	X No	
2009 ___ Yes	X No	

B. Federal Awards

1. Internal control over major programs:

a. Material weakness(es) identified?	2010 ___ Yes	X No	
	2009 ___ Yes	X No	
b. Significant deficiencies identified?	2010 X Yes	___ None Reported	
	2009 X Yes	___ None Reported	

2. Type of auditor's report issued on compliance for major programs:

2010 - Qualified – Regulatory Basis

2009 - Qualified – Regulatory Basis

3. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?

2010 X Yes	___ No	
2009 X Yes	___ No	

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

4. Identification of major programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2010/2009	16.738	Department of Justice – Edward Byrne Memorial Formula Grant Program
2010/2009	16.803	Department of Justice – ARRA – Edward Byrne Memorial Justice Asst. Grant
2010/2009	20.205	Department of Transportation – Highway Planning and Construction

5. Dollar threshold used to distinguish between type A and type B programs: $ 300,000

6. Auditee qualified as low-risk auditee? 2010 ___ Yes X No

2009 ___ Yes X No

II. FINANCIAL STATEMENT FINDINGS

10/09-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, Communicating Internal Control Related Matters Identified in an Audit, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual financial statements. The County will pursue remedy for SAS 115 compliance if it is determined that it is required for a county of this size.

II. FINANCIAL STATEMENT FINDINGS (continued)

10/09-02 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual financial statements. Each official has their own internal controls within their office.

10/09-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

II. FINANCIAL STATEMENT FINDINGS (continued)

10/09-03 Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The Commission will encourage all elected officials to review and document antifraud risk assessments.

10/09-04 Criteria: SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*, as amended by SAS No. 78, *Consideration of Internal Control in a Financial Statement Audit:* An amendment to SAS No. 55

Condition: Lack of segregation of duties in the Recorder's Office.

Context: During our audit, we noted a single employee has the ability to initiate, record, reconcile and monitor a single transaction.

Effect: A single employee has the ability to initiate, record, reconcile and monitor a single transaction. Lack of segregation of duties and monitoring means that errors or other problems, such as theft of cash, might not be recognized and resolved on a timely basis.

Cause: Lack of staff.

Recommendation: Hire another employee to segregate duties or find other ways to monitor transactions of employees.

Views of responsible officials and planned corrective actions: We will review the cost versus benefit of adding additional staff to alleviate the segregation of duties issue. Monitoring employee work will be implemented immediately.

10/09-05 Criteria: Monthly reconciliation of bank accounts.

Condition: Bank account reconciliations are not being properly prepared in the Recorder's Office, Collector's Office and the Drug Task Force Office.

Context: During our audit, we noted that the reconciliations of the Recorder's accounts are not being properly reconciled on a monthly basis due to including checks written in the following month of the month being reconciled for 2009 and 2010, the Collector's escrow account for 2010 and the JAG account for 2010.

Effect: Lack of proper reconciliation and monitoring of accounts may lead to errors that may not be found in a timely manner.

Cause: The Recorder's, Collector's and Drug Task Force account reconciliations are not being properly prepared.

II. FINANCIAL STATEMENT FINDINGS (concluded)

10/09-05 Recommendation: We recommend that these offices properly reconcile their accounts on a monthly basis and monitor the reconciliations to be sure they are being properly prepared. These reconciliations will ensure meaningful and accurate financial statements.

Views of responsible officials and planned corrective actions: We agree with the finding and will implement the recommendation immediately.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010 & 2009

The following findings, recommendations, and questioned costs are the results of the single audit of Barry County, Missouri for the fiscal years ended December 31, 2010 and 2009. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

2. Material Weakness: A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010 & 2009 (concluded)

2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than $10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

C. Federal Award Findings and Questioned Costs

SA10/09-01 All Programs

Significant Deficiency

Information on the federal programs: The schedule of expenditures of federal awards contained errors.

Criteria: Section .310(b) of Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, requires the County to prepare a SEFA for the period covered by the County's financial statements.

Condition: The County did not comply with OMB Circular A-133 section .310(b).

Questioned Costs: Not applicable.

Context: During our audit of the schedule of expenditures of federal awards, we noted numerous errors in the amounts reported on the schedule. Amounts reported were not supported by the documentation provided. Some of these errors were due to using revenues instead of expenditures while others were just errors.

Effect: Without an accurate and complete SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal funds.

Cause: The County did not implement prior year corrective action plans.

Recommendation: We recommend that County officials receive training in preparing the schedule of expenditures of federal awards.

Views of responsible officials and planned corrective actions: The County Clerk will work with all agencies receiving federal money to prepare an accurate schedule of expenditures of federal awards.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters in an Audit, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as FS 10/09-01.

FS 07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as FS 10/09-02.

FS 07/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as FS 10/09-03.

FS 07/08-04 Criteria: Lack of segregation of duties in the Sheriff's office.

Status: It appears no corrective action plan was implemented in 2009 but was resolved in the 2010 year.

FS 07/08-05 Criteria: Bank accounts are not timely reconciled on a monthly basis in the Sheriff and Collector's offices.

Status: It appears this finding has been resolved in the current audit year.

FS 07/08-06 Criteria: Misappropriation of assets in the Sheriff's Department.

Status: It appears this finding has been resolved in the current audit year.

II. PRIOR YEAR FEDERAL AWARD FINDINGS

SA 07/08-01 The schedule of expenditures of federal awards contained errors.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as SA10/09-01.

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

To the County Commissioners
Barry County, Missouri

In planning and performing our audit of the financial statements of the County of Barry ("County") as of and for the years ended December 31, 2010 and 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the County's internal control listed below to be significant deficiencies.

Our comments concerning internal control and other significant matters are presented as follows:

I. Deficiencies Considered to be Significant
II. Changes Impacting Governmental Organizations
III. Information Required by Professional Standards

Barry County's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, County Commissioners, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants

September 7, 2011

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

10/09-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, Communicating Internal Control Related Matters Identified in an Audit, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual financial statements. The County will pursue remedy for SAS 115 compliance if it is determined that it is required for a county of this size.

10/09-02

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT(Continued)

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual financial statements. Each official has their own internal controls within their office.

10/09-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The Commission will encourage all elected officials to review and document antifraud risk assessments.

10/09-04 Criteria: Segregation of duties.

Condition: Lack of segregation of duties in the Recorder's Office.

Context: During our audit, we noted a single employee has the ability to initiate, record, reconcile and monitor a single transaction.

Effect: A single employee has the ability to initiate, record, reconcile and monitor a single transaction. Lack of segregation of duties and monitoring means that errors or other problems, such as theft of cash, might not be recognized and resolved on a timely basis.

Cause: Lack of staff.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT(Continued)

Recommendation: Hire another employee to segregate duties or find other ways to monitor transactions of employees.

Views of responsible officials and planned corrective actions: We will review the cost versus benefit of adding additional staff to alleviate the segregation of duties issue. Monitoring employee work will be implemented immediately.

10/09-05 Criteria: Monthly reconciliation of bank accounts.

Condition: Bank account reconciliations are not being properly prepared in the Recorder's Office, Collector's Office and the Drug Task Force Office.

Context: During our audit, we noted that the reconciliations of the Recorder's accounts are not being properly reconciled on a monthly basis due to including checks written in the following month of the month being reconciled for 2009 and 2010, the Collector's escrow account for 2010 and the JAG account for 2010.

Effect: Lack of proper reconciliation and monitoring of accounts may lead to errors that may not be found in a timely manner.

Cause: The Recorder's, Collector's and Drug Task Force account reconciliations are not being properly prepared.

Recommendation: We recommend that these offices properly reconcile its accounts on a monthly basis and monitor the reconciliations to be sure they are being properly prepared. These reconciliations will ensure meaningful and accurate financial statements.

Views of responsible officials and planned corrective actions: We agree with the finding and will implement the recommendation immediately.

SA 10/09-01 Criteria: Section .310(b) of Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, requires the County to prepare a SEFA for the period covered by the County's financial statements.

Condition: The County did not comply with OMB Circular A-133 section .310(b).

Questioned Costs: Not applicable.

Context: During our audit of the schedule of expenditures of federal awards, we noted numerous errors in the amounts reported on the schedule. Amounts reported were not supported by the documentation provided. Some of these errors were due to using revenues instead of expenditures while others were just errors.

Effect: Without an accurate and complete SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal funds.

Cause: The County did not implement prior year corrective action plans.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT(Concluded)

Recommendation: We recommend that County officials receive training in preparing the schedule of expenditures of federal awards.

Views of responsible officials and planned corrective actions: The County Clerk will work with all agencies receiving federal money to prepare an accurate schedule of expenditures of federal awards.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

a. SAS 115, *Communicating Internal Control Related Matters Identified in an Audit*, is effective for periods ending on or after December 15, 2009 and supersedes SAS No. 112. This standard defines the terms *deficiency in internal control*, *significant deficiency*, and *material weakness*. It provides guidance on evaluating the severity of deficiencies in internal control identified in an audit of financial statements.

b. SAS 117, *Compliance Audits*, which supersedes SAS No. 74, is effective for compliance audits for periods ending on or after June 15, 2010. This SAS identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits and used in the SAS, and identifies the elements to be included in an auditor's report on a compliance audit. It reflects changes in the compliance audit environment and incorporates the risk assessment standards.

c. SAS 118, *Other Information in Documents Containing Audited Financial Statements*, is effective for audits of financial statements for periods beginning on or after December 15, 2010. This section addresses the auditor's responsibility in relation to other information in documents containing audited financial statements and the auditor's report thereon.

d. SAS 119, *Supplementary Information in Relation to the Financial Statements as a Whole*, is effective for audits of financial statements for periods beginning on or after December 15, 2010. This section addresses the auditor's responsibility when engaged to report on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *OMB Circular A-133*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 1, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. The County adopted the regulatory basis of accounting to report its financial statements for the years ended December 31, 2010 and 2009. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 7, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Marion County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Marion County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Nichols, Stopp, & VanHoy, LLC, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-73

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

The County of Marion
Palmyra, Missouri
Financial Statements, Independent Auditor's Reports, and Supplementary Information
December 31, 2010 & 2009

Nichols Stopp & VanHoy LLC
Certified Public Accountants

The County of Marion
Palmyra, Missouri
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Independent Auditor's Report

To the County Commission and
Officeholders of Marion County, Missouri

We have audited the accompanying financial statements of Marion County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Marion County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Marion County, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Marion County, Missouri, as of December 31, 2010 and 2009, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we also have issued our report dated July 8, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain

provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

Our audits were performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Nichols, Stopp, & VanHoy, LLC

Nichols, Stopp, & VanHoy, LLC
July 8, 2011

The County of Marion
Palmyra, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
Year Ended December 31, 2010

Fund	Cash and Equivalents January 1, 2010	Receipts 2010	Disbursements 2010	Cash and Equivalents December 31, 2010
General Revenue	$ 327,779.71	$ 4,592,374.81	$ 4,839,641.84	$ 80,512.68
Road & Bridge	68,145.48	1,880,558.74	1,893,922.84	54,781.38
Assessment	203.78	324,154.74	302,868.68	21,489.84
Law Enforcement Training	4,529.61	7,101.00	6,883.97	4,746.64
Sheriff	38,890.90	83,240.89	90,307.14	31,824.65
Drug Enforcement	993.10	-	-	993.10
Sheriff Revolving	22,091.71	12,584.86	5,433.00	29,243.57
Sheriff Dep. Salary Supp.	180.00	28,235.00	25,505.00	2,910.00
Domestic Violence	0.84	2,053.71	947.55	1,107.00
Law Enforcement Restitution	41,828.66	42,863.62	79,333.31	5,358.97
PA Training	1,698.68	1,211.93	748.70	2,161.91
PA Delinquent Tax	7,721.20	8,097.54	9,486.30	6,332.44
Capital Improvement	34,575.59	1,627,484.48	1,326,934.92	335,125.15
Continued Progress	257,678.14	-	257,678.14	-
LEPC	51,577.94	38,772.51	63,393.71	26,956.74
Recorder's Preservation	20,394.76	10,244.39	13,273.92	17,365.23
Recorder'sTech	21,515.55	5,841.08	7,495.98	19,860.65
Election Services	10,183.33	2,411.39	7,219.28	5,375.44
Election HAVA	(10,703.09)	15,854.45	10,058.86	(4,907.50)
Collector's Tax Maintenance	64,491.13	28,877.56	61,025.64	32,343.05
Total	$ 963,777.02	$ 8,711,962.70	$ 9,002,158.78	$ 673,580.94

See Notes to Financial Statements

The County of Marion
Palmyra, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
Year Ended December 31, 2009

Fund	Cash and Equivalents January 1, 2009 (Restated)	Receipts 2009	Disbursements 2009	Cash and Equivalents December 31, 2009
General Revenue	$ 235,573.59	$ 4,813,556.54	$ 4,721,350.42	$ 327,779.71
Road & Bridge	135,340.77	1,893,688.03	1,960,883.32	68,145.48
Assessment	6,215.02	340,283.02	346,294.26	203.78
Law Enforcement Training	332.73	7,882.22	3,685.34	4,529.61
Sheriff	49,888.09	96,538.46	107,535.65	38,890.90
Drug Enforcement	993.10	-	-	993.10
Sheriff Revolving	13,871.74	13,253.97	5,034.00	22,091.71
Sheriff Dep. Salary Supp.	-	1,410.00	1,230.00	180.00
Domestic Violence	0.98	2,000.86	2,001.00	0.84
Law Enforcement Restitution	99,069.35	43,390.38	100,631.07	41,828.66
PA Training	1,525.87	1,335.88	1,163.07	1,698.68
PA Delinquent Tax	8,742.80	8,626.79	9,648.39	7,721.20
Capital Improvement	59,218.00	1,411,621.26	1,436,263.67	34,575.59
Continued Progress	30,250.77	1,341,669.88	1,114,242.51	257,678.14
LEPC	31,585.55	41,483.58	21,491.19	51,577.94
Recorder's Preservation	14,269.67	11,289.03	5,163.94	20,394.76
Recorder'sTech	20,127.29	6,329.26	4,941.00	21,515.55
Election Services	10,631.80	5,361.27	5,809.74	10,183.33
Election HAVA	-	-	10,703.09	(10,703.09)
Collector's Tax Maintenance	56,984.91	29,617.53	22,111.31	64,491.13
Total	$ 774,622.03	$ 10,069,337.96	$ 9,880,182.97	$ 963,777.02

See Notes to Financial Statements

The County of Marion
Palmyra, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	General Revenue Fund			
	2010		2009	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ 425,000.00	$ 363,999.00	$ 325,000.00	$ 376,369.31
Sales Taxes	2,195,000.00	2,110,145.79	2,265,000.00	2,208,412.36
Intergovernmental	843,185.00	900,275.45	890,464.38	814,904.39
Charges for Services	876,050.00	732,162.04	824,050.00	897,773.92
Interest	12,000.00	3,712.54	24,000.00	10,338.92
Other	75,750.00	68,079.99	74,050.00	125,882.64
Transfers In	414,000.00	414,000.00	428,315.95	379,875.00
Total Receipts	$ 4,840,985.00	$ 4,592,374.81	$ 4,830,880.33	$ 4,813,556.54
Disbursements				
County Commission	$ 183,635.44	$ 182,502.88	$ 179,330.34	$ 177,146.84
County Clerk	232,827.16	232,152.76	230,941.57	227,570.54
Elections	147,500.69	117,874.11	73,444.79	71,284.80
Buildings and Grounds	206,560.30	186,743.29	202,895.39	192,412.79
Employee Fringe Benefits	57,000.00	85,081.57	47,000.00	39,784.24
Treasurer	85,090.06	84,565.20	83,484.95	81,777.13
Collector	241,353.81	231,399.73	241,251.33	240,668.08
Recorder of Deeds	194,413.12	187,805.00	194,332.09	192,807.06
Circuit Clerk	46,850.00	31,600.51	46,550.00	26,573.07
Associate Circuit Court	10,242.90	2,461.83	10,242.90	2,843.25
Probate Court	8,500.00	9,519.37	9,000.00	6,137.79
Court Administration	41,500.00	31,493.19	41,025.00	27,862.51
Public Administrator	178,885.68	177,159.68	177,921.84	178,056.44
Sheriff	601,762.72	610,782.84	600,907.13	582,318.54
Jail	1,764,836.56	1,742,639.58	1,753,064.31	1,772,196.13
Prosecuting Attorney	304,281.44	299,845.54	305,207.48	305,295.71
Juvenile Officer	146,158.00	92,366.92	146,146.37	94,869.69
Coroner	59,939.28	48,169.84	59,640.54	51,987.73
Planning and Zoning	17,407.63	12,754.49	13,750.25	10,935.93
Child Support Enforcement	116,134.91	115,243.95	129,668.28	127,436.94
TIF Wal-Mart Payments	104,140.00	112,993.12	85,140.00	85,782.01
Other	247,414.46	244,486.44	251,601.25	208,203.20
Transfers Out	19,800.00	-	35,000.00	17,400.00
Emergency Fund	145,500.00	-	146,500.00	-
Total Disbursements	$ 5,161,734.16	$ 4,839,641.84	$ 5,064,045.81	$ 4,721,350.42
Receipts Over (Under) Disbursements	$ (320,749.16)	$ (247,267.03)	$ (233,165.48)	$ 92,206.12
Cash, January 1	$ 327,779.71	$ 327,779.71	$ 235,573.59	$ 235,573.59
Cash, December 31	$ 7,030.55	$ 80,512.68	$ 2,408.11	$ 327,779.71

See Notes to Financial Statements

The County of Marion
Palmyra, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Road and Bridge Fund			
	2010		2009	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ 1,150,000.00	$ 1,123,412.29	$ 975,000.00	$ 1,163,506.48
Sales Taxes	-	-	-	-
Intergovernmental	495,842.94	512,928.69	530,433.30	492,609.75
Charges for Services	-	-	-	-
Interest	4,000.00	1,485.67	7,000.00	3,402.83
Other	123,000.00	78,732.09	128,500.00	234,168.97
Transfers In	54,000.00	164,000.00	200,000.00	-
Total Receipts	$ 1,826,842.94	$ 1,880,558.74	$ 1,840,933.30	$ 1,893,688.03
Disbursements				
Salaries	$ 727,486.00	$ 729,192.94	$ 739,452.00	$ 741,552.53
Employee Fringe Benefits	422,697.49	399,297.34	439,647.43	431,913.94
Supplies	258,200.00	254,825.56	255,200.00	190,878.69
Insurance	40,523.23	43,055.40	47,838.84	46,855.70
Road & Bridge Materials	247,500.00	281,830.33	237,500.00	258,464.57
Equipment Repairs	100,000.00	126,689.48	100,000.00	92,405.19
Rentals	500.00	-	500.00	-
Equipment Purchases	-	-	10,000.00	79,322.26
R & B Construction	2,000.00	-	2,000.00	2,547.86
Other Expenditures	95,650.00	59,031.79	91,850.00	68,501.63
Transfers Out	-	-	48,440.95	48,440.95
Total Disbursements	$ 1,894,556.72	$ 1,893,922.84	$ 1,972,429.22	$ 1,960,883.32
Receipts Over (Under) Disbursements	$ (67,713.78)	$ (13,364.10)	$ (131,495.92)	$ (67,195.29)
Cash, January 1	$ 68,145.48	$ 68,145.48	$ 135,340.77	$ 135,340.77
Cash, December 31	$ 431.70	$ 54,781.38	$ 3,844.85	$ 68,145.48

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The County of Marion
Palmyra, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Assessment Fund				Law Enforcement Training Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	328,744.00	320,119.95	323,600.00	320,351.35	-	-	-	-
Charges for Services	-	-	-	-	8,000.00	7,101.00	8,000.00	7,882.22
Interest	500.00	476.14	1,000.00	480.67	-	-	-	-
Other	2,000.00	3,558.65	2,000.00	2,051.00	-	-	-	-
Transfers In	19,800.00	-	35,000.00	17,400.00	-	-	-	-
Total Receipts	$ 351,044.00	$ 324,154.74	$ 361,600.00	$ 340,283.02	$ 8,000.00	$ 7,101.00	$ 8,000.00	$ 7,882.22
Disbursements								
Salaries	$ 227,086.52	$ 181,926.27	$ 239,608.05	$ 220,706.31	$ -	$ -	$ -	$ -
Employee Fringe Benefits	92,623.74	76,603.35	94,700.85	89,537.25	-	-	-	-
Materials and Supplies	5,000.00	4,615.45	7,000.00	7,353.41	-	-	-	-
Services and Other	17,000.00	17,473.30	11,500.00	19,204.60	5,000.00	6,883.97	8,000.00	3,685.34
Capital Outlay	9,000.00	22,250.31	13,000.00	9,492.69	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 350,710.26	$ 302,868.68	$ 365,808.90	$ 346,294.26	$ 5,000.00	$ 6,883.97	$ 8,000.00	$ 3,685.34
Receipts Over (Under) Disbursements	$ 333.74	$ 21,286.06	$ (4,208.90)	$ (6,011.24)	$ 3,000.00	$ 217.03	$ -	$ 4,196.88
Cash, January 1	$ 203.78	$ 203.78	$ 6,215.20	$ 6,215.02	$ 4,529.61	$ 4,529.61	$ 332.73	$ 332.73
Cash, December 31	$ 537.52	$ 21,489.84	$ 2,006.30	$ 203.78	$ 7,529.61	$ 4,746.64	$ 332.73	$ 4,529.61

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The County of Marion
Palmyra, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Sheriff Fund				Drug Enforcement Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	70,000.00	83,044.34	60,000.00	96,051.62	-	-	-	-
Interest	500.00	196.55	7,000.00	486.84	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	$ 70,500.00	$ 83,240.89	$ 67,000.00	$ 96,538.46	$ -	$ -	$ -	$ -
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	2,000.00	1,998.25	-	1,757.43	-	-	-	-
Services and Other	8,000.00	24,937.55	5,000.00	10,697.80	-	-	-	-
Capital Outlay	55,000.00	63,371.34	45,000.00	95,080.42	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 65,000.00	$ 90,307.14	$ 50,000.00	$ 107,535.65	$ -	$ -	$ -	$ -
Receipts Over (Under) Disbursements	$ 5,500.00	$ (7,066.25)	$ 17,000.00	$ (10,997.19)	$ -	$ -	$ -	$ -
Cash, January 1	$ 38,890.90	$ 38,890.90	$ 49,888.09	$ 49,888.09	$ 993.10	$ 993.10	$ 993.10	$ 993.10
Cash, December 31	$ 44,390.90	$ 31,824.65	$ 66,888.09	$ 38,890.90	$ 993.10	$ 993.10	$ 993.10	$ 993.10

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The County of Marion
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Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Sheriff Revolving Fund				Sheriff Deputy Salary Supp. Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	7,000.00	12,470.00	7,500.00	13,074.28	30,000.00	28,235.00	30,000.00	1,410.00
Interest	200.00	114.86	-	179.69	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	$ 7,200.00	$ 12,584.86	$ 7,500.00	$ 13,253.97	$ 30,000.00	$ 28,235.00	$ 30,000.00	$ 1,410.00
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	2,500.00	4,307.50	1,000.00	4,984.00	30,000.00	25,505.00	30,000.00	1,230.00
Capital Outlay	1,000.00	1,125.50	3,000.00	50.00	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 3,500.00	$ 5,433.00	$ 4,000.00	$ 5,034.00	$ 30,000.00	$ 25,505.00	$ 30,000.00	$ 1,230.00
Receipts Over (Under) Disbursements	$ 3,700.00	$ 7,151.86	$ 3,500.00	$ 8,219.97	$ -	$ 2,730.00	$ -	$ 180.00
Cash, January 1	$ 22,091.71	$ 22,091.71	$ 13,871.74	$ 13,871.74	$ 180.00	$ 180.00	$ -	$ -
Cash, December 31	$ 25,791.71	$ 29,243.57	$ 17,371.74	$ 22,091.71	$ 180.00	$ 2,910.00	$ -	$ 180.00

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The County of Marion
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Budget and Actual, All Governmental Funds: Regulatory Basis
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	Domestic Violence Fund			
	2010		2009	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	2,000.00	2,011.00	2,250.00	1,997.00
Interest	5.00	42.71	10.00	3.86
Other	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	$ 2,005.00	$ 2,053.71	$ 2,260.00	$ 2,000.86
Disbursements				
Salaries	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	2,000.00	947.55	2,250.00	2,001.00
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	$ 2,000.00	$ 947.55	$ 2,250.00	$ 2,001.00
Receipts Over (Under) Disbursements	$ 5.00	$ 1,106.16	$ 10.00	$ (0.14)
Cash, January 1	$ 0.84	$ 0.84	$ 0.98	$ 0.98
Cash, December 31	$ 5.84	$ 1,107.00	$ 10.98	$ 0.84

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Budget and Actual, All Governmental Funds: Regulatory Basis
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	Law Enforcement Restitution Fund				PA Training Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	48,000.00	42,768.68	45,000.00	42,637.34	1,500.00	1,211.93	1,500.00	1,335.88
Interest	800.00	94.94	4,500.00	753.04	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	$ 48,800.00	$ 42,863.62	$ 49,500.00	$ 43,390.38	$ 1,500.00	$ 1,211.93	$ 1,500.00	$ 1,335.88
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	50,000.00	79,333.31	50,000.00	100,631.07	1,500.00	748.70	1,500.00	1,163.07
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 50,000.00	$ 79,333.31	$ 50,000.00	$ 100,631.07	$ 1,500.00	$ 748.70	$ 1,500.00	$ 1,163.07
Receipts Over (Under) Disbursements	$ (1,200.00)	$ (36,469.69)	$ (500.00)	$ (57,240.69)	$ -	$ 463.23	$ -	$ 172.81
Cash, January 1	$ 41,828.66	$ 41,828.66	$ 99,069.35	$ 99,069.35	$ 1,698.68	$ 1,698.68	$ 1,525.87	$ 1,525.87
Cash, December 31	$ 40,628.66	$ 5,358.97	$ 98,569.35	$ 41,828.66	$ 1,698.68	$ 2,161.91	$ 1,525.87	$ 1,698.68

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Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	PA Delinquent Tax Fund			
	2010		2009	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	8,000.00	8,061.41	10,250.00	8,525.11
Interest	200.00	36.13	200.00	101.68
Other	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	$ 8,200.00	$ 8,097.54	$ 10,450.00	$ 8,626.79
Disbursements				
Salaries	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	10,000.00	9,486.30	4,800.00	9,648.39
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	$ 10,000.00	$ 9,486.30	$ 4,800.00	$ 9,648.39
Receipts Over (Under) Disbursements	$ (1,800.00)	$ (1,388.76)	$ 5,650.00	$ (1,021.60)
Cash, January 1	$ 7,721.20	$ 7,721.20	$ 8,742.80	8,742.80
Cash, December 31	$ 5,921.20	$ 6,332.44	$ 14,392.80	$ 7,721.20

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The County of Marion
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Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
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	Capital Improvement Fund				Continued Progress Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	1,340,000.00	1,316,814.48	-	-	-	-	1,345,000.00	1,338,034.67
Intergovernmental	50,000.00	38,407.55	950,000.00	1,116,491.52	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	3,000.00	3,233.15	-	-	-	-	15,000.00	3,635.21
Other	100.00	11,351.16	100.00	95,129.74	-	-	-	-
Transfers In	257,678.14	257,678.14	229,375.00	200,000.00	-	-	-	-
Total Receipts	$1,650,778.14	$ 1,627,484.48	$ 1,179,475.00	$ 1,411,621.26	$ -	$ -	$ 1,360,000.00	$ 1,341,669.88
Disbursements								
UMB COP Payment	$ -	$ 513,183.08	$ -	$ -	$ 508,541.25	$ -	$ 540,562.50	$ 544,367.51
Trustee Fee Expense	-	-	-	-	-	-	-	-
Other Expenses	573,940.44	813,751.84	1,234,135.66	1,436,263.67	458,000.00	257,678.14	799,250.00	569,875.00
Total Disbursements	573,940.44	1,326,934.92	1,234,135.66	1,436,263.67	966,541.25	257,678.14	1,339,812.50	1,114,242.51
Receipts Over (Under) Disbursements	$1,076,837.70	$ 300,549.56	$ (54,660.66)	$ (24,642.41)	$ (966,541.25)	$(257,678.14)	$ 20,187.50	$ 227,427.37
Cash, January 1	$ 34,575.59	$ 34,575.59	$ 59,218.00	$ 59,218.00	$ 257,678.14	$ 257,678.14	$ 30,250.77	$ 30,250.77
Cash, December 31	$1,111,413.29	$ 335,125.15	$ 4,557.34	$ 34,575.59	$ (708,863.11)	$ -	$ 50,438.27	$ 257,678.14

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The County of Marion
Palmyra, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	LEPC Fund				Recorder's Preservation Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	8,583.18	-	10,000.00	-	-	-	-
Charges for Services	-	30,000.00	10,000.00	-	11,300.00	10,174.00	11,500.00	10,050.00
Interest	300.00	189.33	300.00	370.08	1,000.00	70.39	250.00	1,239.03
Other	10,000.00	-	-	31,113.50	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	$ 10,300.00	$ 38,772.51	$ 10,300.00	$ 41,483.58	$ 12,300.00	$ 10,244.39	$ 11,750.00	$ 11,289.03
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	2,000.00	-	2,000.00	-	-	-	-	-
Services and Other	50,850.00	61,997.71	15,500.00	17,320.15	15,000.00	13,273.92	9,000.00	5,163.94
Capital Outlay	5,000.00	1,396.00	7,000.00	4,171.04	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 57,850.00	$ 63,393.71	$ 24,500.00	$ 21,491.19	$ 15,000.00	$ 13,273.92	$ 9,000.00	$ 5,163.94
Receipts Over (Under) Disbursements	$ (47,550.00)	$ (24,621.20)	$ (14,200.00)	$ 19,992.39	$ (2,700.00)	$ (3,029.53)	$ 2,750.00	$ 6,125.09
Cash, January 1	$ 51,577.94	$ 51,577.94	$ 31,585.55	$ 31,585.55	$ 20,394.73	$ 20,394.76	$ 14,269.67	$ 14,269.67
Cash, December 31	$ 4,027.94	$ 26,956.74	$ 17,385.55	$ 51,577.94	$ 17,694.73	$ 17,365.23	$ 17,019.67	$ 20,394.76

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The County of Marion
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Budget and Actual, All Governmental Funds: Regulatory Basis
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	Recorder's Tech Fund				Election Services Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	6,300.00	5,765.29	6,000.00	6,128.75	4,500.00	2,379.45	4,000.00	5,257.11
Interest	200.00	75.79	350.00	200.51	100.00	31.94	150.00	104.16
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	$ 6,500.00	$ 5,841.08	$ 6,350.00	$ 6,329.26	$ 4,600.00	$ 2,411.39	$ 4,150.00	$ 5,361.27
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	5,000.00	7,495.98	7,500.00	4,941.00	10,300.00	7,219.28	8,000.00	5,809.74
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 5,000.00	$ 7,495.98	$ 7,500.00	$ 4,941.00	$ 10,300.00	$ 7,219.28	$ 8,000.00	$ 5,809.74
Receipts Over (Under) Disbursements	$ 1,500.00	$ (1,654.90)	$ (1,150.00)	$ 1,388.26	$ (5,700.00)	$ (4,807.89)	$ (3,850.00)	$ (448.47)
Cash, January 1	$ 21,515.55	$ 21,515.55	$ 20,127.29	$ 20,127.29	$ 10,183.33	$ 10,183.33	$ 10,631.80	$ 10,631.80
Cash, December 31	$ 23,015.55	$ 19,860.65	$ 18,977.29	$ 21,515.55	$ 4,483.33	$ 5,375.44	$ 6,781.80	$ 10,183.33

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The County of Marion
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Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
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	Election HAVA Fund				Collector's Tax Maintenance Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	18,263.80	15,854.45	-	-	-	-	-	-
Charges for Services	-	-	-	-	34,300.00	27,825.59	32,000.00	28,985.39
Interest	-	-	-	-	700.00	1,051.97	1,000.00	632.14
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	$ 18,263.80	$ 15,854.45	$ -	$ -	$ 35,000.00	$ 28,877.56	$ 33,000.00	$ 29,617.53
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	1,000.00	318.50	750.00	597.91
Services and Other	11,638.00	1,750.00	-	5,707.74	19,500.00	12,785.02	19,250.00	16,681.35
Capital Outlay	6,625.80	8,308.86	-	4,995.35	25,000.00	47,922.12	15,000.00	4,832.05
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 18,263.80	$ 10,058.86	$ -	$ 10,703.09	$ 45,500.00	$ 61,025.64	$ 35,000.00	$ 22,111.31
Receipts Over (Under) Disbursements	$ -	$ 5,795.59	$ -	$ (10,703.09)	$ (10,500.00)	$ (32,148.08)	$ (2,000.00)	$ 7,506.22
Cash, January 1	$ (10,703.09)	$ (10,703.09)	$ -	$ -	$ 64,491.13	$ 64,491.13	$ 56,984.91	$ 56,984.91
Cash, December 31	$ (10,703.09)	$ (4,907.50)	$ -	$ (10,703.09)	$ 53,991.13	$ 32,343.05	$ 54,984.91	$ 64,491.13

See Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies

Organized in 1826, the county of Marion was named after Francis Marion of the Revolution. Marion County is a county-organized, third-class county and is part of the Tenth Judicial Circuit. The county seat is Palmyra. Marion County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, an ex officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Marion County, Missouri.

Marion County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Marion County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered by the Missouri State Auditor's Office to comprise Marion County's legal entity.

Certain elected County officials, such as the County Collector, Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

The Marion County 911 Board and the Marion County SB40 Board, although funds of the county with separately appointed or elected boards, are separately audited by independent certified public accountants, and, therefore, not included in the audit report. For copies of the audited financial statements, please contact the Marion County 911 Board at (573) 221-1121 and the Marion County SB40 Board at (573) 248-1077.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Marion County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If Marion County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Marion County adopts a budget for each governmental fund.

On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

During our audit we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The Law Enforcement Training Fund, Sheriff's Fund, Sheriff's Revolving Fund, Law Enforcement Restitution Fund, PA Delinquent Tax Fund, Local Emergency Planning Council Fund, Recorder's Technology Fund, Election HAVA Fund, and Collectors Tax Maintenance Fund all had expenses exceeding their budget.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Note 1 - Summary of Significant Accounting Policies (continued)

Budget and Budgetary Accounting (concluded)

Prior to February 1, the budget is legally enacted by a vote of the County.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

Budgets are prepared and adopted on the cash basis of accounting.

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within Marion County's boundaries for the calendar year 2010 and 2009, for the purposes of taxation was:

	2010	2009
Real Estate	240,558,750	227,396,240
Personal Property	90,004,480	96,977,160
Railroad and Utilities	18,764,082	16,770,959
	349,327,312	$ 341,146,368

The tax levy respectively per $100 assessed valuation of tangible taxable property for the calendar year 2010 and 2009, for the purpose of County taxation, as follows:

	2010	2009
General Revenue Fund	$ 0.1057	$ 0.1138
Road and Bridge	0.3393	0.3341
	$ 0.4450	$ 0.4479

The County also receives sales tax collected by the State and remitted based on the County’s sales tax rate to the total sales tax collected in the County.

Note 1 - Summary of Significant Accounting Policies (concluded)

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Marion County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Marion County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the Balance Sheet Governmental Funds arising from cash transactions as "Cash and Equivalents" under each fund's caption.

Deposits - Missouri statues require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amount of Marion County's deposits was $673,580.94 and $963,777.02 and the bank balance was $966,808.83 and $1,432,204.03 respectively. As of December 31, 2010, 100% of Marion County's investments were guaranteed by the U.S. Government.

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2010, as follows:

Deposits	673,580.94
Investments	-
Restricted Cash	-
Total Deposits & Investments as of December 31, 2010	673,580.94

Note 2 - Deposits and Investments (concluded)

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2009, as follows:

Deposits	963,777.02
Investments	-
Restricted Cash	-
Total Deposits & Investments as of December 31, 2009	963,777.02

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Marion County's investment policy does not include custodial credit risk requirements. Marion County's deposits were not exposed to custodial credit risk for the years ended December 31, 2010, and 2009.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Marion County or its agent but not in the government's name. Marion County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of Marion County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Marion County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by Marion County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Marion County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. Marion County's deposits were not exposed to concentration of investment credit risk for the years ended in December 31, 2010 and 2009.

Note 3 - Long-Term Debt

Certificates of Participation consist of:

The 2009 Series - $2,200,000 original principal lease Certificates of Participation, due in varying annual principal installments ranging from $470,000 to $280,000 through December 1, 2014. Interest rate is variable from 1.75% to 2.75%. Principal payment are made annually on June 1, and interest is paid semi-annually.

The 2006 Series - $584,000 original principal lease Certificates of Participation, due in varying annual principal installments ranging from $29,000 to $50,000 through June 1, 2021. Interest rate is variable from 4.00% to 4.70%. Principal payment are made annually on June 1, and interest is paid semi-annually.

The 2004 Series - $4,395,000 original principal lease Certificates of Participation, due in varying annual principal installments ranging from $340,000 to $505,000 through December 1, 2014. Interest rate is variable from 2.25% to 4.10%. Principal payment are made annually on December 1, and interest is paid semi-annually. The 2004 series was refunded by the 2009 series on December 1, 2009.

The following are details of the Certificates of Participation transactions for the years ended December 31, 2010 and 2009:

		2010			
Debt	Balance at 1/1/2010	Amount Borrowed	Amount Repaid	Balance at 12/31/2010	Interest Paid During Year
2006 COP's	$ 495,000.00	$ -	$ 30,000.00	$ 465,000.00	$ 22,972.01
Total	$ 495,000.00	$ -	$ 30,000.00	$ 465,000.00	$ 22,972.01

Debt	Balance at 1/1/2010	Amount Borrowed	Amount Repaid	Balance at 12/31/2010	Interest Paid During Year
2009 COP's	$2,200,000.00	$ -	$ 470,000.00	$1,730,000.00	$ 43,183.08
Total	$2,200,000.00	$ -	$ 470,000.00	$1,730,000.00	$ 43,183.08

		2009			
Debt	Balance at 1/1/2009	Amount Borrowed	Amount Repaid	Balance at 12/31/2009	Interest Paid During Year
2004 COP's	$2,810,000.00	$ -	$2,810,000.00	$ -	$ 105,562.50
Total	$2,810,000.00	$ -	$2,810,000.00	$ -	$ 105,562.50

Note 3 - Long-Term Debt (continued)

	2009				
Debt	Balance at 1/1/2009	Amount Borrowed	Amount Repaid	Balance at 12/31/2009	Interest Paid During Year
2006 COP's	$ 525,000.00	$ -	$ 30,000.00	$ 495,000.00	$ 22,657.50
Total	$ 525,000.00	$ -	$ 30,000.00	$ 495,000.00	$ 22,657.50

Debt	Balance at 1/1/2009	Amount Borrowed	Amount Repaid	Balance at 12/31/2009	Interest Paid During Year
2009 COP's	$ -	$2,200,000.00	$ -	$2,200,000.00	$ -
Total	$ -	$2,200,000.00	$ -	$2,200,000.00	$ -

2010 Amortizations:

Series 2006 Certificates of Participation Schedule

Year	Principal	Interest	Total
2011	35,000.00	75,850.00	110,850.00
2012	35,000.00	18,678.75	53,678.75
2013	35,000.00	17,226.25	52,226.25
2014	40,000.00	15,630.00	55,630.00
2015-2021	320,000.00	54,945.00	374,945.00
Total	465,000.00	182,330.00	647,330.00

Series 2009 Certificates of Participation Schedule

Year	Principal	Interest	Total
2011	475,000.00	39,175.00	514,175.00
2012	485,000.00	30,862.50	515,862.50
2013	490,000.00	19,950.00	509,950.00
2014	280,000.00	7,700.00	287,700.00
Total	1,730,000.00	97,687.50	1,827,687.50

Note 3 - Long-Term Debt (continued)

2009 Amortizations:

Series 2006 Certificates of Participation Schedule

Year	Principal	Interest	Total
2010	$ 30,000.00	$ 21,457.50	$ 51,457.50
2011	$ 35,000.00	$ 75,850.00	$ 110,850.00
2012	$ 35,000.00	$ 18,678.75	$ 53,678.75
2013	$ 35,000.00	$ 17,226.25	$ 52,226.25
2014-2021	$ 360,000.00	$ 70,575.00	$ 430,575.00
Total	$ 495,000.00	$ 203,787.50	$ 698,787.50

Series 2009 Certificates of Participation Schedule

Year	Principal	Interest	Total
2010	$ 470,000.00	$ 45,581.25	$ 515,581.25
2011	$ 475,000.00	$ 39,175.00	$ 514,175.00
2012	$ 485,000.00	$ 30,862.50	$ 515,862.50
2013	$ 490,000.00	$ 19,950.00	$ 509,950.00
2014	$ 280,000.00	$ 7,700.00	$ 287,700.00
Total	$ 2,200,000.00	$ 143,268.75	$ 2,343,268.75

Note 4 - Interfund Transfers

Transfers between funds for the years ended December 31, 2010 and 2009 are as follows:

	2010		2009	
	Transfers In	Transfers Out	Transfers In	Transfers Out
Major Funds:				
General Revenue	$ 414,000.00	$ -	$ 428,315.95	$ 17,400.00
Road & Bridge	164,000.00	-	-	48,440.95
Assessment	-	-	17,400.00	-
Capital Improvements	257,678.14	568,000.00	200,000.00	-
Continued Progress	-	257,678.14	-	569,875.00
Collector's Tax Maintenance	-	10,000.00	-	10,000.00
Total	$ 835,678.14	$ 835,678.14	$ 645,715.95	$ 645,715.95

Note 5 - Local Government Employees Retirement System (LAGERS)

Marion County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statue, section RSMo. 70.600- 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly.

The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO, 65102 or by calling 1-800-447-4334.

Funding Status

Marion County's full time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rates for 2010 are 12.9% (general) and 9.1% (police), for 2009 they are 11.9% (general) and 8.1% (police) of the annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

Annual Pension Cost (APC) and Net Pension Obligation (NPO)

For 2010, the political subdivision's annual pension cost of $378,586 was equal to the annual required contributions and the remaining net pension obligation. The 2010 required contribution was determined as part of the February 29, 2008 and/or February 28,2009 annual actuarial valuation using the entry age actuarial cost method. For 2009, the political subdivision's annual pension cost of $468,191 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2007 and/or February 29, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included: (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement morality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women, and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis for 2009 and 2010. The amortization period of February 29, 2008 was 15 years for the General division and 15 years for the Police division. The amortization period of February 28, 2009, was 30 years for the General division and 9 years for the Police division.

Note 5 - Local Government Employees Retirement System (LAGERS) (continued)

Three Year Trend Information - 2010

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	$ 696,850	100.0%	$ -
6/30/2009	468,191	100.0%	-
6/30/2010	378,586	93.3%	25,365

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b -a) / c] UAL as a Percentage of Covered Payroll
6/30/2008	$ 5,231,835	$ 6,047,274	$ 815,439	87%	$ 2,959,937	28%
6/30/2009	$ 4,746,963	$ 6,252,741	$ 1,505,778	76%	$ 2,867,382	53%
6/30/2010	$ 5,009,231	$ 6,368,566	$ 1,359,335	79%	$ 2,932,531	46%

Note: The above assets and actuarial liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

Three Year Trend Information - 2009

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2007	$ 222,523	100%	$ -
6/30/2008	696,850	100%	-
6/30/2009	468,191	100%	-

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b -a) / c] UAL as a Percentage of Covered Payroll
6/30/2007	$ 4,885,058	$ 4,373,766	$ (511,292)	112%	$ 2,646,939	0%
6/30/2008	$ 5,231,835	$ 6,047,274	$ 815,439	87%	$ 2,959,937	28%
6/30/2009	$ 4,746,963	$ 6,252,741	$ 1,505,778	76%	$ 2,867,382	53%

Note: The above assets and actuarial liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

Note 6 - County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees. The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government.

It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Section 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

Pension Benefits:

Beginning January 1, 1997, employees attaining the age of sixty-two may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar amount, targeted replacement ratio formula, and the prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death. Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for the police department, all other departments in the county the age is sixty. Any member with less than eight years creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions. The County Employee's Retirement Fund issues audited financial statements.

Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P. O. Box 2271, Jefferson City, MO, 65102-2271, or by calling 1-573-632-9203.

Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in CERF. During 2010 and 2009, the County collected and remitted to CERF. Of the 6% contribution, 4% is contributed by the County and the remaining 2% is covered through employee contributions to LAGERS.

Note 7 - Prosecuting Attorney Retirement Fund

In accordance with state statue Chapter 56.807 RSMo, Marion County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. Marion County has contributed $7,106 and $13,379, respectively, for the years ended December 31, 2010 and 2009.

Note 8 - Post-Employment Benefits

Marion County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by Marion County.

Note 9 - Claims, Commitments and Contingencies

Litigation

Marion County is not involved in any pending litigations as of December 31, 2010.

Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is not reimbursed for unused vacation and overtime, if applicable. Sick time is paid for at the rate of 50% for any unused sick pay up to 120 hours. These have not been subjected to auditing procedures.

Note 10 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuance to state statue (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make specific assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Injured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and its reinsured up to the statutory limit through excess insurance.

Note 11 - Prior Period Adjustments

January 1, 2009 cash has been restated to include the Sheriffs Fund and the PA Delinquent Tax Fund.

The County of Marion
Palmyra, Missouri
Schedule of State Findings
December 31, 2010 & 2009

Schedule of State Findings

During our audit we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The Law Enforcement Training Fund, Sheriff's Fund, Sheriff's Revolving Fund, Law Enforcement Restitution Fund, PA Delinquent Tax Fund, Local Emergency Planning Council Fund, Recorder's Technology Fund, Election HAVA Fund, and Collectors Tax Maintenance Fund all had expenses exceeding their budget.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Marion County, Missouri

We have audited the accompanying financial statements of Marion County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated July 8, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Marion County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Marion County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Marion County, Missouri's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting: FS 10/09-1, FS 10/09-2, and FS 10/09-3. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marion County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs FS 10/09-4.

Marion County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Marion County, Missouri's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, County Commission, County Officeholders, others within the entity, Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Nichols, Stopp, & VanHoy, LLC

Creve Coeur, Missouri
July 8, 2011

Nichols Stopp & VanHoy LLC
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission and
Officeholders of Marion County, Missouri

Compliance

We have audited Marion County, Missouri's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Marion County, Missouri's major federal programs for the year ended December 31, 2010 and 2009. Marion County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Marion County, Missouri's management. Our responsibility is to express an opinion on Marion County, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Marion County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Marion County, Missouri's compliance with those requirements.

In our opinion, Marion County, Missouri complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and 2009.

Internal Control Over Compliance

Management of Marion County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Marion County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Marion County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items SA 10/09-1 and 10/09-2. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Marion County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Marion County, Missouri's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, County Commission, County Officeholders, others within the entity, Missouri State Auditor's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Nichols, Stopp, & VanHoy, LLC

Creve Coeur, Missouri
July 8, 2011

The County of Marion
Palmyra, Missouri
Schedule of Expenditures of Federal Awards
Years Ended December 31, 2010 and 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31, 2010	2009
U.S. Department of Transportation				
Passed through state:				
Highway and Transportation Commission -				
Highway Planning and Construction	20.205	BRO - 064(20)	38,809.00	
Highway Planning and Construction	20.205	SRTS-INF-H283	8,475.00	
Highway Planning and Construction	20.205	BRO - 064(15)		942,734.61
Department of Public Safety -				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HMEP		30,000.00
		EPA		10,000.00
Total U.S. Department of Transportation			47,284.00	982,734.61
U.S. Department of Housing and Urban Development				
Passed through state:				
Department of Social Services				
Emergency Shelter Grants Program	14.231	ERO1640930		6,289.00
Election Assistance Commission				
Passed through state:				
Office of Secretary of State -				
Help America Vote Act Requirements Payments	90.401	HAVA	2,252.67	
General Services Administration				
Passed through state:				
Office of Secretary of State -				
Election Reform Payments	39.011		7,557.00	
U.S. Department of Health and Human Services				
Passed through state:				
Department of Social Services -				
Child Support Enforcement	93.563		142,626.97	115,378.87
Voting Access for Individuals with Disabilities	93.617			4,776.40
Total U.S. Department of Health and Human Services			142,626.97	120,155.27
U.S. Department of Homeland Security				
Passed through state:				
Department of Public Safety -				
Disaster Grants - Public Assistance Grants	97.036	FEMA	289,214.97	151,483.48
Total Expenditures of Federal Awards			488,935.61	1,260,662.36

The County of Marion
Palmyra, Missouri
Notes to Schedule of Expenditures of Federal Awards
December 31, 2010 & 2009

Note 1 - Summary of Significant Accounting Policies

Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Marion County, Missouri.

Basis of Presentation

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Basis of Accounting

The Accompanying schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Note 2 - Subrecipients

The county provided one federal award to a subrecipient during the year ended December 31, 2009. A non-profit organization expended $6,289 of Emergency Shelter Grants Program monies that were passed through Marion County, Missouri.

The County of Marion
Palmyra, Missouri
Schedule of Findings and Questioned Cost
Years Ended December 31, 2010 and 2009

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued		Unqualified Regulatory Basis	
Internal control over financial reporting:			
Material weakness(es) identified?	2010	____ Yes	_X_ No
	2009	____ Yes	_X_ No
Significant deficiencies identified that are not considered to be material weaknesses?	2010	_X_ Yes	____ None Reported
	2009	_X_ Yes	____ None Reported
Any noncompliance material to financial statements noted?	2010	_X_ Yes	____ No
	2009	_X_ Yes	____ No

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	2010	____ Yes	_X_ No
	2009	____ Yes	_X_ No
Significant deficiencies identified not considered to be material weaknesses?	2010	_X_ Yes	____ None Reported
	2009	_X_ Yes	____ None Reported
Type of auditor's report issued on compliance for major programs:	2010	Unqualified	
	2009	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133?	2010	_X_ Yes	___ No
	2009	_X_ Yes	___ No

Identification of Major Programs:

CFDA Number	Year	Name of Federal Program or Cluster
97.036	2010	Disaster Grants - Public Assistance Grants
20.205	2009	Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs:		$300,000	
Auditee qualified as low-risk auditee?	2010	____ Yes	_X_ No
	2009	____ Yes	_X_ No

Section 2 - Financial Statement Findings

FS 10/09-01 Condition: During the current year, it was necessary for the auditors of the County to assist with the preparation of the external financial statements and the notes to financial statements.

Effect: If the management of the County does not have the ability to prepare the external financial statements and the notes to the financial statements without the assistance of the auditors, management may be unable to review and take responsibility of the financial statements and notes.

Cause: Management of the County does not possess the technical accounting skills to prepare the external financial statements without the assistance of the auditors.

Recommendation: We recommend the County either provide training to current management, hire additional staff who possess the accounting skills needed to prepare and review the external financial statements, or contract with an outside accountant to prepare and review the external financial statements.

Management's Response: Marion County has prepared the 2010 and 2009 financial statements in compliance with Missouri Revised Statute 50.815.

FS 10/09-02 Condition: Documentation of the County's internal controls has not been prepared.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal control.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: Marion County will take the recommendation under advisement.

FS 10/09-03 Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate audit risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

FS 10/09-03 Cont. Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: Marion County will take the recommendation under advisement.

FS 10/09-04 Condition: During our audit, we noted several funds with actual expenditures that exceeded the budgeted expenditures.

Effect: Missouri Statues requires Counties to prepare an annual budget and expenditures are not to exceed the budget. Due to exceeding budget in certain funds the County is in violation of Missouri Revised Statutes.

Cause: Oversight

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The County has already established the procedure to amend the budget effective January 1, 2011 as needed to the State Auditor's Office.

The County of Marion
Palmyra, Missouri
Schedule of Findings and Questioned Costs
December 31, 2010 & 2009

Section 3 - Federal Award Findings and Questioned Costs for the Fiscal Years Ended December 31, 2010 and 2009

The following findings, recommendations, and questioned costs are the results of the single audit of Marion County, Missouri for fiscal years ended December 31, 2010 and 2009. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance

Category of Internal Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

Significant Deficiency: A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more that inconsequential will not be prevented or detected by the entity's internal control.

Material Weakness: A material weakness in internal control over compliance is a significant deficiency or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations with appear:

Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement.*

Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than $10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

Federal Award Findings and Questioned Costs

Finding Number	Type of Finding/Questioned Costs	Findings and Recommendations
SA 10/09-1	Other Information: Significant Deficiency	**Findings:** The Schedule of Expenditures of Federal Awards contained errors. Controls were not in place to ensure that the schedule of expenditures of Federal Awards (SEFA) was prepared in accordance with federal requirements. The OMB Circular A-133 requires that the SEFA provide total federal awards expended for each individual federal program. It states that the determination of when an award is expended should be based on when the activity related to the award occurs, such as when the expenditures takes place.

The County of Marion
Palmyra, Missouri
Schedule of Findings and Questioned Costs
December 31, 2010 & 2009

Finding Number	Type of Finding/Questioned Costs	Findings and Recommendations
SA 10/09-1 cont.	Other Information: Significant Deficiency	The Schedule of Expenditures of Federal Awards (SEFA) was prepared with various errors. These errors are described below: Expenditures listed on the SEFA schedule submitted to the State Auditor's Office were incorrect. Expenditures listed on the SEFA did not agree to the general ledger. **Recommendation:** The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office. **Management's Response:** Marion County will take the recommendation under advisement.
SA 10/09-2	Other Information: Significant Deficiency	**Findings:** Documentation of internal control over compliance with single audit requirements has not been documented. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively. **Recommendation:** We recommend that the County develop the required internal control documentation over compliance with single audit requirements. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively. **Management's Response:** Marion County will take the recommendation under advisement.

The County of Marion
Palmyra, Missouri
Follow-Up on Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards

In accordance with Government Auditing Standards, this section reports the auditor's follow-up on action taken by Marion County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2008.

FS 08/07-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under the Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters in an Audit, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Status: Unchanged.

FS 08/07-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit,* which is effective for the period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare financial statements.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Status: Unchanged.

FS 08/07-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate audit risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Status: Unchanged

The County of Marion
Palmyra, Missouri
Summary Schedule of Prior Audit Findings In Accordance with OMB Circular A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133, requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

Finding Number	Type of Finding/Questioned Costs	Findings and Recommendations
SA 08/07-1	Other Information: Significant Deficiency	**Findings:** Weakness in control over expenditures in compliance with single audit requirements. To prepare the Schedule of Expenditures of Federal Awards (SEFA) report, the County used Revenues instead of expenditures. Because the program is reimbursement in nature, revenues equal expenditures. **Recommendation:** The County should track all federal expenditures in the general ledger system by adding a grant code at the end of the account code. **Status:** The County has resolved this issue and now uses expenditures to prepare the Schedule of Expenditures of Federal Awards.
SA 08/07-2	Other Information: Significant Deficiency	**Findings:** The Schedule of Expenditures of Federal Awards contained errors. Controls were not in place to ensure that the schedule of expenditures of Federal Awards (SEFA) was prepared in accordance with federal requirements. The OMB Circular A-133 requires that the SEFA provide total federal awards expended for each individual federal program. It states that the determination of when an award is expended should be based on when the activity related to the award occurs, such as when the expenditures takes place. The Schedule of Expenditures of Federal Awards (SEFA) was prepared with various errors. These errors are described below: The SEFA schedule contained several incorrect CFDA numbers of federal programs. Expenditures listed on the SEFA schedule submitted to the State Auditor's Office were incorrect. Revenue was used to prepare the SEFA instead of Expenditures. Actual Expenditures were not agreed to the general ledger.

SA 08/07-2 (Cont.)	Other Information: Significant Deficiency	**Recommendation:** The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office. **Status:** The County has resolved part of this issue and now uses the correct CFDA number, however, some expenditures were still incorrect on the Schedule of Expenditures of Federal Awards.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Warren County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Warren County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-72

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ANNUAL FINANCIAL REPORT

WARREN COUNTY, MISSOURI

For the Years Ended
December 31, 2010 and 2009

WARREN COUNTY, MISSOURI

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INTRODUCTORY SECTION

WARREN COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Arden Engelage
Associate Commissioner – Dan Hampson
Associate Commissioner – Hubert Kluesner

Other Elected Officials

Assessor – Wendy Norwald
Circuit Clerk/Recorder – Brenda Eggering
Collector – Linda Stude
Coroner – Roger Mauzy
County Clerk – Barbara Daly
Prosecuting Attorney – Michael Wright
Public Administrator – Jeff Hoelscher
Sheriff – Kevin Harrison
Treasurer – Gene Cornell

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CERTIFIED PUBLIC ACCOUNTANTS

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Warren County, Missouri

We have audited the accompanying financial statements of Warren County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Warren County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Warren County, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Warren County, Missouri, as of December 31, 2010 and 2009, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards,* we also have issued our report dated June 10, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Warren County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

(Original Signed by Auditor)

McBride, Lock & Associates
June 10, 2011

FINANCIAL SECTION

WARREN COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2010

Fund	Cash January 1, 2009 (Note 7)	Receipts 2009	Disbursements 2009	Cash December 31, 2009	Receipts 2010	Disbursements 2010	Cash December 31, 2010
General Revenue	$ 2,036,775	$ 3,038,515	$ 3,485,223	$ 1,590,067	$ 3,212,705	$ 3,316,692	$ 1,486,080
Special Road & Bridge	1,302,888	1,678,656	1,501,954	1,479,590	2,237,559	2,053,721	1,663,428
Assessment	181,914	487,579	445,429	224,064	497,833	476,631	245,266
Law Enforcement	91,505	3,122,852	2,980,710	233,647	2,996,827	3,064,247	166,227
Officers Training	18,733	20,913	25,137	14,509	13,431	26,039	1,901
Prosecuting Attorney Training	33,749	2,023	-	35,772	1,891	-	37,663
Capital Improvement	4,847,771	1,248,793	590,532	5,506,032	834,739	784,383	5,556,388
Delinquent Tax	8,282	3,646	3,790	8,138	3,581	4,795	6,924
Bad Check	38,084	18,745	8,371	48,458	13,919	7,835	54,542
Recorder User	95,541	16,518	60	111,999	27,209	14,525	124,683
Health Reimbursement	-	-	-	-	63,000	1,560	61,440
Sheriff's Civil Fees	7,718	45,372	35,563	17,527	38,274	52,508	3,293
Road and Bridge Capital	59,559	101,059	-	160,618	101,496	-	262,114
Prosecuting Attorney Forfeiture	4,842	64	484	4,422	100	129	4,393
Election Services	19,090	11,970	8,919	22,141	5,824	13,204	14,761
Recorder Technology	30,914	10,800	9,782	31,932	9,091	4,265	36,758
Sheriff's Forfeiture	3,206	34	681	2,559	25	-	2,584
Tax Maintenance	216,348	60,464	13,505	263,307	65,040	6,416	321,931
Sheriff's Revolving	7,665	38,336	30,212	15,789	28,277	20,897	23,169
County Clerk HAVA	-	7,309	7,309	-	9,157	9,157	-
Federal Grant	-	123,844	123,844	-	596,334	578,431	17,903
Local Emergency Planning Committee	10,935	8,471	7,835	11,571	4,630	3,201	13,000
Drug Abuse Resistance Education	6,059	71	999	5,131	45	1,000	4,176
Vending	801	941	842	900	470	875	495
Inmate Security	9,206	12,229	8,455	12,980	17,478	21,653	8,805
Domestic Violence	11,607	12,575	11,607	12,575	9,707	12,575	9,707
Senate Bill 40	449,093	891,167	874,535	465,725	973,493	940,876	498,342
Total	$ 9,492,285	$ 10,962,946	$ 10,175,778	$ 10,279,453	$ 11,762,135	$ 11,415,615	$ 10,625,973

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A

WARREN COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	GENERAL REVENUE FUND Year Ended December 31,			
	2009		2010	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ 525,000	$ 598,605	$ 567,000	$ 716,565
Sales taxes	1,250,000	1,173,830	1,173,830	1,177,841
Intergovernmental	283,969	269,931	354,426	304,459
Charges for services	868,435	892,024	861,393	872,928
Interest	42,000	29,667	27,000	20,209
Other	175,400	74,458	260,000	120,703
Total Receipts	$ 3,144,804	$ 3,038,515	$ 3,243,649	$ 3,212,705
DISBURSEMENTS				
County Commission	$ 131,066	$ 122,573	$ 128,566	$ 124,876
County Clerk	183,285	175,464	180,938	174,301
Elections	62,650	22,605	147,533	108,737
Buildings and grounds	427,000	370,969	466,535	320,254
Administration	603,804	466,657	624,544	405,765
Treasurer	47,866	47,308	47,306	45,678
Collector	278,520	236,303	280,279	231,208
Surveyor	7,852	6,140	5,197	4,793
Sanitation Office	74,016	65,929	71,333	68,549
Recorder of Deeds	106,016	93,369	100,651	80,673
Circuit Clerk	69,101	66,669	75,411	48,190
Public Administrator	32,029	29,342	31,989	28,114
Court Reporter	4,500	4,120	3,000	1,137
Public Health	382,241	342,689	374,346	294,520
Circuit Judge	53,260	21,514	43,700	10,967
Planning and Zoning	83,774	73,128	80,983	55,960
Prosecuting Attorney	483,999	463,525	480,069	455,880
Juvenile Officer	124,964	134,765	129,452	111,762
Coroner	29,801	29,442	30,056	28,421
Emergency Management	60,597	52,092	60,177	52,890
Associate Division II	20,400	14,024	10,400	2,946
Child Support Enforcement Personnel	41,061	38,088	41,071	38,236
Victim Advocate	40,653	36,535	40,663	34,111
Drug Court	12,300	11,973	12,300	11,398
Information Technologies	-	-	57,988	54,326
Transfers out	560,000	560,000	523,000	523,000
Emergency fund	200,000	-	200,000	-
Total Disbursements	$ 4,120,755	$ 3,485,223	$ 4,247,487	$ 3,316,692
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (975,951)	$ (446,708)	$ (1,003,838)	$ (103,987)
CASH, JANUARY 1	2,036,775	2,036,775	1,590,067	1,590,067
CASH, DECEMBER 31	$ 1,060,824	$ 1,590,067	$ 586,229	$ 1,486,080

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-1

WARREN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 875,000	$ 920,119	$ 886,000	$ 958,865	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	72,253	-	-	-	-
Intergovernmental	783,219	672,572	705,539	699,031	466,389	467,558	426,252	474,453
Charges for services	-	-	-	-	-	-	-	-
Interest	20,000	22,307	26,000	18,346	3,500	4,219	4,200	3,664
Other	55,000	63,658	55,000	489,064	11,500	15,802	14,500	19,716
Transfers in	-	-	410,840	-	-	-	-	-
Total Receipts	$ 1,733,219	$ 1,678,656	$ 2,083,379	$ 2,237,559	$ 481,389	$ 487,579	$ 444,952	$ 497,833
DISBURSEMENTS								
Salaries	$ 347,455	$ 314,166	$ 335,000	301,371	$ 257,698	$ 236,178	$ 224,500	$ 214,223
Employee fringe benefits	72,855	63,549	72,420	61,543	61,380	51,969	49,914	48,246
Materials and supplies	733,000	487,516	765,500	575,552	125,925	55,995	115,725	97,356
Services and other	412,400	193,200	745,240	755,462	121,900	101,287	124,600	111,806
Capital outlay	250,000	268,969	200,000	120,870	-	-	-	-
Construction	280,000	38,122	280,000	123,062	-	-	-	-
Transfers out	136,432	136,432	127,827	115,861	-	-	5,000	5,000
Total Disbursements	$ 2,232,142	$ 1,501,954	$ 2,525,987	$ 2,053,721	$ 566,903	$ 445,429	$ 519,739	$ 476,631
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (498,923)	$ 176,702	$ (442,608)	$ 183,838	$ (85,514)	$ 42,150	$ (74,787)	$ 21,202
CASH, JANUARY 1	1,302,888	1,302,888	1,479,590	1,479,590	181,914	181,914	224,064	224,064
CASH, DECEMBER 31	$ 803,965	$ 1,479,590	$ 1,036,982	$ 1,663,428	$ 96,400	$ 224,064	$ 149,277	$ 245,266

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-2

WARREN COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT FUND				OFFICERS TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	1,250,000	1,173,842	1,173,830	1,177,842	-	-	-	-
Intergovernmental	450,522	460,105	454,694	361,250	-	-	-	-
Charges for services	653,500	828,620	676,000	861,565	21,067	19,874	19,875	12,962
Interest	1,200	2,256	2,000	1,658	350	223	220	89
Other	94,235	98,029	97,000	94,512	350	816	800	380
Transfers in	560,000	560,000	500,000	500,000	-	-	-	-
Total Receipts	$ 3,009,457	$ 3,122,852	$ 2,903,524	$ 2,996,827	$ 21,767	$ 20,913	$ 20,895	$ 13,431
DISBURSEMENTS								
Salaries	$ 1,864,305	$ 1,831,333	$ 1,857,753	$ 1,868,241	$ -	$ -	$ -	$ -
Employee fringe benefits	410,355	404,032	430,309	405,761	-	-	-	-
Materials and Supplies	196,500	168,105	181,500	184,617	-	-	-	-
Services and other	613,801	577,240	633,860	574,628	40,500	25,137	35,000	26,039
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	31,000	31,000	-	-	-	-
Total Disbursements	$ 3,084,961	$ 2,980,710	$ 3,134,422	$ 3,064,247	$ 40,500	$ 25,137	$ 35,000	$ 26,039
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (75,504)	$ 142,142	$ (230,898)	$ (67,420)	$ (18,733)	$ (4,224)	$ (14,105)	$ (12,608)
CASH, JANUARY 1	91,505	91,505	233,647	233,647	18,733	18,733	14,509	14,509
CASH, DECEMBER 31	$ 16,001	$ 233,647	$ 2,749	$ 166,227	$ -	$ 14,509	$ 404	$ 1,901

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-3

WARREN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				CAPITAL IMPROVEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	1,250,000	1,173,832	1,173,830	750,499
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,000	1,568	1,600	1,540	-	-	-	-
Interest	210	455	300	351	70,000	74,961	35,000	65,528
Other	100	-	100	-	10,000	-	318,930	18,712
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 3,310	$ 2,023	$ 2,000	$ 1,891	$ 1,330,000	$ 1,248,793	$ 1,527,760	$ 834,739
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	50,000	-	402,860	-
Services and other	12,500	-	12,500	-	-	-	102,000	2,541
Capital outlay	-	-	-	-	4,175,000	590,532	6,016,237	781,842
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	410,840	-
Total Disbursements	$ 12,500	$ -	$ 12,500	$ -	$ 4,225,000	$ 590,532	$ 6,931,937	$ 784,383
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (9,190)	$ 2,023	$ (10,500)	$ 1,891	$ (2,895,000)	$ 658,261	$ (5,404,177)	$ 50,356
CASH, JANUARY 1	33,749	33,749	35,772	35,772	4,847,771	4,847,771	5,506,032	5,506,032
CASH, DECEMBER 31	$ 24,559	$ 35,772	$ 25,272	$ 37,663	$ 1,952,771	$ 5,506,032	$ 101,855	$ 5,556,388

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-4

WARREN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DELINQUENT TAX FUND				BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	2,500	3,537	3,600	3,507	20,000	18,161	18,000	13,368
Interest	200	109	100	74	600	584	500	499
Other	-	-	-	-	-	-	-	52
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 2,700	$ 3,646	$ 3,700	$ 3,581	$ 20,600	$ 18,745	$ 18,500	$ 13,919
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	10,000	-	$ 10,000	$ -
Employee fringe benefits	-	-	-	-	970	-	970	-
Materials and supplies	-	-	-	-	10,000	500	10,000	-
Services and other	8,000	3,790	6,000	4,795	15,000	7,871	15,000	7,835
Capital outlay and construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 8,000	$ 3,790	$ 6,000	$ 4,795	$ 35,970	$ 8,371	$ 35,970	$ 7,835
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (5,300)	$ (144)	$ (2,300)	$ (1,214)	$ (15,370)	$ 10,374	$ (17,470)	$ 6,084
CASH, JANUARY 1	8,282	8,282	8,138	8,138	38,084	38,084	48,458	48,458
CASH, DECEMBER 31	$ 2,982	$ 8,138	$ 5,838	$ 6,924	$ 22,714	$ 48,458	$ 30,988	$ 54,542

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-5

WARREN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	RECORDER USER FUND				HEALTH REIMBURSEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	18,000	15,197	20,400	23,029	-	-	-	-
Interest	1,100	1,321	800	1,153	-	-	800	-
Other	-	-	-	3,027	-	-	-	-
Transfers in	-	-	-	-	-	-	63,000	63,000
Total Receipts	$ 19,100	$ 16,518	$ 21,200	$ 27,209	$ -	$ -	$ 63,800	$ 63,000
DISBURSEMENTS								
Salaries	-	-	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	50,000	60	16,000	14,525	-	-	63,000	1,560
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 50,000	$ 60	$ 16,000	$ 14,525	$ -	$ -	$ 63,000	$ 1,560
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (30,900)	$ 16,458	$ 5,200	$ 12,684	$ -	$ -	$ 800	$ 61,440
CASH, JANUARY 1	95,541	95,541	111,999	111,999	-	-	-	-
CASH, DECEMBER 31	$ 64,641	$ 111,999	$ 117,199	$ 124,683	$ -	$ -	$ 800	$ 61,440

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-6

WARREN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	SHERIFF'S CIVIL FEES FUND				ROAD AND BRIDGE CAPITAL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	38,483	42,685	42,000	38,096	-	-	-	-
Interest	500	180	175	178	200	1,059	1,200	1,496
Other	700	2,507	2,500	-	-	-	-	-
Transfers in	-	-	-	-	100,000	100,000	100,000	100,000
Total Receipts	$ 39,683	$ 45,372	$ 44,675	$ 38,274	$ 100,200	$ 101,059	$ 101,200	$ 101,496
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	47,400	35,563	62,200	52,508	10,000	-	50,000	-
Services and other	-	-	-	-	5,000	-	5,000	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	144,758	-	205,000	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 47,400	$ 35,563	$ 62,200	$ 52,508	$ 159,758	$ -	$ 260,000	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (7,717)	$ 9,809	$ (17,525)	$ (14,234)	$ (59,558)	$ 101,059	$ (158,800)	$ 101,496
CASH, JANUARY 1	7,718	7,718	17,527	17,527	59,559	59,559	160,618	160,618
CASH, DECEMBER 31	$ 1	$ 17,527	$ 2	$ 3,293	$ 1	$ 160,618	$ 1,818	$ 262,114

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-7

WARREN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY FORFEITURE FUND				ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	2,200	4,274	3,700	4,222
Interest	60	64	60	100	275	294	300	205
Other	-	-	-	-	2,733	7,402	3,900	1,397
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 60	$ 64	$ 60	$ 100	$ 5,208	$ 11,970	$ 7,900	$ 5,824
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	500	-	500	129	16,000	8,823	20,000	12,827
Services and other	2,000	484	2,000	-	8,000	96	10,000	377
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 2,500	$ 484	$ 2,500	$ 129	$ 24,000	$ 8,919	$ 30,000	$ 13,204
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (2,440)	$ (420)	$ (2,440)	$ (29)	$ (18,792)	$ 3,051	$ (22,100)	$ (7,380)
CASH, JANUARY 1	4,842	4,842	4,422	4,422	19,090	19,090	22,141	22,141
CASH, DECEMBER 31	$ 2,402	$ 4,422	$ 1,982	$ 4,393	$ 298	$ 22,141	$ 41	$ 14,761

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-8

WARREN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER TECHNOLOGY FUND				SHERIFF'S FORFEITURE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	10,000	10,320	9,000	8,775	1,764	-	-	-
Interest	220	480	300	316	30	34	30	25
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 10,220	$ 10,800	$ 9,300	$ 9,091	$ 1,794	$ 34	$ 30	$ 25
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	16,000	4,265	5,000	-	2,500	-
Services and other	10,000	9,782	6,000	-	-	681	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 10,000	$ 9,782	$ 22,000	$ 4,265	$ 5,000	$ 681	$ 2,500	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 220	$ 1,018	$ (12,700)	$ 4,826	$ (3,206)	$ (647)	$ (2,470)	$ 25
CASH, JANUARY 1	30,914	30,914	31,932	31,932	3,206	3,206	2,559	2,559
CASH, DECEMBER 31	$ 31,134	$ 31,932	$ 19,232	$ 36,758	$ -	$ 2,559	$ 89	$ 2,584

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-9

WARREN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	TAX MAINTENANCE FUND				SHERIFF'S REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	60,000	57,192	55,000	62,272	37,795	38,198	38,000	28,082
Interest	4,000	3,272	2,500	2,768	210	138	135	195
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 64,000	$ 60,464	$ 57,500	$ 65,040	$ 38,005	$ 38,336	$ 38,135	$ 28,277
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	100,000	12,468	180,000	5,658	24,000	14,807	33,000	12,509
Services and other	59,000	1,037	80,000	758	21,670	15,405	20,000	8,388
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 159,000	$ 13,505	$ 260,000	$ 6,416	$ 45,670	$ 30,212	$ 53,000	$ 20,897
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (95,000)	$ 46,959	$ (202,500)	$ 58,624	$ (7,665)	$ 8,124	$ (14,865)	$ 7,380
CASH, JANUARY 1	216,348	216,348	263,307	263,307	7,665	7,665	15,789	15,789
CASH, DECEMBER 31	$ 121,348	$ 263,307	$ 60,807	$ 321,931	$ -	$ 15,789	$ 924	$ 23,169

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-10

WARREN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COUNTY CLERK HAVA FUND				FEDERAL GRANT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	8,878	6,180	14,250	8,075	647,019	87,412	1,643,787	584,473
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	1,200	1,129	4,737	1,082	-	-	-	-
Transfers in	-	-	-	-	36,432	36,432	23,827	11,861
Total Receipts	$ 10,078	$ 7,309	$ 18,987	$ 9,157	$ 683,451	$ 123,844	$ 1,667,614	$ 596,334
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	8,878	6,180	15,250	8,075	-	-	-	-
Services and other	1,200	1,129	3,737	1,082	304,201	95,260	1,330,002	261,361
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	379,250	28,584	313,785	317,070
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 10,078	$ 7,309	$ 18,987	$ 9,157	$ 683,451	$ 123,844	$ 1,643,787	$ 578,431
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ -	$ -	$ -	$ -	$ -	$ 23,827	$ 17,903
CASH, JANUARY 1	-	-	-	-	-	-	-	-
CASH, DECEMBER 31	$ -	$ -	$ -	$ -	$ -	$ -	$ 23,827	$ 17,903

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-11

WARREN COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LOCAL EMERGENCY PLANNING COMMITTEE FUND				DRUG ABUSE RESISTANCE EDUCATION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	4,180	8,357	4,145	4,221	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	100	114	100	109	441	71	70	45
Other	-	-	-	300	100	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 4,280	$ 8,471	$ 4,245	$ 4,630	$ 541	$ 71	$ 70	$ 45
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	4,628	3,912	1,360	681	-	-	-	-
Services and other	9,400	3,923	6,197	2,520	6,600	999	5,200	1,000
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 14,028	$ 7,835	$ 7,557	$ 3,201	$ 6,600	$ 999	$ 5,200	$ 1,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (9,748)	$ 636	$ (3,312)	$ 1,429	$ (6,059)	$ (928)	$ (5,130)	$ (955)
CASH, JANUARY 1	10,935	10,935	11,571	11,571	6,059	6,059	5,131	5,131
CASH, DECEMBER 31	$ 1,187	$ 11,571	$ 8,259	$ 13,000	$ -	$ 5,131	$ 1	$ 4,176

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-12

WARREN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	VENDING FUND				INMATE SECURITY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	13,369	12,116	12,000	17,353
Interest	11	16	15	11	125	113	110	125
Other	500	925	920	459	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 511	$ 941	$ 935	$ 470	$ 13,494	$ 12,229	$ 12,110	$ 17,478
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	16,200	8,140	18,000	14,579
Services and other	1,311	842	1,800	875	6,500	315	6,500	7,074
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 1,311	$ 842	$ 1,800	$ 875	$ 22,700	$ 8,455	$ 24,500	$ 21,653
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (800)	$ 99	$ (865)	$ (405)	$ (9,206)	$ 3,774	$ (12,390)	$ (4,175)
CASH, JANUARY 1	801	801	900	900	9,206	9,206	12,980	12,980
CASH, DECEMBER 31	$ 1	$ 900	$ 35	$ 495	$ -	$ 12,980	$ 590	$ 8,805

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-13

WARREN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DOMESTIC VIOLENCE				SENATE BILL 40			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ 829,313	$ 829,313	$ 855,323	$ 855,323
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	57,417	57,417	114,855	114,855
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	4,437	4,437	3,315	3,315
Other	12,575	12,575	9,707	9,707	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 12,575	$ 12,575	$ 9,707	$ 9,707	$ 891,167	$ 891,167	$ 973,493	$ 973,493
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	11,607	11,607	12,575	12,575	874,535	874,535	940,876	940,876
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 11,607	$ 11,607	$ 12,575	$ 12,575	$ 874,535	$ 874,535	$ 940,876	$ 940,876
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 968	$ 968	$ (2,868)	$ (2,868)	$ 16,632	$ 16,632	$ 32,617	$ 32,617
CASH, JANUARY 1	11,607	11,607	12,575	12,575	449,093	449,093	465,725	465,725
CASH, DECEMBER 31	$ 12,575	$ 12,575	$ 9,707	$ 9,707	$ 465,725	$ 465,725	$ 498,342	$ 498,342

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-13

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Warren County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk-Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, Treasurer and Collector.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Warren County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity. The financial statements also include the Senate Bill 40 Board which is a separate legal entity within the County that is required by the Missouri State Auditor's Office to be included in the County's reporting entity for financial reporting purposes. The E-911 Board is audited and separately reported on by o ther independent auditors and the related fund is not presented in the financial statements.

Certain elected County officials, particularly the County Collector, Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.

2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed beginning available fund balance plus estimated revenues for the year.

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Adoption of a formal budget is required by law. Although a budget was found in the County Clerk's file, the County did not adopt or publish a formal budget in either 2009 or 2010 for the Domestic Violence Fund.

9. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures did not exceed budgeted amounts for any funds during 2009 or 2010.

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2010 and 2009, for purposes of taxation were:

	2010	2009
Real Estate	$ 406,880,410	$ 401,796,430
Personal Property	77,820,591	85,340,636
Railroad and Utilities	34,002,144	33,980,774

During 2010 and 2009, the County Commission approved a tax levy per $100 of assessed valuation of tangible taxable property for the calendar years 2010 and 2009, for purposes of County taxation, as follows:

	2010	2009
General Revenue	0.1339	0.1235
Special Road and Bridge	0.1727	0.1704
Senate Bill 40	0.1600	0.1600

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amounts of the County's deposits were $10,625,973 and $10,279,453, respectively, and the bank balances were $10,890,037 and $10,951,826 respectively. Of the bank balances, $697,366 and $645,856 for December 31, 2010 and December 31, 2009, respectively, were covered by federal depository insurance and $10,192,671and $10,305,970, respectively, were covered by collateral held by the Federal Reserve Bank and the County’s safekeeping bank agent in the County’s name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2010 and 2009, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue, Special Road and Bridge, and Senate Bill 40 funds. These collections, all of which were fully collateralized amounted to $16,700,214 and $16,989,517 at December 31, 2009 and 2009, respectively.

3. COUNTY EMPLOYEES’ RETIREMENT PLANS

County Employees' Retirement Fund (CERF)

The County Employee’s Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and

any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2010 and 2009, the County collected and remitted to CERF employee contributions of approximately $371,323 and $391,513, respectively, for the years then ended.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 8 hours of sick leave with pay credit for every 208 hours worked up to a maximum of 80 hours per year. Full-time employees may accumulate sick leave with pay to a maximum of 240 hours. Upon termination, the employee will not be compensated for any unused sick time. Vacation time will accrue at the rate of one week for first year of service, two weeks after two years of service, and three weeks after ten years of service for full-time employees. Vacation must be used within one year of earning the leave or the time is forfeited.

Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2009, to exclude the Time Payment Fee, Circuit Clerk, Juvenile Assessment, Drug Court, Law Library and Deputy Sheriff Salary Supplemental funds. The effect of the aforementioned change in reporting entity is to decrease cash balances of the governmental funds as previously reported at December 31, 2008 by the amount representing cash balances of the excluded funds.

8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2011 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through June 10, 2011, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

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CERTIFIED PUBLIC ACCOUNTANTS

McBRIDE, LOCK & ASSOCIATES

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Warren County, Missouri

We have audited the accompanying financial statements of Warren County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated June 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Warren County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Warren County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Warren County, Missouri's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses, as defined above. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and recommendations as items 1 and 2, that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Warren County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and recommendations as item 3.

We noted a certain matter that we reported to management of Warren County, Missouri, in the findings and recommendations section as item 4.

Warren County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Warren County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
June 10, 2011

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McBRIDE, LOCK & ASSOCIATES

AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission and
Officeholders of Warren County, Missouri

Compliance

We have audited the compliance of Warren County, Missouri, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal program for the years ended December 31, 2010 and 2009. Warren County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Warren County, Missouri's management. Our responsibility is to express an opinion on Warren County, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Warren County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Warren County, Missouri's compliance with those requirements.

In our opinion, Warren County, Missouri, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of federal award findings and questioned costs as finding number 10-1.

Internal Control Over Compliance

The management of Warren County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered Warren County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Warren County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as findings 10-1. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Warren County, Missouri’s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Warren County, Missouri’s response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
June 10, 2011

WARREN COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31 2009	2010
	U. S. DEPARTMENT OF HOUSING AND URBAN DEV			
	Passed through state Department of Economic Development			
14.228	Community Development Block Grant/States Program	2007-ED-08	$ 53,722	$ 333,981
14.257	Passed through state Department of Social Services			
	Homelessness Prevention and Rapid Re-Housing Program (ARRA)	ER16410048A	-	187,509
	U.S. DEPARTMENTMENT OF JUSTICE			
	Passed through state Department of Public Safety			
16.575	Crime Victims Assistance	2007-VOCA-0076	24,658	
		2007-VOCA-0119		25,736
16.738	Local Law Enforcement Block Grants Program	2008-LBGJ-066	7,594	-
		2009-LBGJ-085	-	9,946
		2009-SB-B9-0551	29,305	-
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed through state Highway and Transportation Commission			
20.205	Highway Planning and Construction	BRO-109(13)	-	19,337
	GENERAL SERVICES ADMINISTRATION			
	Passed through state Office of Administration			
	Secretary of State			
39.011	Election Reform Payments	N/A	-	7,250
	ELECTION ASSISTANCE COMMISSION			
	Passed through state Secretary of State			
90.401	Help America Vote Act - Requirements Payments	N/A	7,309	1,907
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Passed through state Department of Health and Senior Services:			
93.069	Public Health Emergency Preparedness	AOC10380195	32,907	98,627
		AOC10380065		33,402
93.268	Immunization Grants	219001	57,757	105,603
93.283	Public Health Emergency Preparedness	AOC10380195	100,584	-
93.563	Child Support Enforcement	N/A	38,831	36,772
93.712	American Recovery and Reinvestment Act - Immunization	N/A	-	7,381
93.994	Maternal, Child Health Services Block Grant	AOC08380126	20,971	20,882
	Passed through state Department of Social Services - Healthnet			
	Healthnet Division:	N/A	5,000	30,500
93.778	ARRA - Medical Assistance Program			
	U. S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through State Department of Public Safety			
97.036	Disaster Grants - Public Assistance Grants	FEMA 1673 DR	92,423	56,941
97.042	Emergency Management Performance Grants	EMPG	22,025	14,404
	Total Expenditures of Federal Awards		$ 493,086	$ 990,178

See accompanying notes to the Schedule of Expenditures of Federal Awards.

WARREN COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditure of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – SUBRECEIPIENTS

The County provided federal awards from the U.S. Department of Housing and Urban Development, Homelessness Prevention and Rapid Re-Housing Program (HPRP) 14.257, to the North East Community Action Corporation (NECAC) and Saints Joachim & Ann Care Service to assist in the distribution and administration of the HPRP program. Amounts provided to NECAC and Saints Joachim & Ann Care Service during 2010 were $95,554 and $88,165, respectively.

WARREN COUNTY, MISSOURI
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2010 AND 2009

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of Auditors' Report Issued:	Unqualified
Internal Control Over Financial Reporting:	
- Material weakness(es) identified?	___ Yes _X_ No
- Significant deficiencies identified that are not considered to be material weaknesses?	_X_ Yes ___ None Reported
- Noncompliance material to financial statements noted?	_X_ Yes ___ No

Federal Awards:

Internal Control Over Major Programs:	
- Material weakness(es) identified?	____ Yes _X_ No
- Significant deficiencies identified that are not considered to be material weaknesses?	_X_ Yes ___ None Reported
Type of Auditor's Report Issued on Compliance For Major Programs:	Unqualified
Any audit findings disclosed that are required to be Reported in accordance with section 510(A) of Circular A-133?	_X_ Yes ___ No

Identification of Major Programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.228	Community Development Block Grants/States Program
14.257	Homelessness Prevention and Rapid Re-Housing Program
93.069 / 93.283	Public Health Emergency Preparedness

Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	$300,000
Auditee Qualified as low-risk:	____ Yes _X_ No

SECTION II – FINANCIAL STATEMENTS FINDINGS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

1. Pre-numbered Receipt Slips
2. Time Sheets
3. Treasurer's Settlement

Summary of Schedule of Prior Audit Findings:

1. Pre-numbered Receipt Slips
2. Competitive Bidding Procedures
3. Retention of Invoices

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Finding No. 10-1. Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Health and Human Services
Pass-Through Grantor: Missouri Department of Health and Senior Services
Federal CFDA Number: 93.069; 93.268
Program Title: Public Health Emergency Preparedness
Pass Through Entity Identifying Number: AOC10380195; AOC10380065; 219001
Award Years: 2010 and 2009
Questioned Costs: None

10-1. Schedule of Expenditures of Federal Awards (SEFA)

Condition: The County did not prepare an accurate SEFA as required the Office of Management and Budget (OMB) Circular A-133. Subpart C, Section 300(A) of the Circular requires the recipient of federal funds to accurately report the amount of federal funds expended each year on a Schedule of Expenditures of Federal Awards (SEFA). The SEFAs for the years ending December 31, 2010 and 2009 were partly inaccurate in that the County reported amounts awarded to the Health Department as expenditures, and reported the expenditures irrespective of the amount of actual expenditures incurred or the fiscal year in which the expenditures were made. For example, the amount awarded under AOC10380195 of $132,029 for the period July 2009 through August 2010 was all reported in the year received – 2010. Records were maintained to identify expenditures by state contract number but not by fiscal year. Also, the $57,757 Immunization grant for 2009 was omitted from the schedule. These items have been corrected on the Schedule of Expenditures of Federal Awards.

Recommendation: We recommend that the County Clerk discuss reporting requirements with the preparers of the SEFA and closely review future SEFAs to ensure that expenditures are accurately reported in the year incurred.

County Response: The County Clerk will notify the Health Department's Administrator of the findings of the Auditing Firm and will work with the Health Department to ensure that the actual expenditures are reported for the required time period, not the amount of grant monies received. The State grant cycle does not coincide with the County's budget cycle, but the Health Department is working on addressing this matter.

Auditor's Evaluation: The County's comment is responsive to the concerns expressed in the finding.

SECTION IV – FOLLOW-UP ON PRIOR YEAR'S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Pre-numbered Receipt Slips

Condition: Receipt slips issued by the County Treasurer through a computer-generated system do not provide effective internal controls over cash receipts. The computer system software allows the Treasurer to make changes to or void previously issued receipt slips. This capability effectively negates the control benefits of the pre-numbered receipt system. This condition was noted in the prior audit.

Recommendation: We recommend that the County Treasurer ensure that the pre-numbered receipts system is modified to prohibit changes to any previously issued receipt slip. The first step to effect this should be to contact the software manufacturer and request appropriate modifications to the system.

County's Response: In regard to your recommendation on pre-numbered receipts issued by the Treasurer, your concern is that the solid software system allows the Treasurer to change or void a receipt and my response is now and has always been and will remain the policy of the Treasurer to never change or void a receipt. The only person that has access to the solid software system is the Treasurer and no other person has access to the system so the integrity of the receipts is guaranteed not by the system, but by the Treasurer. To encumber the county with costly system alterations that would not affect the security or the integrity of the receipt system will not be considered by me at this time.

Auditor's Evaluation: The Treasurer's response to the finding will not reduce the internal control weakness cited. While the Treasurer may guarantee the integrity of the receipts, this guarantee is not auditable or verifiable and will not be useful in the event that the Treasurer is absent and another party is assigned responsibility for the collection of funds and issuance of receipts.

2. Time Sheets

Condition: Time Sheets were not always signed by the employee or supervisor. Most instances noted were in the Road and Bridge Department where only the supervisor had signed the time sheet. Properly signed time sheets are essential for maintaining effective control over payroll expenditures.

Recommendation: We recommend the Commission ensure that all time sheets are signed by both the employee and supervisor.

County's Response: The County Commission realizes just how busy the Road Department is with only 10 men in the Department but will report this matter to the Road and Bridge Supervisor to ensure that all time sheets are signed before bringing them to the County Clerk's Office. The Commission can also send a department-wide memo to all elected officials and department heads to make sure that all time sheets are signed before bringing them to the County Clerk's Office.

Auditor's Evaluation: The County's comment is responsive to the recommendation.

ITEMS OF NONCOMPLIANCE

3. Treasurer's Settlement

Condition: The Treasurer's Settlement did not include all cash on deposit with the Treasurer. A Certificate of Deposit for $250,000 was not included in the Settlement at December 31, 2010. This omission resulted in a discrepancy between cash reported by the Treasurer and Clerk. Also, a $6,000 CD for the Pringle Cemetery Fund was not included on the Settlement for 2010 or 2009. In addition, balances in the Operating bank account and Payroll bank account of $7,211 and $6,258 for 2010 and 2009, respectively were not included in the Treasurer's Settlement. Most of these funds comprised unrecorded interest earned.

Recommendation: We recommend the County Treasurer ensure that all cash on-hand in bank accounts or investments is included on Treasurer Settlement reports.

County's Response: The $250,000 was a U.S. Treasury Bill held in the debt service by our bondholder. It was returned to the County when the County executed an early payoff of the 1995 bonds and I did not immediately receipt it into the County investments as I should have, but has since been resolved. The Pringle cemetery CD matured and was immediately reinvested, but this was not noted in the Treasurer's accounting system due my oversight, but this has been corrected. Concerning the unrecorded interest in the Operating and Payroll accounts, these monies will be distributed to the respective funds in July of 2011.

Auditor's Evaluation: The County's comments are responsive to the recommendation.

OTHER MATTER

In planning and performing our audit of the financial statements of Warren County, Missouri (the County) as of and for the years ended December 31, 2010 and 2009, in accordance with generally accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the County's internal control in our report dated June 10, 2011. (A separate report dated June 10, 2011 contains our report on significant deficiencies in the County's internal control). This document does not affect our report dated June 10, 2011.

4. Budgetary Practices

Condition: The County's budget estimates for expenditures consistently exceeded actual disbursements for the current audit period. This condition, which was also reported by the State Auditor for the 2005/2006 audit period, appears to be the result of management's philosophy of budgeting on a worse-case scenario basis rather than on best estimates of likely expenditure levels. Budgeted amounts exceeded actual expenditures by $9,459,907 for 2010 and $6,279,274 for 2009.

It appears that the County Commission's budget philosophy is partly intended to keep sufficient reserves in various funds. However, reserves are more properly reflected through a formal designation or assignment of a portion of the fund balance. Inflated expenditure budgets decrease management's ability to efficiently control expenditures.

Recommendation: We recommend the Commission budget expenditures based on expected and desired outcomes. Amounts beyond such outcomes should be identified as designated or assigned fund balance pursuant to the County Commission's fiscal management strategy, and communicated through the budget message.

County Response: The County Commission feels that our way of budgeting allows for the unexpected. We have to complement our elected officials and department heads in their ability to live within the County means and this year again tighten their belts and decrease their budgets so the County can continue to remain solvent. The process of having to amend the budget is a time consuming one and is not something that is welcomed unless we have no choice.

Our present philosophy has enabled the County to save reserves to build a new Road Shed a couple of year ago along with various buildings there to house cinders, salt, equipment, etc. and also save and manage the monies to begin the building of the new 6.5 million dollar Administration Building without going to the voters to increase taxes or to have to purchase bonds for the project. We pride ourselves on being conservative with the taxpayers' money and feel that our opinions regarding our budgetary process are justified.

Auditor's Evaluation: The response explains the position but is not responsive to the concerns expressed in the finding.

WARREN COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Warren County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2008 and 2007.

1. The software system used allows the Treasurer to change or void previously issued receipt slips. This capability effectively negates the control benefits of the pre-numbered receipt system.

   Status - Not Resolved. See finding No.1.

2. Bids were not always solicited or bid documentation retained for purchases.

   Status - Resolved

3. Original invoices were not always available to support disbursements.

   Status - Resolved

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Nodaway County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Nodaway County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-71

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

ANNUAL FINANCIAL REPORT

NODAWAY COUNTY, MISSOURI

For the Years Ended
December 31, 2010 and 2009

NODAWAY COUNTY, MISSOURI

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INTRODUCTORY SECTION

NODAWAY COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Robert Schieber

Associate Commissioner – Bob Stiens

Associate Commissioner – Bob Westfall

Other Elected Officials

Assessor – Rex Wallace

Circuit Clerk – Kim Carmichael

Collector/Treasurer – Marilyn Jenkins

Coroner – Vincent Shelby

County Clerk – Beth Walker

Prosecuting Attorney – David Baird

Public Administrator – Diane Thomsen

Recorder – Sandra Smail

Sheriff – Darren White

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McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Nodaway County, Missouri

We have audited the accompanying financial statements of Nodaway County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Nodaway County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Nodaway County, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Nodaway County, Missouri, as of December 31, 2010 and 2009, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards,* we also have issued our report dated June 3, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Nodaway County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

(Original Signed by Auditor)

McBride, Lock & Associates
June 3, 2011

FINANCIAL SECTION

Exhibit A

NODAWAY COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2010

Fund	Cash January 1, 2009 (Note 7)	Receipts 2009	Disbursements 2009	Cash December 31, 2009	Receipts 2010	Disbursements 2010	Cash December 31, 2010
General Revenue	$ 2,089,734	$ 3,590,571	$ 3,496,774	$ 2,183,531	$ 3,221,512	$ 3,571,835	$ 1,833,208
Special Road & Bridge	85,578	2,875,874	2,482,789	478,663	2,645,422	2,613,652	510,433
Assessment	279,015	406,060	256,435	428,640	407,768	283,726	552,682
Election Services	26,894	4,299	7,445	23,748	2,803	2,268	24,283
Tax Incentive Payment	8,088	-	547	7,541	-	3,951	3,590
Police Officer Training	18,227	6,617	8,856	15,988	6,032	18,365	3,655
Prosecuting Attorney Training	365	1,152	1,413	104	1,019	707	416
911	122,608	180,048	159,762	142,894	150,996	212,913	80,977
Adult Abuse	1,012	1,694	1,012	1,694	1,788	1,694	1,788
Nuclear Accident Emergency Preparedness	19,562	5,000	-	24,562	5,000	-	29,562
Local Emergency Preparedness	28,396	4,458	3,136	29,718	3,500	1,067	32,151
Senior Citizens	28,973	136,647	150,041	15,579	155,138	130,045	40,672
Recorder User Fee	21,166	11,549	27,247	5,468	11,597	10,201	6,864
Tax Maintenance	28,095	28,788	19,845	37,038	26,554	22,717	40,875
Concealed Weapon	7,038	6,042	5,527	7,553	5,961	9,410	4,104
Bad Check	-	917	5	912	177	-	1,089
Senate Bill 40	25,176	141,209	142,210	24,175	160,995	171,895	13,275
Civil Fee	18,121	13,698	20,658	11,161	15,713	14,006	12,868
Administrative Center	3,328,453	639,936	2,060,676	1,907,713	671,059	463,756	2,115,016
Total	$ 6,136,501	$ 8,054,559	$ 8,844,378	$ 5,346,682	$ 7,493,034	$ 7,532,208	$ 5,307,508

The accompanying Notes to the Financial Statements are an integral part of this statement.

NODAWAY COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND

Year Ended December 31,

	2009		2010	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ -	$ -	$ -	$ -
Sales taxes	2,028,000	1,968,666	1,926,000	2,022,236
Intergovernmental	414,541	748,366	497,933	150,001
Charges for services	599,000	598,303	630,500	735,317
Interest	55,000	23,123	22,000	12,079
Other	179,003	252,113	507,465	301,879
Transfers in	13,000	-	15,000	-
Total Receipts	$ 3,288,544	$ 3,590,571	$ 3,598,898	$ 3,221,512
DISBURSEMENTS				
County Commission	$ 117,685	$ 119,779	$ 122,159	$ 121,555
County Clerk	116,407	111,664	120,399	112,903
Elections	40,640	40,046	122,040	98,892
Buildings and grounds	553,782	238,896	1,203,878	881,548
Employee fringe benefits	281,800	248,297	284,000	321,108
Treasurer	156,728	132,029	132,584	131,687
Recorder of Deeds	89,715	89,292	93,101	92,493
Associate Circuit Court	46,500	41,378	44,900	42,244
Court administration	6,889	4,797	6,889	5,024
Public Administrator	34,729	34,433	35,767	35,391
Sheriff	486,614	447,762	564,548	554,771
Jail	439,889	442,162	464,777	357,723
Prosecuting Attorney	207,901	195,936	209,188	197,284
Juvenile Officer	59,150	49,489	56,650	40,247
Coroner	31,413	23,821	27,221	24,089
Other County Government	272,681	776,993	562,951	299,293
Health and Welfare	-	-	5,583	5,583
Transfers out	250,000	500,000	250,000	250,000
Emergency fund	98,656	-	100,000	-
Total Disbursements	$ 3,291,179	$ 3,496,774	$ 4,406,635	$ 3,571,835
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (2,635)	$ 93,797	$ (807,737)	$ (350,323)
CASH, JANUARY 1	2,089,734	2,089,734	2,183,531	2,183,531
CASH, DECEMBER 31	$ 2,087,099	$ 2,183,531	$ 1,375,794	$ 1,833,208

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-2

NODAWAY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 168,000	$ 141,116	$ 168,000	$ 234,168	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,804,695	1,922,901	1,970,000	1,897,284	322,000	390,094	298,875	394,223
Charges for services	-	-	-	-	-	-	-	-
Interest	10,000	1,284	1,000	1,278	9,000	3,200	9,000	2,305
Other	204,500	310,573	243,350	262,692	3,300	12,766	11,000	11,240
Transfers in	251,000	500,000	258,000	250,000	-	-	700	-
Total Receipts	$ 3,438,195	$ 2,875,874	$ 2,640,350	$ 2,645,422	$ 334,300	$ 406,060	$ 319,575	$ 407,768
DISBURSEMENTS								
Salaries	$ 226,000	$ 218,205	$ 232,780	236,090	167,157	164,174	172,977	171,385
Employee fringe benefits	52,424	46,265	56,700	64,274	28,200	28,385	33,300	39,204
Materials and supplies	1,074,160	1,111,171	1,121,788	1,146,585	16,000	10,383	21,200	15,049
Services and other	64,500	59,364	64,500	71,741	76,150	53,493	73,400	58,088
Capital outlay	150,000	6,560	100,000	115,973	-	-	-	-
Construction	1,812,820	1,041,224	1,080,000	978,989	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 3,379,904	$ 2,482,789	$ 2,655,768	$ 2,613,652	$ 287,507	$ 256,435	$ 300,877	$ 283,726
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 58,291	$ 393,085	$ (15,418)	$ 31,770	$ 46,793	$ 149,625	$ 18,698	$ 124,042
CASH, JANUARY 1	85,578	85,578	478,663	478,663	279,015	279,015	428,640	428,640
CASH, DECEMBER 31	$ 143,869	$ 478,663	$ 463,245	$ 510,433	$ 325,808	$ 428,640	$ 447,338	$ 552,682

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-3

NODAWAY COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ELECTION SERVICES FUND				TAX INCENTIVE PAYMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	500	-	500	-
Charges for services	2,700	4,213	4,000	2,758	-	-	-	-
Interest	500	86	80	45	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 3,200	$ 4,299	$ 4,080	$ 2,803	$ 500	$ -	$ 500	$ -
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	10,000	2,845	5,000	818	-	-	-	-
Services and other	4,500	4,600	1,800	1,450	2,500	547	7,000	3,951
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 14,500	$ 7,445	$ 6,800	$ 2,268	$ 2,500	$ 547	$ 7,000	$ 3,951
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (11,300)	$ (3,146)	$ (2,720)	$ 535	$ (2,000)	$ (547)	$ (6,500)	$ (3,951)
CASH, JANUARY 1	26,894	26,894	23,748	23,748	8,088	8,088	7,541	7,541
CASH, DECEMBER 31	$ 15,594	$ 23,748	$ 21,028	$ 24,283	$ 6,088	$ 7,541	$ 1,041	$ 3,590

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-4

NODAWAY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	POLICE OFFICER TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,000	1,152	1,000	1,019
Charges for services	5,000	6,617	6,000	6,032	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 5,000	$ 6,617	$ 6,000	$ 6,032	$ 1,000	$ 1,152	$ 1,000	$ 1,019
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	3,000	-	-	-	-
Services and other	19,000	8,856	17,000	15,365	1,000	1,413	750	707
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 19,000	$ 8,856	$ 17,000	$ 18,365	$ 1,000	$ 1,413	$ 750	$ 707
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (14,000)	$ (2,239)	$ (11,000)	$ (12,333)	$ -	$ (261)	$ 250	$ 312
CASH, JANUARY 1	18,227	18,227	15,988	15,988	365	365	104	104
CASH, DECEMBER 31	$ 4,227	$ 15,988	$ 4,988	$ 3,655	$ 365	$ 104	$ 354	$ 416

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-5

NODAWAY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	911 FUND				ADULT ABUSE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,600	1,694	1,500	1,788
Charges for services	70,000	129,591	100,000	89,655	-	-	-	-
Interest	2,000	457	500	295	-	-	-	-
Other	50,000	50,000	60,000	61,046	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 122,000	$ 180,048	$ 160,500	$ 150,996	$ 1,600	$ 1,694	$ 1,500	$ 1,788
DISBURSEMENTS								
Salaries	$ 50,976	$ 38,353	$ 52,505	$ 119,915	$ -	$ -	$ -	$ -
Employee fringe benefits	8,400	7,333	9,000	22,174	-	-	-	-
Materials and supplies	1,000	1,076	2,500	800	-	-	-	-
Services and other	70,600	52,733	72,000	49,060	1,012	1,012	1,000	1,694
Capital outlay	50,000	60,267	50,000	20,964	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 180,976	$ 159,762	$ 186,005	$ 212,913	$ 1,012	$ 1,012	$ 1,000	$ 1,694
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (58,976)	$ 20,286	$ (25,505)	$ (61,917)	$ 588	$ 682	$ 500	$ 94
CASH, JANUARY 1	122,608	122,608	142,894	142,894	1,012	1,012	1,694	1,694
CASH, DECEMBER 31	$ 63,632	$ 142,894	$ 117,389	$ 80,977	$ 1,600	$ 1,694	$ 2,194	$ 1,788

The accompanying Notes to the Financial Statements are an integral part of these statements.

NODAWAY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	NUCLEAR ACCIDENT EMERGENCY PREPAREDNESS FUND				LOCAL EMERGENCY PREPAREDNESS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	5,000	5,000	5,000	5,000	2,000	4,458	3,000	3,500
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 2,000	$ 4,458	$ 3,000	$ 3,500
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	500	-	-	138	350	-
Services and other	1,500	-	5,500	-	6,478	2,998	2,000	1,067
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 1,500	$ -	$ 6,000	$ -	$ 6,478	$ 3,136	$ 2,350	$ 1,067
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 3,500	$ 5,000	$ (1,000)	$ 5,000	$ (4,478)	$ 1,322	$ 650	$ 2,433
CASH, JANUARY 1	19,562	19,562	24,562	24,562	28,396	28,396	29,718	29,718
CASH, DECEMBER 31	$ 23,062	$ 24,562	$ 23,562	$ 29,562	$ 23,918	$ 29,718	$ 30,368	$ 32,151

The accompanying Notes to the Financial Statements are an integral part of these statements.

NODAWAY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENIOR CITIZENS FUND				RECORDER USER FEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 140,000	$ 136,484	$ 135,000	$ 155,051	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	11,000	11,520	12,000	11,567
Charges for services	-	-	-	-	-	-	-	-
Interest	1,000	163	100	87	500	29	100	12
Other	-	-	-	-	-	-	-	18
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 141,000	$ 136,647	$ 135,100	$ 155,138	$ 11,500	$ 11,549	$ 12,100	$ 11,597
DISBURSEMENTS								
Salaries	-	-	-	-	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	50	41	-	45	10,000	740	10,000	3,850
Services and other	150,000	150,000	130,000	130,000	-	-	7,000	6,351
Capital outlay	-	-	-	-	20,000	26,507	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 150,050	$ 150,041	$ 130,000	$ 130,045	$ 30,000	$ 27,247	$ 17,000	$ 10,201
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (9,050)	$ (13,394)	$ 5,100	$ 25,093	$ (18,500)	$ (15,698)	$ (4,900)	$ 1,396
CASH, JANUARY 1	28,973	28,973	15,579	15,579	21,166	21,166	5,468	5,468
CASH, DECEMBER 31	$ 19,923	$ 15,579	$ 20,679	$ 40,672	$ 2,666	$ 5,468	$ 568	$ 6,864

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-9

NODAWAY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	TAX MAINTENANCE FUND				CONCEALED WEAPON FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	6,020	7,000	5,951
Charges for services	-	-	-	-	-	-	-	-
Interest	500	72	70	83	-	22	50	10
Other	20,000	28,716	35,000	26,471	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 20,500	$ 28,788	$ 35,070	$ 26,554	$ -	$ 6,042	$ 7,050	$ 5,961
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	20,000	8,772	51,000	8,314	-	2,749	6,000	5,317
Services and other	18,300	11,073	20,350	14,403	-	2,778	8,000	4,093
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 38,300	$ 19,845	$ 71,350	$ 22,717	$ -	$ 5,527	$ 14,000	$ 9,410
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (17,800)	$ 8,943	$ (36,280)	$ 3,837	$ -	$ 515	$ (6,950)	$ (3,449)
CASH, JANUARY 1	28,095	28,095	37,038	37,038	7,038	7,038	7,553	7,553
CASH, DECEMBER 31	$ 10,295	$ 37,038	$ 758	$ 40,875	$ 7,038	$ 7,553	$ 603	$ 4,104

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-10

NODAWAY COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	BAD CHECK FUND				SENATE BILL 40 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ 139,500	$ 141,114	$ 142,000	$ 160,927
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,000	915	1,000	175	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	2	200	2	110	95	90	68
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 1,000	$ 917	$ 1,200	$ 177	$ 139,610	$ 141,209	$ 142,090	$ 160,995
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,000	5	500	-	135,100	137,793	139,500	162,602
Capital outlay	-	-	-	-	-	4,417	-	9,293
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 1,000	$ 5	$ 500	$ -	$ 135,100	$ 142,210	$ 139,500	$ 171,895
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ 912	$ 700	$ 177	$ 4,510	$ (1,001)	$ 2,590	$ (10,900)
CASH, JANUARY 1	-	-	912	912	25,176	25,176	24,175	24,175
CASH, DECEMBER 31	$ -	$ 912	$ 1,612	$ 1,089	$ 29,686	$ 24,175	$ 26,765	$ 13,275

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-11

NODAWAY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CIVIL FEE FUND				ADMINISTRATIVE CENTER FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ 450,000	$ 456,602	$ 450,000	$ 524,040
Sales taxes	-	-	-	-	160,000	132,390	120,000	135,053
Intergovernmental	11,000	13,698	10,500	15,713	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	7,000	50,944	18,000	11,963
Other	-	-	-	-	-	-	-	3
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 11,000	$ 13,698	$ 10,500	$ 15,713	$ 617,000	$ 639,936	$ 588,000	$ 671,059
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ 10,467	$ 21,074	$ 21,075
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	6,000	5,861	-	-	-	1,043	3,000	1,210
Services and other	2,000	4,925	1,000	306	510,000	404,946	482,027	425,378
Capital outlay	10,000	9,872	19,000	13,700	-	-	-	-
Construction	-	-	-	-	1,200,000	1,644,220	10,000	16,093
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 18,000	$ 20,658	$ 20,000	$ 14,006	$ 1,710,000	$ 2,060,676	$ 516,101	$ 463,756
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (7,000)	$ (6,960)	$ (9,500)	$ 1,707	$ (1,093,000)	$ (1,420,740)	$ 71,899	$ 207,303
CASH, JANUARY 1	18,121	18,121	11,161	11,161	3,328,453	3,328,453	1,907,713	1,907,713
CASH, DECEMBER 31	$ 11,121	$ 11,161	$ 1,661	$ 12,868	$ 2,235,453	$ 1,907,713	$ 1,979,612	$ 2,115,016

The accompanying Notes to the Financial Statements are an integral part of these statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nodaway County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, Collector/Treasurer, County Clerk, Circuit Clerk, Coroner, Prosecuting Attorney, Public Administrator, Recorder and Sheriff.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Nodaway County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector/Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.

2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the following funds:

Fund	2010	2009
Concealed Weapon	N/A	X

9. Section 50.740 RSMo. Prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	2010	2009
General Revenue	N/A	X
Prosecuting Attorney Training	N/A	X
Police Officer Training	X	N/A
911	X	N/A
Adult Abuse	X	N/A
Senior Citizens	X	N/A
Senate Bill 40	X	X
Civil Fee	N/A	X
Administration Center	N/A	X

Also, because a budget was not adopted for that fund listed in Note 1.D.9, expenditures in that fund exceeded budgetary authority to the extent that a budget was not adopted.

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2010 and 2009, for purposes of taxation were:

	2010	2009
Real Estate	$ 197,965,330	$ 190,312,350
Personal Property	84,917,780	80,603,280
Railroad and Utilities	15,025,852	13,458,712

During 2010 and 2009, the County Commission approved a tax levy per $100 of assessed valuation of tangible taxable property for the calendar years 2010 and 2009, for purposes of County taxation, as follows:

	2010	2009
General Revenue	$ 0.1600	$ 0.1600
Senior Citizens	0.0500	0.0500
Senate Bill 40	0.0500	0.0500

The property taxes collected from the General Revenue levy are recorded in the Administration Center fund.

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily

cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amounts of the County's deposits were $5,307,508 and $5,346,682, respectively, and the bank balances were $17,672,671 and $18,200,901, respectively. Of the bank balances, $393,883 and $274,175 for December 31, 2010 and December 31, 2009, respectively, were covered by federal depository insurance and the remainder were covered by collateral held at the Federal Reserve Bank and the County’s safekeeping bank agent in the County’s name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2010 and 2009, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue, Special Road and Bridge, Senior Citizens and Senate Bill 40. Tax Collections on deposit amounted to $13,898,837 and $14,417,847 at December 31, 2010 and 2009, respectively. The County Collector’s deposits were covered by federal depository insurance of $250,000 as of December 31, 2010 and 2009, and the remainder was fully collateralized.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

The County also participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by Statute, Section RSMo 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the

General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax-exempt.

The LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing LAGERS, P.O. Box 1665, Jefferson City, Missouri 65201 or by calling 1-800-447-4334.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 0% or 2% of annual salary, depending on LAGERS participation, is required for eligible employees hired before February 2002, while a contribution of 4% to 6% of annual salary, depending on LAGERS participation, is required of employees hired after February 2002, in order to participate in CERF. A lesser contribution requirement applies to employees who participate in LAGERS. During 2010 and 2009, the County collected and remitted to CERF employee contributions of approximately $68,076 and $55,700, respectively, for the years then ended.

The County's full-time employees contribute 4% of gross pay to the LAGERS pension plan. The political subdivision is required by State Statute to contribute at actuarially determined rate; the rate for 2010 was 3.4% (general) and 5.6% (police) and in 2009 the rate contributed was 2.4% (general) and 3.6% (police) of annual covered payroll. During 2010 and 2009, the County contributed approximately $62,494 and $41,566 respectively, for the years then ended.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 30 days of sick time -- to accrue at one day per complete calendar month of employment. Permanent part-time employees accrue sick leave proportional to hours worked up to 30 days. Upon termination, the employee will not be compensated for any unused sick time. Vacation time is accrued for full-time regular employees after a six-month probationary period based on years of employment with the County. During the first two years, employees are eligible for two weeks vacation, three weeks during years three through eight, four weeks during years nine through twelve, and five weeks from years thirteen and on. Vacation is accrued on a monthly basis up to a maximum of six weeks and is awarded retroactively for the six-month probationary period for all employees lasting longer than six months. Upon termination, the employee is

compensated for accrued vacation time up to a maximum of six weeks.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2009, to separate the Concealed Weapon fund which was previously combined with the Deputy Supplemental and Revolving fund and to exclude the Circuit Court and Deputy Supplemental and Revolving funds. The effect of the aforementioned change in reporting entity is a net decrease to the cash balances of the governmental funds as previously reported at December 31, 2008 by the amount representing cash balances of the Circuit Court, Deputy Supplemental and Revolving and Concealed Weapons Funds.

8. LONG TERM DEBT

The County's long-term debt outstanding at December 31, 2010 consisted of $4,191,387 remaining on a loan from U.S. Bank, dated June 1, 2008, for the construction of the Administration Center which houses most of the elected officials' offices. The loan is scheduled to be paid in monthly installments of $29,652 over 240 months with an interest rate of 4.85% annually. The final payment is scheduled for May 1, 2028.

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2010 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through June 3, 2011, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Nodaway County, Missouri

We have audited the accompanying financial statements of Nodaway County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated June 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Nodaway County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Nodaway County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Nodaway County, Missouri's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses, as defined above. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and recommendations as items 1 and 2, that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Nodaway County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as item 3.

We noted certain other matters that we reported to management of Nodaway County, Missouri in the findings and recommendations section as items 4 and 5.

Nodaway County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Nodaway County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
June 3, 2011

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AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission and
Officeholders of Nodaway County, Missouri

Compliance

We have audited the compliance of Nodaway County, Missouri, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and 2009. Nodaway County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Nodaway County, Missouri's management. Our responsibility is to express an opinion on Nodaway County, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Nodaway County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Nodaway County, Missouri's compliance with those requirements.

In our opinion, Nodaway County, Missouri, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of federal award findings and questioned costs as finding number 10-1.

Internal Control Over Compliance

The management of Nodaway County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered Nodaway County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Nodaway County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as finding 10-1. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Nodaway County, Missouri’s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Nodaway County, Missouri’s response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
June 3, 2011

NODAWAY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31, 2009	2010
	U. S. DEPARTMENT OF AGRICULTURE			
	Passed through state Natural Resources Conservation Service -			
10.923	Emergency Watershed Protection Program	DSR-147-08-001	$ 10,873	$ -
		DSR-147-08-003	28,389	-
		DSR-147-08-004	6,715	-
		DSR-147-08-005	170,862	-
		DSR-147-09-003	4,712	-
		DSR-147-09-101	7,305	-
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
	Department of Economic Development -			
14.228	Community Development Block Grants/State's Program			
	and Non-Entitlement Grants in Hawaii	2009-MO-03	525,000	-
		2008-DF-19	-	102,118
	Department of Social Services -			
14.231	Emergency Shelter Grants Program	ER01641008	10,837	5,665
		ER01642034	-	4,534
	U. S. DEPARTMENT OF JUSTICE			
	Passed through state:			
	Sheriff's Association -			
16.607	Bulletproof Vest Partnership Program	N/A	2,412	-
	Department of Public Safety -			
16.738	Edward Byrne Memorial Justice Assistance Grant Program	2009-JAG-RA-023	54,751	-
	U. S. DEPARTMENT OF TRANSPORTATION			
	Passed through state Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO-074(48)	-	-
		BRO-074(49)	208,948	80,217
		BRO-074(50)	-	304,037
		BRO-074(52)	10,307	31,551
		BRO-074(53)	10,540	25,952
20.600	State and Community Highway Safety	LKK040 NHTSA	1,542	475
	U.S. DEPARTMENT OF ENERGY			
	Passed through state Department of Natural Resources -			
81.128	Energy Efficiency and Conservation Block Grant Program	G10-EECBG-02-039411889	-	22,473
	U. S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through state Department of Public Safety -			
97.036	Disaster Grants - Public Assistance Grants (Presidentially	2007-FEMA-1708-DR-MO	528,701	90,322
	Declared Disasters)	2008-FEMA-1707-DR-MO	12,905	-
		2010-FEMA-1934-DR-MO	-	206,000
97.042	Emergency Management Performance Grants	2009-EP-09-0001	6,351	6,661
	Total Expenditures of Federal Awards		$ 1,601,150	$ 880,005

NODAWAY COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditure of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the federally funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – SUBRECIPIENTS

During the years ended December 31, 2010 and 2009 the County passed through federal funds under the Community Development Block Grant program (CFDA #14.228) to subawardees in the amount of $102,118 and $525,000, respectively.

NODAWAY COUNTY, MISSOURI
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2010 AND 2009

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of Auditors' Report Issued:	Unqualified
Internal Control Over Financial Reporting:	
- Material weakness(es) identified?	___ Yes _X_ No
- Significant deficiencies identified that are not considered to be material weaknesses?	_X_ Yes ___ None Reported
- Noncompliance material to financial statements noted?	_X_ Yes ___ No

Federal Awards:

Internal Control Over Major Programs:	
- Material weakness(es) identified?	____ Yes _X_ No
- Significant deficiencies identified that are not considered to be material weaknesses?	_X_ Yes ___ None Reported
Type of Auditor's Report Issued on Compliance For Major Programs:	Unqualified
Any audit findings disclosed that are required to be Reported in accordance with section 510(A) of Circular A-133?	_X_ Yes ____ No

Identification of Major Programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.228	Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii
20.205	Highway and Transportation – Highway Planning and Construction
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	$300,000
Auditee Qualified as low-risk:	____ Yes _X_ No

SECTION II – FINANCIAL STATEMENTS FINDINGS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

1. Senate Bill 40 Internal Controls
2. Sheriff's Internal Controls
3. Budgetary Practices

Summary Schedule of Prior Audit Findings:

1. Senate Bill 40 Internal Controls
2. Internal Controls Over Non-Payroll Expenditures
3. Bidding Procedures
4. Budgetary Practices
5. Bank Balances Under Collateralized
6. Long-Term Debt
7. Personnel Policy Manual

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Finding No. 10-1. Incorrect Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Transportation
Pass-Through Grantor: Highway and Transportation Commission
Federal CFDA Number: 20.205
Program Title: Highway Planning and Construction
Pass Through Entity Identifying Number: BRO – 074(48), BRO – 074(49), BRO – 074(50), BRO – 074(52) and BRO – 074(53)
Award Years: 2009 and 2010
Questioned Costs: None

Federal Grantor: U.S. Department of Homeland Security
Pass-Through Grantor: Department of Public Safety
Federal CFDA Number: 97.036
Program Title: Disaster Grants – Public Assistance Grants (Presidentially Declared Disasters)
Pass Through Entity Identifying Number: 2007-FEMA-1708-DR-MO, 2008-FEMA-1707-DR-MO, and 2010-FEMA-1934-DR-MO
Award Years: 2009 and 2010
Questioned Costs: None

10-1. Schedule of Expenditures of Federal Awards (SEFA)

Condition: As a recipient of federal grant funds, the County is required to comply with Office of Management and Budget (OMB) Circular A-133. Subpart C, Section 300(A) of the Circular requires the recipient of federal funds to accurately report the amount of federal funds expended each year on a Schedule of Expenditures of Federal Awards (SEFA). The SEFA's for the years ending December 31, 2009 and 2010 were inaccurate in that the County reported as expenditures the amounts received for all BRO and FEMA disaster projects. This resulted in federal expenditures being understated by $80,679 for 2009 and overstated by $25,060 for 2010. The SEFA included in this report has been adjusted to correct this condition.

Recommendation: We recommend that the County Clerk ensure that that the SEFA is prepared using actual expenditures of the current year.

County's Response: The SEFA will be reviewed and appropriate expenditures reported.

Auditor's Evaluation: The response is appropriate to correct the concern.

SECTION IV – FOLLOW-UP ON PRIOR YEAR'S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Senate Bill 40 Internal Controls

Condition: The Senate Bill 40 Board appoints a Treasurer who handles all of the financial information for the Board. He has possession of the checkbook, is the only person required to sign the checks, has the bank statements sent to his residence and records all of the financial activity of the fund. Although, the Board is a small entity, better separation of duties is needed to maintain adequate internal controls. Also, the Treasurer has not been formally performing reconciliations of the monthly bank statements.

Recommendation: We recommend that other members of the Board play a role in the financial activities of the Board. This could be done by requiring another Board member to sign the checks, or by delegating the bank reconciliation process to another board member.

County's Response: The current Senate Bill 40 treasurer was contacted and informed of the recommendation. We expect full compliance.

Auditor's Evaluation: The response is appropriate to correct the concern.

2. Sheriff's Internal Controls

Condition: There is a lack of segregation of duties over the cash disbursements process in the Sheriff's office. The office manager in the Sheriff's office has control of the blank checks, is the only authorized signer on the Sheriff's checking accounts and also reconciles the bank statements. A person who has access to blank checks and the ability to write checks should not also reconcile the bank account. This is because the person reconciling the bank account may notice any unauthorized or suspicious purchases. However, if the person reconciling the bank statements is the same person who is writing the checks, this detective internal control will not be effective.

Recommendation: We recommend that the Sheriff's office improve the segregation of duties over cash disbursements. Ideally, the Sheriff would be the authorized signer on all Sheriff's office checking accounts and would review supporting documentation before signing the checks to ensure that all disbursements are for legitimate purposes.

County's Response: Thank you for pointing this out. While there were many topics that we disagreed on while the audit was being done, I believe that you are absolutely correct on this topic. There will be an immediate change.

Auditor's Evaluation: The response is appropriate to correct the concern.

ITEMS OF NONCOMPLIANCE

3. Budgetary Practices

Condition: The County spent in excess of the authorized budget for a number of funds in both 2009 and 2010. The County has a procedure in place for monitoring the budget to actual amounts for expenditures during the year. The County's expenditure warrant forms include a line item for the County Clerk's office to write in the amount remaining in the budget for the particular expense category being charged. However, tests of expenditures revealed that this line item was often left blank or was negative and the Commission still approved the expenditure.

Also, the County did not adopt a formal budget for the Concealed Weapon fund for 2009. State statutes require that a formal budget be adopted for all County funds.

Recommendation: We recommend that the County Commission not approve expenditures in excess of budgeted amounts or follow the appropriate procedures to amend the budget and ensure funds are available to finance the expenditure. We also recommend that the County adopt a formal budget for all funds.

County's Response: The County will do everything possible to make sure all officeholders do not exceed their budgeted amounts for all funds.

Auditor's Evaluation: The response is appropriate to the concern.

OTHER MATTERS

In planning and performing our audit of the financial statements of Nodaway County, Missouri (the County) as of and for the years ended December 31, 2010 and 2009, in accordance with generally accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the County's internal control in our report dated June 3, 2011. (A separate report dated June 3, 2011 contains our report on significant deficiencies in the County's internal control). This document does not affect our report dated June 3, 2011.

4. Recording of Interest Revenue

Condition: Interest earned on the County's Building Fund and General Revenue CDARS investments during December 2009 was not included in the value of the investments reported in the County's cash balances as of December 31, 2009 on the 2010 budget. This resulted in an understatement of cash and revenues at December 31, 2009 and an overstatement of cash and revenues at December 31, 2010 of $3,554. Interest earned during 2010 on the County's Farm Sale Certificate of Deposit investment was not recorded resulting in an understatement of interest revenue and cash of the Administration Center fund as of December 31, 2010 of $965.

Recommendation: We recommend that the County ensure that all interest revenue earned is recorded in the correct period in accordance with the cash basis of accounting.

County's Response: In the future, the Treasurer's office will hold the financial books open until the financial institutions provide the interest revenues earned amounts needed to balance the cash basis of accounting.

Auditor's Evaluation: The response is appropriate to correct the concern.

5. Recording of Accrued Payroll Expenditures

Condition: The County recognized certain payroll related items as expenditures prior to their disbursement which is not in conformity with the cash basis of accounting. The 2010 and 2011 budgets for the four funds from which personnel are paid (General Revenue, Road & Bridge, Assessment, and 911) included "Adjustments" to the reconciliation of cash balances. According to the County Clerk, these amounts represented employee benefit related items recorded by the County's payroll system as expenditures in 2009 although the amounts were not actually paid until 2010. However, the County operates on the cash basis of accounting, which means that expenditures should not be recognized until they are actually paid. The result of this condition was an overstatement of expenditures for 2009 in the above four funds totaling $26,756.

Recommendation: We recommend that the County records all expenses on the cash basis of accounting, which requires expenses to be recorded only when they are paid.

County's Response: The County Clerk will make sure all payroll expenditures are expensed in the appropriate year.

Auditor's Evaluation: The response is appropriate to correct the concern.

NODAWAY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Nodaway County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2008 and 2007.

1. There is a lack of segregation of duties over the disbursement process of the Senate Bill 40 Board. Also, the Board Treasurer does not perform formal bank reconciliations.

   Status – Repeated. See finding 1.

2. A number of requisition forms and purchase orders selected for testing were not approved by a County Commissioner and a number of warrants tested were not approved by all three Commissioners in accordance with County policy.

   Status – Resolved. The County adopted a less restrictive policy to require only two Commissioners signatures for approval of warrants.

3. The County did not perform bidding for Road & Bridge fuel in 2007 and 2008 and property insurance for the new Administration building in 2008. Also, sole source procurements were not properly documented.

   Status – Resolved.

4. Actual expenditures exceeded budgeted amounts for a number of the County's funds in both 2007 and 2008.

   Status – Repeated. See finding 3.

5. The County's bank deposits were not adequately collateralized as of December 31, 2008.

   Status – Resolved.

6. The amount of the County's outstanding long-term debt as of December 31, 2007 and 2008 was misstated on the 2008 and 2009 budgets.

   Status - Resolved.

7. The County's personnel policy manual contained a number of changes that were hand written instead of making formal changes to the policy.

   Status – Resolved. The personnel policy manual was formally updated by the County.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Holt County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Holt County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-70

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

ANNUAL FINANCIAL REPORT

HOLT COUNTY, MISSOURI

For the Years Ended
December 31, 2010 and 2009

HOLT COUNTY, MISSOURI

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INTRODUCTORY SECTION

HOLT COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Mark Sitherwood

Associate Commissioner – Bill Gordon

Associate Commissioner – Don Holstine

Other Elected Officials

Assessor – Carla Markt

Circuit Clerk/Recorder – Vicki Book

Collector – Billie Sharp

Coroner – Susan Lentz

County Clerk – Kathy Kunkel

Prosecuting Attorney – Robert Shepherd

Public Administrator – Ed Meng

Sheriff – Scott Wedlock

Treasurer – Gay Quick

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CERTIFIED PUBLIC ACCOUNTANTS

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Holt County, Missouri

We have audited the accompanying financial statements of Holt County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Holt County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Holt County, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Holt County, Missouri, as of December 31, 2010 and 2009, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards,* we also have issued our report dated May 2, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Holt County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

(Original Signed by Auditor)

McBride, Lock & Associates
May 2, 2011

FINANCIAL SECTION

HOLT COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2010

Fund	Cash January 1, 2009	Receipts 2009	Disbursements 2009	Cash December 31, 2009	Receipts 2010	Disbursements 2010	Cash December 31, 2010
General Revenue	$ 311,593	$ 1,510,060	$ 1,498,539	$ 323,114	$ 1,384,795	$ 1,537,889	$ 170,020
Special Road & Bridge	322,207	1,402,399	1,575,062	149,544	1,249,574	1,200,069	199,049
Assessment	37,170	133,231	145,258	25,143	131,872	124,951	32,064
Law Enforcement Training	4,659	5,969	8,442	2,186	5,283	4,956	2,513
Prosecuting Attorney Training	4,168	1,025	1,861	3,332	876	1,531	2,677
Recorder's Special	31,243	3,927	10,436	24,734	3,714	11,695	16,753
Local CART	17,465	184,565	187,030	15,000	203,248	200,000	18,248
State CART	310,231	330,237	250,000	390,468	342,739	350,000	383,207
Sheriff's Civil Fees	5,049	7,935	5,667	7,317	5,111	6,932	5,496
Prosecuting Attorney Check Collection	1,439	766	127	2,078	756	125	2,709
Neighborhood Improvement District Pool	3,524	2,971	3,222	3,273	3,471	2,555	4,189
Clerk's Election Fees	6,060	931	3,998	2,993	2,028	1,718	3,303
Victims of Domestic Violence	576	175	576	175	130	-	305
Johnson Grass	15,343	34,352	26,299	23,396	37,764	26,436	34,724
Cemetery Trust	29,405	1,277	3,457	27,225	749	355	27,619
Community Development Block Grant	-	262,683	262,683	-	27,917	27,917	-
Collector's Tax Maintenance	18,582	8,746	15,207	12,121	8,373	13,741	6,753
Senior Citizen's Services	5,287	43,360	44,153	4,494	47,457	41,071	10,880
911	77,254	89,305	91,332	75,227	162,681	126,286	111,622
Local Emergency Planning Committee	-	9,203	3,062	6,141	-	3,753	2,388
Law Library	212	3,555	2,581	1,186	3,061	1,681	2,566
Total	$ 1,201,467	$ 4,036,672	$ 4,138,992	$ 1,099,147	$ 3,621,599	$ 3,683,661	$ 1,037,085

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A

HOLT COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	GENERAL REVENUE FUND			
	Year Ended December 31,			
	2009		2010	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ 294,000	$ 297,523	$ 305,000	$ 357,485
Sales taxes	375,000	349,092	350,000	386,247
Intergovernmental	436,000	454,662	431,750	357,726
Charges for services	190,015	190,361	193,015	191,999
Interest	2,000	-	-	78
Other	109,500	110,340	49,000	3,009
Transfers in	95,000	108,082	135,500	88,251
Total Receipts	$ 1,501,515	$ 1,510,060	$ 1,464,265	$ 1,384,795
DISBURSEMENTS				
County Commission	$ 75,320	$ 73,043	$ 77,280	$ 76,849
County Clerk	106,000	95,705	102,500	93,929
Elections	33,500	30,504	68,500	44,360
Buildings and grounds	54,380	52,198	195,500	187,255
Employee fringe benefits	290,000	221,382	239,000	222,101
Treasurer	38,500	36,966	40,000	38,125
Collector	64,840	62,892	65,970	63,299
Recorder of Deeds	22,250	19,974	22,250	19,280
Associate Circuit Court	12,000	6,912	13,500	3,599
Court administration	10,900	1,148	10,900	9
Public Administrator	22,020	21,799	22,790	21,753
Sheriff	204,220	180,056	205,880	189,211
Jail	157,500	147,906	165,500	135,844
Prosecuting Attorney	73,780	68,479	78,200	70,426
Juvenile Officer	9,400	7,401	9,100	6,448
Coroner	14,700	13,885	19,300	17,032
Other County Government	466,958	435,622	355,124	331,980
Health and Welfare	5,750	5,750	5,750	5,750
Transfers out	20,500	16,917	14,000	10,639
Emergency fund	42,000	-	44,000	-
Total Disbursements	$ 1,724,518	$ 1,498,539	$ 1,755,044	$ 1,537,889
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (223,003)	$ 11,521	$ (290,779)	$ (153,094)
CASH, JANUARY 1	311,593	311,593	323,114	323,114
CASH, DECEMBER 31	$ 88,590	$ 323,114	$ 32,335	$ 170,020

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-1

HOLT COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 320,000	$ 316,372	$ 320,000	$ 349,407	$ -	$ -	$ -	$ -
Sales taxes	180,000	174,538	175,000	193,117	-	-	-	-
Intergovernmental	261,750	467,062	468,000	154,119	115,000	122,019	117,000	116,172
Charges for services	1,250	5,590	5,100	2,442	2,000	2,100	6,500	6,700
Interest	2,000	-	-	94	250	-	-	-
Other	3,500	1,807	1,750	395	-	112	-	-
Transfers in	702,000	437,030	552,000	550,000	9,000	9,000	9,000	9,000
Total Receipts	$ 1,470,500	$ 1,402,399	$ 1,521,850	$ 1,249,574	$ 126,250	$ 133,231	$ 132,500	$ 131,872
DISBURSEMENTS								
Salaries	$ 290,000	$ 271,474	$ 290,000	257,672	$ 87,140	$ 86,332	$ 90,796	$ 87,033
Employee fringe benefits	115,000	90,372	116,500	93,727	11,660	8,038	11,656	8,852
Materials and supplies	333,000	255,669	230,500	586,530	9,350	3,167	29,453	6,481
Services and other	148,700	138,502	140,000	106,732	51,710	46,221	15,850	21,085
Capital outlay	68,000	14,316	1,000	14,100	-	-	-	-
Construction	595,000	741,193	800,000	84,608	-	-	-	-
Transfers out	60,000	63,536	79,000	56,700	-	1,500	-	1,500
Total Disbursements	$ 1,609,700	$ 1,575,062	$ 1,657,000	$ 1,200,069	$ 159,860	$ 145,258	$ 147,755	$ 124,951
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (139,200)	$ (172,663)	$ (135,150)	$ 49,505	$ (33,610)	$ (12,027)	$ (15,255)	$ 6,921
CASH, JANUARY 1	322,207	322,207	149,544	149,544	37,170	37,170	25,143	25,143
CASH, DECEMBER 31	$ 183,007	$ 149,544	$ 14,394	$ 199,049	$ 3,560	$ 25,143	$ 9,888	$ 32,064

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-2

HOLT COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,000	1,915	4,000	1,724	-	-	-	-
Charges for services	4,000	4,054	4,000	3,516	1,000	1,025	1,000	876
Interest	25	-	-	-	25	-	-	-
Other	-	-	-	43	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 6,025	$ 5,969	$ 8,000	$ 5,283	$ 1,025	$ 1,025	$ 1,000	$ 876
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	1,200	19	100	-	-	-	-	-
Services and other	9,300	8,423	10,000	4,956	4,000	1,861	4,300	1,531
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 10,500	$ 8,442	$ 10,100	$ 4,956	$ 4,000	$ 1,861	$ 4,300	$ 1,531
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (4,475)	$ (2,473)	$ (2,100)	$ 327	$ (2,975)	$ (836)	$ (3,300)	$ (655)
CASH, JANUARY 1	4,659	4,659	2,186	2,186	4,168	4,168	3,332	3,332
CASH, DECEMBER 31	$ 184	$ 2,186	$ 86	$ 2,513	$ 1,193	$ 3,332	$ 32	$ 2,677

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-3

HOLT COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER'S SPECIAL FUND				LOCAL CART FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	190,000	174,539	175,000	193,117
Intergovernmental	-	-	-	-	12,000	10,026	10,100	10,131
Charges for services	3,700	3,927	3,700	3,714	-	-	-	-
Interest	100	-	-	-	100	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 3,800	$ 3,927	$ 3,700	$ 3,714	$ 202,100	$ 184,565	$ 185,100	$ 203,248
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	6,000	1,864	6,000	4,695	-	-	-	-
Services and other	18,500	8,572	18,000	7,000	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	200,000	187,030	200,000	200,000
Total Disbursements	$ 24,500	$ 10,436	$ 24,000	$ 11,695	$ 200,000	$ 187,030	$ 200,000	$ 200,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (20,700)	$ (6,509)	$ (20,300)	$ (7,981)	$ 2,100	$ (2,465)	$ (14,900)	$ 3,248
CASH, JANUARY 1	31,243	31,243	24,734	24,734	17,465	17,465	15,000	15,000
CASH, DECEMBER 31	$ 10,543	$ 24,734	$ 4,434	$ 16,753	$ 19,565	$ 15,000	$ 100	$ 18,248

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-4

HOLT COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	STATE CART FUND				SHERIFF'S CIVIL FEES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	325,000	330,237	330,000	342,739	1,000	-	-	-
Charges for services	-	-	-	-	7,000	6,140	7,900	5,111
Interest	1,000	-	-	-	10	-	-	-
Other	-	-	-	-	100	378	375	-
Transfers in	-	-	-	-	-	1,417	-	-
Total Receipts	$ 326,000	$ 330,237	$ 330,000	$ 342,739	$ 8,110	$ 7,935	$ 8,275	$ 5,111
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	-	-	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	9,500	5,667	9,500	6,932
Services and other	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction								
Transfers out	500,000	250,000	350,000	350,000	-	-	-	-
Total Disbursements	$ 500,000	$ 250,000	$ 350,000	$ 350,000	$ 9,500	$ 5,667	$ 9,500	$ 6,932
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (174,000)	$ 80,237	$ (20,000)	$ (7,261)	$ (1,390)	$ 2,268	$ (1,225)	$ (1,821)
CASH, JANUARY 1	310,231	310,231	390,468	390,468	5,049	5,049	7,317	7,317
CASH, DECEMBER 31	$ 136,231	$ 390,468	$ 370,468	$ 383,207	$ 3,659	$ 7,317	$ 6,092	$ 5,496

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-5

HOLT COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	PROSECUTING ATTORNEY CHECK COLLECTION FUND				NEIGHBORHOOD IMPROVEMENT DISTRICT POOL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ 3,100	$ 2,971	$ 3,000	$ 3,471
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	300	766	500	756	-	-	-	-
Charges for services	-	-	-		-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 300	$ 766	$ 500	$ 756	$ 3,100	$ 2,971	$ 3,000	$ 3,471
DISBURSEMENTS								
Salaries	-	-	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,100	127	1,250	125	5,000	3,222	3,500	2,555
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 1,100	$ 127	$ 1,250	$ 125	$ 5,000	$ 3,222	$ 3,500	$ 2,555
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (800)	$ 639	$ (750)	$ 631	$ (1,900)	$ (251)	$ (500)	$ 916
CASH, JANUARY 1	1,439	1,439	2,078	2,078	3,524	3,524	3,273	3,273
CASH, DECEMBER 31	$ 639	$ 2,078	$ 1,328	$ 2,709	$ 1,624	$ 3,273	$ 2,773	$ 4,189

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-6

HOLT COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	CLERK'S ELECTION FEES FUND				VICTIMS OF DOMESTIC VIOLENCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	389	-	-	-	-
Charges for services	2,500	-	5,000	-	150	175	150	130
Interest	10	-	-	-	-	-	-	-
Other	-	931	-	-	-	-	-	-
Transfers in	-	-	-	1,639	-	-	-	-
Total Receipts	$ 2,510	$ 931	$ 5,000	$ 2,028	$ 150	$ 175	$ 150	$ 130
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	7,500	3,998	7,500	1,718	600	576	325	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 7,500	$ 3,998	$ 7,500	$ 1,718	$ 600	$ 576	$ 325	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (4,990)	$ (3,067)	$ (2,500)	$ 310	$ (450)	$ (401)	$ (175)	$ 130
CASH, JANUARY 1	6,060	6,060	2,993	2,993	576	576	175	175
CASH, DECEMBER 31	$ 1,070	$ 2,993	$ 493	$ 3,303	$ 126	$ 175	$ -	$ 305

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-7

HOLT COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	JOHNSON GRASS FUND				CEMETERY TRUST FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 30,005	$ 33,603	$ 35,005	$ 37,764	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	600	749	550	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	250	-	-	-	1,200	1,277	1,200	749
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 30,855	$ 34,352	$ 35,555	$ 37,764	$ 1,200	$ 1,277	$ 1,200	$ 749
DISBURSEMENTS								
Salaries	20,000	15,188	20,000	14,215	-	-	-	-
Employee fringe benefits	2,000	1,162	2,000	1,087	-	-	-	-
Materials and supplies	16,500	9,949	16,500	3,742	-	-	-	-
Services and other	-	-	-	3,392	6,000	3,457	7,000	355
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	2,000	-	4,000	4,000	-	-	-	-
Total Disbursements	$ 40,500	$ 26,299	$ 42,500	$ 26,436	$ 6,000	$ 3,457	$ 7,000	$ 355
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (9,645)	$ 8,053	$ (6,945)	$ 11,328	$ (4,800)	$ (2,180)	$ (5,800)	$ 394
CASH, JANUARY 1	15,343	15,343	23,396	23,396	29,405	29,405	27,225	27,225
CASH, DECEMBER 31	$ 5,698	$ 23,396	$ 16,451	$ 34,724	$ 24,605	$ 27,225	$ 21,425	$ 27,619

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-8

HOLT COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COMMUNITY DEVELOPMENT BLOCK GRANT FUND				COLLECTOR'S TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	297,000	262,683	31,000	27,917	-	-	-	-
Charges for services	-	-	-	-	9,000	8,194	7,500	8,373
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	552	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 297,000	$ 262,683	$ 31,000	$ 27,917	$ 9,000	$ 8,746	$ 7,500	$ 8,373
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	1,900	-	1,000	9,159
Services and other	27,000	8,200	15,000	4,100	6,200	1,289	2,200	3,531
Capital outlay	-	-	-	-	-	-	-	-
Construction	270,000	254,483	16,000	23,817	-	-	-	-
Transfers out	-	-	-	-	15,920	13,918	14,052	1,051
Total Disbursements	$ 297,000	$ 262,683	$ 31,000	$ 27,917	$ 24,020	$ 15,207	$ 17,252	$ 13,741
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ -	$ -	$ -	$ (15,020)	$ (6,461)	$ (9,752)	$ (5,368)
CASH, JANUARY 1	-	-	-	-	18,582	18,582	12,121	12,121
CASH, DECEMBER 31	$ -	$ -	$ -	$ -	$ 3,562	$ 12,121	$ 2,369	$ 6,753

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-9

HOLT COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENIOR CITIZEN'S SERVICES FUND				911 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 43,000	$ 42,424	$ 45,000	$ 47,441	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	95,000	87,270	126,000	154,720
Intergovernmental	1,100	936	1,050	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	50	-	-	16	250	-	-	-
Other	-	-	-	-	2,000	2,035	2,000	7,961
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 44,150	$ 43,360	$ 46,050	$ 47,457	$ 97,250	$ 89,305	$ 128,000	$ 162,681
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	150	-	-	-	20,250	11,803	20,250	21,108
Services and other	47,300	44,153	47,300	41,071	72,100	45,401	67,850	59,291
Capital outlay	-	-	-	-	5,000	5,000	5,000	20,887
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	30,000	29,128	39,500	25,000
Total Disbursements	$ 47,450	$ 44,153	$ 47,300	$ 41,071	$ 127,350	$ 91,332	$ 132,600	$ 126,286
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (3,300)	$ (793)	$ (1,250)	$ 6,386	$ (30,100)	$ (2,027)	$ (4,600)	$ 36,395
CASH, JANUARY 1	5,287	5,287	4,494	4,494	77,254	77,254	75,227	75,227
CASH, DECEMBER 31	$ 1,987	$ 4,494	$ 3,244	$ 10,880	$ 47,154	$ 75,227	$ 70,627	$ 111,622

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-10

HOLT COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LOCAL EMERGENCY PLANNING COMMITTEE FUND				LAW LIBRARY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	3,000	2,703	3,000	-	4,050	3,555	3,500	3,061
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	6,500	6,500	-	-	-	-	-	-
Total Receipts	$ 9,500	$ 9,203	$ 3,000	$ -	$ 4,050	$ 3,555	$ 3,500	$ 3,061
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	6,000	3,062	6,750	3,753	4,050	2,581	4,000	1,681
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 6,000	$ 3,062	$ 6,750	$ 3,753	$ 4,050	$ 2,581	$ 4,000	$ 1,681
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 3,500	$ 6,141	$ (3,750)	$ (3,753)	$ -	$ 974	$ (500)	$ 1,380
CASH, JANUARY 1	-	-	6,141	6,141	212	212	1,186	1,186
CASH, DECEMBER 31	$ 3,500	$ 6,141	$ 2,391	$ 2,388	$ 212	$ 1,186	$ 686	$ 2,566

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-11

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Holt County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk-Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, Treasurer and Collector.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Holt County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector, Treasurer, Circuit Clerk/Recorder and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.

2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Adoption of a formal budget is required by law. The County adopted a formal budget for all funds.

9. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Total actual expenditures did not exceeded total budgeted amounts in any funds.

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2010 and 2009, for purposes of taxation were:

	2010	2009
Real Estate	$ 55,353,197	$ 54,396,470
Personal Property	22,282,360	21,437,419
Railroad and Utilities	18,217,184	15,575,399

During 2009 and 2009, the County Commission approved a tax levy per $100 of assessed valuation of tangible taxable property for the calendar years 2009 and 2009, for purposes of County taxation, as follows:

	2010	2009
General Revenue	$ 0.3424	$ 0.3299
Special Road and Bridge	0.4314	0.4314
Johnson Grass	0.0396	0.0396
Senior Citizens Services Fund	0.0495	0.0495

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds, other than the funds of the Aggregate Cemetery Trust Fund, are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances and the balances owned by the Aggregate Cemetery Trust Fund are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Also included in the Cash and Investments caption are investments owned by the Aggregate Cemetery Trust Fund.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amounts of the County's deposits were $1,037,085 and $1,099,149, respectively. The corresponding bank balances at December 31, 2010 and 2009, were $1,997,230 and $1,943,800, respectively. Of the bank balances, $1,964,252 and $1,938,396 for December 31, 2010 and December 31, 2009, respectively, were covered by federal depository insurance and the remainder were covered by collateral held at the Federal Reserve Bank and the County’s safekeeping bank agent in the County’s name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2010 and 2009, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue, Special Road and Bridge, Johnson Grass, and Senior Citizens Services Fund. Tax collections on deposit amounted to $4,313,366 and $3,922,009 at December 31, 2010 and 2009, respectively. The County Collector’s deposits were covered by federal depository insurance of $250,000 as of December 31, 2010 and 2009 and the remaining balances were collateralized at $4,063,366 and $3,672,009, respectively.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

The County also participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is

governed by Statute, Section RSMo 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax-exempt.

The LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing LAGERS, P.O. Box 1665, Jefferson City, Missouri 65201 or by calling 1-800-447-4334.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2010 and 2009, the County collected and remitted to CERF employee contributions of approximately $15,148 and $12,971, respectively, for the years then ended.

The County's full-time employees contribute 4% of gross pay to the LAGERS pension plan. The political subdivision is required by State Statute to contribute at an actuarially determined rate; the rate for 2010 was 13.5% (general) and 8.9% (police) and in 2009 the rate contributed was 13.6% (general) and 9.2% (police) of annual covered payroll. During 2010 and 2009, the County contributed approximately $36,644 and $34,652 respectively, for the years then ended.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees and part-time employees who receive benefits with four hours of sick leave on the first day of each month, up to a maximum of 240 hours. Twenty-four hours of sick leave is accrued on January 1 of each year. Upon termination, the employee is not compensated for accrued sick time. Vacation time is accrued for every full-time employee, and accrues at the rate of one week per year for employees with one year of service; two weeks per year for employees with 2 to 19 years of service; and 3 weeks for employees with 20 or more years of service up to a maximum of 120 hours. Upon termination, the employee is compensated for accrued vacation, up to a maximum of 120 hours.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs and the refund of grant monies to the grantor agencies. Management believes that required refunds, if any, will be immaterial, and therefore no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Rural Services Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County's debt outstanding at December 31, 2010 consisted of $59,000 owed on a lease payable for the purchase of a John Deere motor grader financed by John Deere Credit. The lease bears interest at 3.95% and is scheduled to be paid in five annual payments of $13,088 due March 15th of each year. The schedule of remaining payments and interest is listed below:

Payment Date	Principal Due	Interest Due	Total Due
March 15, 2011	$ 11,516	$ 1,572	$ 13,088
March 15, 2012	11,178	1,910	13,088
March 15, 2013	11,628	1,460	13,088
March 15, 2014	12,095	993	13,088
March 15, 2015	12,583	505	13,088

8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2010 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through May 2, 2011, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

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McBRIDE, LOCK & ASSOCIATES

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Holt County, Missouri

We have audited the accompanying financial statements of Holt County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated May 2, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Holt County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Holt County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Holt County, Missouri's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses, as defined above. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and recommendations as item 1 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Holt County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Holt County, Missouri in the findings and recommendations section as items 2 and 5.

Holt County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Holt County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
May 2, 2011

AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission and
Officeholders of Holt County, Missouri

Compliance

We have audited the compliance of Holt County, Missouri, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and 2009. Holt County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Holt County, Missouri's management. Our responsibility is to express an opinion on Holt County, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Holt County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Holt County, Missouri's compliance with those requirements.

In our opinion, Holt County, Missouri, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and 2009.

Internal Control Over Compliance

The management of Holt County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered Holt County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Holt County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

McBride, Lock & Associates
May 2, 2011

HOLT COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31, 2010	2009
	U. S. DEPARTMENT OF AGRICULTURE			
	Passed through state:			
	Department of Health and Senior Services -			
10.557	Special Supplemental Nutrition Program	ERS04510143		$ 14,686
	for Women, Infants, and Children	3MO70074	$ 23,138	
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
	Department of Economic Development -			
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii		27,917	262,683
	U. S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
	Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO-29	14,223	
		BRO-30	22,150	331,284
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Passed through state:			
	Department of Health and Senior Services -			
93.268	Immunization Grants	Non-Monetary	26,352	
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	TP716971-10	17,645	
	Non-monetary VFC			14,938
	RPHPP	DH080006013		7,802
93.069	Public Health Emergency Preparedness	IH75TP000360-0	9,819	
93.575	Child Care and Development Block Grant	DH090004017		1,031
		DH100009086	1,820	
93.712	Immunizations Reaching More Children and Adults	IP722543-07S	964	
93.994	Maternal and Child Health Services Block Grant to the States	DH080009040	16,090	16,211
	U. S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through State Department of Public Safety:			
97.036	Disaster Grants - Public Assistance Grants	SEMA - Ice Storm	7,970	
	(Presidentially declared disasters)	SEMA - Ice Storm	4,276	
	Total Expenditures of Federal Awards		$ 172,364	$ 648,635

HOLT COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditure of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – SUBRECEIPIENTS

The County provided no federal awards to sub-recipients during the years ended December 31, 2010 and 2009.

HOLT COUNTY, MISSOURI
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2010 AND 2009

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of Auditors' Report Issued:	Unqualified
Internal Control Over Financial Reporting:	
- Material weakness(es) identified?	___ Yes _X_ No
- Significant deficiencies identified that are not considered to be material weaknesses?	_X_ Yes ___ None Reported
- Noncompliance material to financial statements noted?	____ Yes _X_ No

Federal Awards:

Internal Control Over Major Programs:	
- Material weakness(es) identified?	____ Yes _X_ No
- Significant deficiencies identified that are not considered to be material weaknesses?	____ Yes _X_ None Reported
Type of Auditor's Report Issued on Compliance For Major Programs:	Unqualified
Any audit findings disclosed that are required to be Reported in accordance with section 510(A) of Circular A-133?	___ Yes _X_ No

Identification of Major Programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.205	Highway and Transportation – Highway Planning and Construction
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	$300,000
Auditee Qualified as low-risk:	____ Yes _X_ No

SECTION II – FINANCIAL STATEMENTS FINDINGS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

1. Unauthorized Signer on Sheriff's Bank Account

Summary of Schedule of Prior Audit Findings:

08-1. Schedule of Expenditures of Federal Awards (SEFA)
08-2. Outstanding Checks
08-3. Expenditures
08-4. Budgetary Controls

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

None

SECTION IV – FOLLOW-UP ON PRIOR YEAR'S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

08-1. Schedule of Expenditures of Federal Awards

Resolved

FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCY

1. Unauthorized Signer on Sheriff's Bank Account

Condition: We noted that a former employee is still an authorized signer on the Sheriff's bank account.

Recommendation: We recommend that steps be taken to immediately remove this individual as an authorized signer on the Sheriff's bank account.

County's Response: The County Commission has reviewed this issue with Sheriff Scott Wedlock and asks that he take immediate action to remedy the situation and put policies and procedures in place to alleviate this circumstance in the future.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

OTHER MATTERS

In planning and performing our audit of the financial statements of Holt County, Missouri (the County) as of and for the years ended December 31, 2010 and 2009, in accordance with generally accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the County's internal control in our report dated May 2, 2011. (A separate report dated May 2, 2011 contains our report on significant deficiencies in the County's internal control). This document does not affect our report dated May 2, 2011.

2. Accounting for Transfers

Condition: The financial statements of the County as presented in the annual budget document present transfers between funds. However, we noted that some transfers were identified as expenditures and revenues within the funds. Additionally, there were costs identified as reimbursements that were shown as transfers. The financial statements included in this report have been adjusted so that transfers in and out between funds are equal as of December 31, 2010 and 2009.

Recommendation: In order to ensure that transfers are properly reported and are in balance (transfers to other funds equal to transfers from other funds), we recommend the transfers be clearly identified as transfers and presented in the budget within the Transfer category. Other types of transactions should not be presented in the Transfers Category.

County Response: The County Clerk as Chief Budget Officer notes that no funds have been misappropriated and that time-honored tradition in the County Budget Document has guided the logging of various transfers from fund to fund. An effort will be made at the onset of a new budget to log transfers in their appropriate budgetary categories.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

3. Outstanding Checks

Condition: As of December 31, 2010, the County Treasurer listed on the bank reconciliation five outstanding checks totaling $154 that were written prior to 2008, with one check going as far back as February 2005. All of these checks were for minor amounts with the largest being $80. None of these checks had been voided or the subject of a stop payment order.

Recommendation: We recommend that the County remit dollars represented by the outstanding checks that are older than three years to the State's Unclaimed Property Fund as required and submit Reports of Unclaimed Property annually, if applicable, to the Missouri State Treasurer according to RSMo 447.

County Response: The County Treasurer and County Clerk will continue to work to clear outstanding checks and will review and implement procedures for reporting those items to the State Treasurer through the Unclaimed Property Fund.

Auditor Evaluation: The stated corrective action is responsive to the recommendation.

4. Discounts Lost

Condition: When reviewing expenditures, we noted a cash disbursement to an oil company. The respective invoice offered a fifteen cent per gallon discount if the invoice was paid within ten days. The County failed to take advantage of the cash discount resulting in discounts lost of $361 on that one invoice.

Recommendation: We recommend that the County be cognizant of cash discounts offered by vendors and take advantage of them whenever possible.

County Response: The County Commission has reviewed the discount mentioned and finds that the vendor does not offer said discount for Holt County Road and Bridge purposes, and such vendor normally marks the discount as void. A few tickets were submitted to the county with the discount listed in error. The County Commission will continue to be vigilant in using discounts and rebates for items regularly purchased when made available.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

5. Check Copies

Condition: Copies of executed checks are maintained with cash disbursement documentation. There is nothing on the copy of the executed check that indicates that this copy is non-negotiable.

Recommendation: We recommend that the County implement procedures to ensure that copies of executed disbursement checks are marked as non-negotiable.

County Response: The County Clerk agrees with such finding and has made request of the check printing vendor to add a watermark to the checks that will clearly indicate when a copy has been made of such item. These watermarked-checks will be issued with the next order from said vendor.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

HOLT COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Holt County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2008 and 2007.

1. The County Clerk did not prepare an accurate SEFA for the year ended December 31, 2007 as required by Office of Management and Budget (OMB) Circular A-133, Subpart C, Section 300(A).

   Status - Resolved.

2. The County Treasurer listed on the bank reconciliation thirteen outstanding checks that were written prior to 2008.

   Status - Not Resolved. See finding No.3.

3. Our expenditure testwork revealed two instances in which purchasing procedures were inconsistent with statutory requirements.

   Status - Resolved

4. The County had expenditures in excess of budgeted amounts for the Senior Citizens Fund in 2007.

   Status - Resolved

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Clark County, Missouri

The Office of the State Auditor, in cooperation with Clark County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-69

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

ANNUAL FINANCIAL REPORT

CLARK COUNTY, MISSOURI

For the Years Ended
December 31, 2010 and 2009

CLARK COUNTY, MISSOURI

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INTRODUCTORY SECTION

CLARK COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Ronald Brewer

Associate Commissioner – Jerry Neyens

Associate Commissioner – Roger Sedore

Other Elected Officials

Assessor – Donna Oilar

Circuit Clerk/Recorder – Mary Jones

Collector – Michelle Allen

Coroner – Edwin Wilson

County Clerk – Leigh Ann Hayden

Prosecuting Attorney – John Moon

Public Administrator – Linda Shoup

Sheriff – Paul Gaudette

Treasurer – Roberta McAfee

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INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Clark County, Missouri

We have audited the accompanying financial statements of Clark County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Clark County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Clark County, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Clark County, Missouri, as of December 31, 2010 and 2009, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards,* we also have issued our report dated June 30, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clark County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

(Original Signed by Auditor)

McBride, Lock & Associates
June 30, 2011

FINANCIAL SECTION

CLARK COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2010

Fund	Cash January 1, 2009 (Note 7)	Receipts 2009	Disbursements 2009	Cash December 31, 2009	Receipts 2010	Disbursements 2010	Cash December 31, 2010
General Revenue	$ 168,374	$ 795,342	$ 851,832	$ 111,884	$ 856,992	$ 877,537	$ 91,339
Special Road & Bridge	86,953	1,144,438	1,245,993	(14,602)	1,738,132	1,558,902	164,628
Assessment	10,751	125,461	117,186	19,026	124,410	127,586	15,850
Prosecuting Attorney Retirement	-	2,244	2,244	-	2,244	2,244	-
Law Enforcement Training	39	2,724	2,388	375	3,223	2,812	786
Prosecuting Attorney Training	405	667	688	384	786	880	290
Prosecuting Attorney Bad Check	3,670	5,786	7,756	1,700	2,642	5,310	(968)
1/2 Cent Sales Tax Road and Bridge	448	261,932	245,502	16,878	271,964	223,860	64,982
Community Service	21,561	16,344	13,557	24,348	13,736	10,850	27,234
Recorder Automatic	2,497	1,918	-	4,415	1,828	86	6,157
1/2 Cent Sales Tax Jail-Building	805	22	-	827	21	-	848
1/2 Cent Sales Tax Jail Operation-Law Enforcement	(12,400)	720,091	742,670	(34,979)	705,325	717,325	(46,979)
Community Development Block Grant	-	-	-	-	81,966	81,966	-
Civil Process	428	5,896	630	5,694	6,846	6,283	6,257
Clark County Youth	9,475	36,756	35,877	10,354	41,908	46,346	5,916
Election Service	4,683	2,284	3,052	3,915	3,332	2,494	4,753
Domestic Violence Against Women	(1,359)	42,471	40,898	214	39,820	41,095	(1,061)
Domestic Violence	11,208	3,062	632	13,638	3,727	7,973	9,392
Local Emergency Planning Commission	9,680	-	2,897	6,783	2,544	3,117	6,210
Peace Officers Standards and Training	1,150	1,227	1,252	1,125	1,323	1,323	1,125
Recorder	3,583	3,242	3,133	3,692	3,149	-	6,841
Local Law Enforcement Support (Canine)	2,982	-	-	2,982	-	-	2,982
Help America Vote Act	-	-	-	-	-	-	-
Law Enforcement Restitution	9,168	8,296	8,282	9,182	12,546	8,555	13,173
Sheriff's Revolving	1,270	3,976	2,668	2,578	3,650	5,322	906
Election Equipment	7,074	4,777	-	11,851	5,798	4,104	13,545
Courthouse Restoration	-	17,046	17,046	-	-	-	-
Inmate Security	-	2,064	-	2,064	3,034	4,764	334
Local Law Enforcement Block Grant	-	3,678	1,498	2,180	-	2,145	35
Courthouse Construction	-	-	-	-	3,951,877	206,002	3,745,875
Courthouse Debt Service	-	-	-	-	109,407	109,393	14
Courthouse Sales Tax	-	-	-	-	91,438	55,993	35,445
Prescription Pill Diversion	-	25,550	11,434	14,116	5,925	15,034	5,007
Tax Maintenance Fund	20,173	9,025	4,654	24,544	10,091	6,503	28,132
Total	$ 362,618	$ 3,246,319	$ 3,363,769	$ 245,168	$ 8,099,684	$ 4,135,804	$ 4,209,048

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A

CLARK COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	GENERAL REVENUE FUND Year Ended December 31,			
	2009		2010	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ 306,700	$ 306,657	$ 307,600	$ 329,805
Sales taxes	260,000	261,932	262,000	271,962
Intergovernmental	2,100	2,905	3,000	3,726
Charges for services	146,310	135,111	142,820	142,091
Interest	7,000	8,614	8,750	10,508
Other	10,200	10,231	10,700	24,591
Transfers in	87,647	69,892	84,842	74,309
Total Receipts	$ 819,957	$ 795,342	$ 819,712	$ 856,992
DISBURSEMENTS				
County Commission	$ 86,602	$ 85,029	$ 86,721	$ 85,438
County Clerk	74,909	70,202	74,731	72,249
Elections	23,020	12,562	43,600	45,107
Buildings and grounds	146,935	42,954	86,079	68,242
Employee fringe benefits	4,077	2,779	3,712	2,006
Treasurer	31,438	30,781	32,232	31,679
Collector	79,376	82,018	78,650	78,569
Circuit Clerk	37,768	34,850	42,351	39,976
Associate Circuit Court	7,050	5,374	-	-
Court administration	5,416	4,447	5,416	5,301
Public Administrator	19,852	23,149	26,922	25,100
Prosecuting Attorney	84,093	75,610	81,834	80,485
Juvenile Officer	16,018	12,121	16,575	12,602
Coroner	19,856	20,244	21,171	21,160
Other County Government	74,277	64,092	58,022	58,487
Transfers out	234,644	234,644	251,136	251,136
Emergency fund	43,000	50,976	22,444	-
Total Disbursements	$ 988,331	$ 851,832	$ 931,596	$ 877,537
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (168,374)	$ (56,490)	$ (111,884)	$ (20,545)
CASH, JANUARY 1	168,374	168,374	111,884	111,884
CASH, DECEMBER 31	$ -	$ 111,884	$ -	$ 91,339

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-1

CLARK COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 521,000	$ 531,596	$ 485,800	$ 533,276	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,030,125	538,625	902,806	1,089,197	116,000	103,780	107,500	105,020
Charges for services	-	-	-	-	-	-	-	-
Interest	7,000	5,186	6,000	3,441	900	769	750	891
Other	28,000	69,031	123,000	109,922	2,050	1,689	1,700	2,499
Transfers in	7,000	-	8,300	2,296	16,000	19,223	16,000	16,000
Total Receipts	$ 1,593,125	$ 1,144,438	$ 1,525,906	$ 1,738,132	$ 134,950	$ 125,461	$ 125,950	$ 124,410
DISBURSEMENTS								
Salaries	$ 359,423	$ 413,453	$ 362,987	408,502	$ 69,370	$ 69,370	$ 69,370	$ 70,293
Employee fringe benefits	150,105	123,160	133,845	126,377	23,581	20,578	20,578	21,410
Materials and supplies	497,200	407,113	268,550	334,381	7,300	4,241	12,400	3,803
Services and other	98,000	113,930	242,349	165,403	43,725	22,997	32,223	32,080
Capital outlay	50,000	1,480	2,000	13,061	-	-	-	-
Construction	450,100	126,139	430,000	450,138	-	-	-	-
Transfers out	75,250	60,718	71,573	61,040	-	-	-	-
Total Disbursements	$ 1,680,078	$ 1,245,993	$ 1,511,304	$ 1,558,902	$ 143,976	$ 117,186	$ 134,571	$ 127,586
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (86,953)	$ (101,555)	$ 14,602	$ 179,230	$ (9,026)	$ 8,275	$ (8,621)	$ (3,176)
CASH, JANUARY 1	86,953	86,953	(14,602)	(14,602)	10,751	10,751	19,026	19,026
CASH, DECEMBER 31	$ -	$ (14,602)	$ -	$ 164,628	$ 1,725	$ 19,026	$ 10,405	$ 15,850

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-2

CLARK COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY RETIREMENT FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	3,000	2,724	3,125	3,223
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	2,244	2,244	2,244	2,244	-	-	-	-
Total Receipts	$ 2,244	$ 2,244	$ 2,244	$ 2,244	$ 3,000	$ 2,724	$ 3,125	$ 3,223
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and other	2,244	2,244	2,244	2,244	3,039	2,388	3,500	2,812
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 2,244	$ 2,244	$ 2,244	$ 2,244	$ 3,039	$ 2,388	$ 3,500	$ 2,812
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ -	$ -	$ -	$ (39)	$ 336	$ (375)	$ 411
CASH, JANUARY 1	-	-	-	-	39	39	375	375
CASH, DECEMBER 31	$ -	$ -	$ -	$ -	$ -	$ 375	$ -	$ 786

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-3

CLARK COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	795	667	700	786	6,420	5,708	6,445	2,623
Interest	-	-	-	-	150	78	100	19
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 795	$ 667	$ 700	$ 786	$ 6,570	$ 5,786	$ 6,545	$ 2,642
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,200	688	1,084	880	10,240	7,756	8,245	5,310
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 1,200	$ 688	$ 1,084	$ 880	$ 10,240	$ 7,756	$ 8,245	$ 5,310
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (405)	$ (21)	$ (384)	$ (94)	$ (3,670)	$ (1,970)	$ (1,700)	$ (2,668)
CASH, JANUARY 1	405	405	384	384	3,670	3,670	1,700	1,700
CASH, DECEMBER 31	$ -	$ 384	$ -	$ 290	$ -	$ 1,700	$ -	$ (968)

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-4

CLARK COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	1/2 CENT SALES TAX ROAD AND BRIDGE FUND				COMMUNITY SERVICE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	260,000	261,932	262,000	271,964	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	20,000	16,344	18,000	13,703
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	100	-	-	33
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 260,000	$ 261,932	$ 262,000	$ 271,964	$ 20,100	$ 16,344	$ 18,000	$ 13,736
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	20,000	9,817	$ 20,000	$ 8,788
Employee fringe benefits	-	-	-	-	8,000	834	8,000	797
Materials and supplies	205,000	217,642	224,609	160,591	1,000	353	1,000	283
Services and other	-	-	-	8,500	12,661	2,553	13,200	982
Capital outlay and construction	43,050	15,463	41,000	41,500	-	-	-	-
Transfers out	12,397	12,397	13,269	13,269	-	-	-	-
Total Disbursements	$ 260,447	$ 245,502	$ 278,878	$ 223,860	$ 41,661	$ 13,557	$ 42,200	$ 10,850
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (447)	$ 16,430	$ (16,878)	$ 48,104	$ (21,561)	$ 2,787	$ (24,200)	$ 2,886
CASH, JANUARY 1	448	448	16,878	16,878	21,561	21,561	24,348	24,348
CASH, DECEMBER 31	$ 1	$ 16,878	$ -	$ 64,982	$ -	$ 24,348	$ 148	$ 27,234

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-5

CLARK COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	RECORDER AUTOMATIC FUND				1/2 CENT SALES TAX JAIL-BUILDING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	2,200	1,918	2,050	1,828	-	-	-	-
Interest	-	-	-	-	20	22	40	21
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 2,200	$ 1,918	$ 2,050	$ 1,828	$ 20	$ 22	$ 40	$ 21
DISBURSEMENTS								
Salaries	-	-	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	4,697	-	6,465	86	825	-	868	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 4,697	$ -	$ 6,465	$ 86	$ 825	$ -	$ 868	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (2,497)	$ 1,918	$ (4,415)	$ 1,742	$ (805)	$ 22	$ (828)	$ 21
CASH, JANUARY 1	2,497	2,497	4,415	4,415	805	805	827	827
CASH, DECEMBER 31	$ -	$ 4,415	$ -	$ 6,157	$ -	$ 827	$ (1)	$ 848

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-6

CLARK COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	1/2 CENT SALES TAX JAIL OPERATION-LAW ENFORCEMENT FUND				COMMUNITY DEVELOPMENT BLOCK GRANT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	260,000	261,910	262,000	271,929	-	-	-	-
Intergovernmental	102,710	67,184	88,100	33,823	80,824	-	80,824	81,966
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	185,000	178,597	178,800	170,681	-	-	-	-
Transfers in	212,400	212,400	228,892	228,892	-	-	-	-
Total Receipts	$ 760,110	$ 720,091	$ 757,792	$ 705,325	$ 80,824	$ -	$ 80,824	$ 81,966
DISBURSEMENTS								
Salaries	$ 373,646	$ 409,084	$ 387,223	$ 424,672	$ -	$ -	$ -	$ -
Employee fringe benefits	99,542	89,111	94,000	100,482	-	-	-	-
Materials and supplies	67,300	59,352	85,000	76,495	-	-	-	-
Services and other	180,622	170,609	156,590	115,676	80,824	-	80,824	81,966
Capital outlay	20,000	14,514	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 741,110	$ 742,670	$ 722,813	$ 717,325	$ 80,824	$ -	$ 80,824	$ 81,966
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 19,000	$ (22,579)	$ 34,979	$ (12,000)	$ -	$ -	$ -	$ -
CASH, JANUARY 1	(12,400)	(12,400)	(34,979)	(34,979)	-	-	-	-
CASH, DECEMBER 31	$ 6,600	$ (34,979)	$ -	$ (46,979)	$ -	$ -	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-7

CLARK COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CIVIL PROCESS FUND				CLARK COUNTY YOUTH FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	6,072	5,896	6,125	6,846	27,000	36,756	36,000	41,908
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 6,072	$ 5,896	$ 6,125	$ 6,846	$ 27,000	$ 36,756	$ 36,000	$ 41,908
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	6,500	630	11,819	6,283	36,475	35,877	46,353	46,346
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 6,500	$ 630	$ 11,819	$ 6,283	$ 36,475	$ 35,877	$ 46,353	$ 46,346
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (428)	$ 5,266	$ (5,694)	$ 563	$ (9,475)	$ 879	$ (10,353)	$ (4,438)
CASH, JANUARY 1	428	428	5,694	5,694	9,475	9,475	10,354	10,354
CASH, DECEMBER 31	$ -	$ 5,694	$ -	$ 6,257	$ -	$ 10,354	$ 1	$ 5,916

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-8

CLARK COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ELECTION SERVICE FUND				DOMESTIC VIOLENCE AGAINST WOMEN FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	613	45,998	42,471	44,416	39,820
Charges for services	-	-	-	-	-	-	-	-
Interest	70	92	120	106	-	-	-	-
Other	1,918	2,192	4,200	2,613	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 1,988	$ 2,284	$ 4,320	$ 3,332	$ 45,998	$ 42,471	$ 44,416	$ 39,820
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ 30,000	$ 30,000	$ 30,000	$ 30,000
Employee fringe benefits	-	-	-	-	8,965	7,445	9,233	8,048
Materials and supplies	-	-	-	-	2,294	1,594	1,843	1,409
Services and other	6,670	3,052	8,000	2,494	3,370	1,859	3,340	1,638
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 6,670	$ 3,052	$ 8,000	$ 2,494	$ 44,629	$ 40,898	$ 44,416	$ 41,095
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (4,682)	$ (768)	$ (3,680)	$ 838	$ 1,369	$ 1,573	$ -	$ (1,275)
CASH, JANUARY 1	4,683	4,683	3,915	3,915	(1,359)	(1,359)	214	214
CASH, DECEMBER 31	$ 1	$ 3,915	$ 235	$ 4,753	$ 10	$ 214	$ 214	$ (1,061)

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-9

CLARK COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DOMESTIC VIOLENCE FUND				LOCAL EMERGENCY PLANNING COMMISSION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,800	3,062	3,100	3,727	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	3,000	-	1,500	2,544
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 2,800	$ 3,062	$ 3,100	$ 3,727	$ 3,000	$ -	$ 1,500	$ 2,544
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	14,009	632	16,738	7,973	12,680	2,897	8,283	3,117
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 14,009	$ 632	$ 16,738	$ 7,973	$ 12,680	$ 2,897	$ 8,283	$ 3,117
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (11,209)	$ 2,430	$ (13,638)	$ (4,246)	$ (9,680)	$ (2,897)	$ (6,783)	$ (573)
CASH, JANUARY 1	11,208	11,208	13,638	13,638	9,680	9,680	6,783	6,783
CASH, DECEMBER 31	$ (1)	$ 13,638	$ -	$ 9,392	$ -	$ 6,783	$ -	$ 6,210

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-10

CLARK COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PEACE OFFICERS STANDARDS AND TRAINING FUND				RECORDER FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,850	1,227	1,300	1,323	-	-	-	-
Charges for services	-	-	-	-	3,600	3,172	3,500	3,030
Interest	-	-	-	-	75	70	71	119
Other	-	-	-	-	40	-	30	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 1,850	$ 1,227	$ 1,300	$ 1,323	$ 3,715	$ 3,242	$ 3,601	$ 3,149
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	7,297	3,133	7,293	-
Services and other	3,000	1,252	2,425	1,323	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 3,000	$ 1,252	$ 2,425	$ 1,323	$ 7,297	$ 3,133	$ 7,293	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,150)	$ (25)	$ (1,125)	$ -	$ (3,582)	$ 109	$ (3,692)	$ 3,149
CASH, JANUARY 1	1,150	1,150	1,125	1,125	3,583	3,583	3,692	3,692
CASH, DECEMBER 31	$ -	$ 1,125	$ -	$ 1,125	$ 1	$ 3,692	$ -	$ 6,841

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-11

CLARK COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LOCAL LAW ENFORCEMENT SUPPORT (CANINE) FUND				HELP AMERICA VOTE ACT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	5,000	-	12,308	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ -	$ -	$ -	$ -	$ 5,000	$ -	$ 12,308	$ -
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	2,000	-	2,982	-	-	-	12,308	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 2,000	$ -	$ 2,982	$ -	$ -	$ -	$ 12,308	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (2,000)	$ -	$ (2,982)	$ -	$ 5,000	$ -	$ -	$ -
CASH, JANUARY 1	2,982	2,982	2,982	2,982	-	-	-	-
CASH, DECEMBER 31	$ 982	$ 2,982	$ -	$ 2,982	$ 5,000	$ -	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-12

CLARK COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT RESTITUTION FUND				SHERIFF'S REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	11,000	8,296	10,000	12,546	700	3,976	4,000	3,650
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 11,000	$ 8,296	$ 10,000	$ 12,546	$ 700	$ 3,976	$ 4,000	$ 3,650
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	20,168	8,282	19,182	8,555	1,970	2,668	6,578	5,322
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 20,168	$ 8,282	$ 19,182	$ 8,555	$ 1,970	$ 2,668	$ 6,578	$ 5,322
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (9,168)	$ 14	$ (9,182)	$ 3,991	$ (1,270)	$ 1,308	$ (2,578)	$ (1,672)
CASH, JANUARY 1	9,168	9,168	9,182	9,182	1,270	1,270	2,578	2,578
CASH, DECEMBER 31	$ -	$ 9,182	$ -	$ 13,173	$ -	$ 2,578	$ -	$ 906

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-13

CLARK COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	ELECTION EQUIPMENT FUND				COURTHOUSE RESTORATION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	4,350	4,600	7,000	5,500	18,000	17,046	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	25	177	200	298	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 4,375	$ 4,777	$ 7,200	$ 5,798	$ 18,000	$ 17,046	$ -	$ -
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	11,449	-	19,051	4,104	18,000	17,046	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 11,449	$ -	$ 19,051	$ 4,104	$ 18,000	$ 17,046	$ -	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (7,074)	$ 4,777	$ (11,851)	$ 1,694	$ -	$ -	$ -	$ -
CASH, JANUARY 1	7,074	7,074	11,851	11,851	-	-	-	-
CASH, DECEMBER 31	$ -	$ 11,851	$ -	$ 13,545	$ -	$ -	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-14

CLARK COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	INMATE SECURITY FUND				LOCAL LAW ENFORCEMENT BLOCK GRANT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	3,678	3,678	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	3,200	2,064	2,200	3,034	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 3,200	$ 2,064	$ 2,200	$ 3,034	$ 3,678	$ 3,678	$ -	$ -
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	3,200	-	4,264	4,764	3,678	1,498	2,180	2,145
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 3,200	$ -	$ 4,264	$ 4,764	$ 3,678	$ 1,498	$ 2,180	$ 2,145
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ 2,064	$ (2,064)	$ (1,730)	$ -	$ 2,180	$ (2,180)	$ (2,145)
CASH, JANUARY 1	-	-	2,064	2,064	-	-	2,180	2,180
CASH, DECEMBER 31	$ -	$ 2,064	$ -	$ 334	$ -	$ 2,180	$ -	$ 35

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-15

CLARK COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	COURTHOUSE CONSTRUCTION FUND				COURTHOUSE DEBT SERVICE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	45,505	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	20,000	19,752	-	-	8,000	37
Other - including bond proceeds	-	-	3,932,125	3,932,125	-	-	-	53,377
Transfers in	-	-	-	-	-	-	55,890	55,993
Total Receipts	$ -	$ -	$ 3,952,125	$ 3,951,877	$ -	$ -	$ 109,395	$ 109,407
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	7,207	-	-	-	-
Services and other	-	-	277,700	196,499	-	-	109,394	109,393
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	2,300	2,296	-	-	-	-
Total Disbursements	$ -	$ -	$ 280,000	$ 206,002	$ -	$ -	$ 109,394	$ 109,393
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ -	$ 3,672,125	$ 3,745,875	$ -	$ -	$ 1	$ 14
CASH, JANUARY 1	-	-	-	-	-	-	-	-
CASH, DECEMBER 31	$ -	$ -	$ 3,672,125	$ 3,745,875	$ -	$ -	$ 1	$ 14

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-16

CLARK COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	COURTHOUSE SALES TAX FUND				PRESCRIPTION PILL DIVERSION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	96,000	91,438	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	25,000	25,550	10,000	5,925
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ -	$ -	$ 96,000	$ 91,438	$ 25,000	$ 25,550	$ 10,000	$ 5,925
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ 16,000	$ 6,838	$ 19,727	$ 11,650
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	5,500	4,396	1,104	2,017
Services and other	-	-	-	-	3,500	200	3,285	1,367
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	55,890	55,993	-	-	-	-
Total Disbursements	$ -	$ -	$ 55,890	$ 55,993	$ 25,000	$ 11,434	$ 24,116	$ 15,034
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ -	$ 40,110	$ 35,445	$ -	$ 14,116	$ (14,116)	$ (9,109)
CASH, JANUARY 1	-	-	-	-	-	-	14,116	14,116
CASH, DECEMBER 31	$ -	$ -	$ 40,110	$ 35,445	$ -	$ 14,116	$ -	$ 5,007

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-17

CLARK COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	TAX MAINTENANCE FUND			
	Year Ended December 31,			
	2009		2010	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ 9,500	$ 8,787	$ 9,000	$ 9,852
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	200	238	250	239
Other	-	-	-	-
Transfers in	-	-	-	-
Total Receipts	$ 9,700	$ 9,025	$ 9,250	$ 10,091
DISBURSEMENTS				
Salaries	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-
Materials and supplies	10,000	4,654	10,000	6,503
Services and other	-	-	-	-
Capital outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	$ 10,000	$ 4,654	$ 10,000	$ 6,503
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (300)	$ 4,371	$ (750)	$ 3,588
CASH, JANUARY 1	20,173	20,173	24,544	24,544
CASH, DECEMBER 31	$ 19,873	$ 24,544	$ 23,794	$ 28,132

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-18

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Clark County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk-Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, Treasurer and Collector.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Clark County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector, Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.

2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Section 50.740 RSMo. Prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	2010	2009
Special Road and Bridge Fund	X	N/A
1/2 Cent Sales Tax Jail Operation-Law Enforcement Fund	N/A	X
Community Development Block Grant Fund	X	N/A
Sheriff's Revolving Fund	N/A	X
Inmate Security Fund	X	N/A
Courthouse Sales Tax Fund	X	N/A

The County's expenditures exceeded its revenues and fund balances available for expenditure in the Special Road and Bridge Fund (2009), Prosecuting Attorney Bad Check Fund (2010), the ½ Cent Sales Tax Jail Operation-Law Enforcement Fund (2009, 2010), and the Domestic Violence Against Women Fund (2010). The resulting negative cash balances represent implicit borrowings from the other pooled funds. The County expects these borrowings to be repaid from monies received in the next fiscal year.

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2010 and 2009, for purposes of taxation were:

	2010	2009
Real Estate	$ 57,624,560	$ 56,839,820
Personal Property	20,292,849	20,312,197
Railroad & Utilities	14,166,538	13,205,532

During 2010 and 2009, the County Commission approved a tax levy per $100 of assessed valuation of tangible taxable property for the calendar years 2010 and 2009, for purposes of County taxation, as follows:

	2010	2009
General Revenue	$ 0.3504	$ 0.3438
Special Road and Bridge	0.6797	0.6797

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. The cash and investment balances are detailed in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amounts of the County's deposits were $4,209,048 and $245,168, respectively, and the bank balances were $4,309,856 and $322,424, respectively. Of the bank balances, $750,000 and $250,000 for December 31, 2010 and December 31, 2009, respectively, were covered by federal depository insurance, the remainder were covered by collateral held at the Federal Reserve Bank and the County’s safekeeping bank agent in the County’s name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2010 and 2009, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue and Special Road and Bridge. Tax Collections on deposit amounted to $3,122,703 and $2,935,329 at December 31, 2010 and 2009, respectively. The County Collector’s deposits were covered

by federal depository insurance of $250,000 as of December 31, 2010 and 2009, and the remainder was fully collateralized.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

The County also participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that

acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by Statute, Section RSMo 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax-exempt.

The LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing LAGERS, P.O. Box 1665, Jefferson City, Missouri 65201 or by calling 1-800-447-4334.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2010 and 2009, the County collected and remitted to CERF employee contributions of approximately $ 26,765 and $ 26,228 for mandatory contributions and approximately $15,783 and $16,823 for optional contributions, respectively, for the years then ended.

Participation in the plan is mandatory for full-time employees with six months service. Part-time employees are not eligible to participate in the plan. Plan participants contribute 4% of eligible earnings to the plan. The County match varies year to year based a variety of actuarial factors. For 2010 and 2009, total payments to LAGERS were $41,192 and $37,464 respectively.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

1. Compensated Absences

The County provides full time employees with up to 176 hours of sick time -- to accrue at one day per complete calendar month of employment. Upon termination, the employee will not be compensated for any unused sick time. Full time employees are allowed five days personal time per calendar year with no carryover to the next year. Vacation time is awarded after each anniversary hire date. The employee receives one week after one year, one week and one day after two years, one week and two days after three years, one week and three

days after four years, two weeks after five years, and two weeks plus one additional day per year over six years of service up to three weeks. Vacation time does not carryover to following years.

2. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. CHANGE IN REPORTING ENTITY AND BEGINNING CASH BALANCE

The County has changed its definition of the reporting entity, as of January 1, 2009, to exclude the Cemetery Trust, Sheriff’s Explorer’s, Associate Circuit Division Interest, Circuit Clerk Interest, Circuit Clerk Passport and Law Library funds and to include the Tax Maintenance Fund. The effect of the aforementioned change in reporting entity is a net increase in cash balances of the governmental funds as previously reported at December 31, 2008 by the amount representing cash balances of those funds.

8. LONG TERM DEBT

The County's long-term obligation at December 31, 2010 consisted of one outstanding open-ended capital lease. In May 2008, Clark County entered into a five-year agreement with a financial institution for a 2009 Volvo Tractor to be used by the Road and Bridge Department in conjunction with a previously acquired gravel trailer to repair the County's unpaved roads. Monthly payments of $1,122 are due through May 2013.

In 2010 the County issued Taxable General Obligation Bonds of $4 million to provide for the construction of a new county courthouse. Taxable general obligation bonds are direct obligations of the County. The County has pledged its full faith and credit. Additionally, the County has pledged to maintain and collect revenues through sales tax sufficient to pay the principal and interest on such bonds as they become due.

The County issued taxable general obligation bonds through the Build America Recovery Zone Economic Development Bonds program that provides 45% in federal subsidies on the total interest requirements. The interest is paid to the County on a semi-annual basis corresponding with the interest payment dates to the bondholders. One subsidy payment was received prior to December 31, 2010, totaling $45,505.

Taxable general obligation bonds, Series 2010, original amount was $4,000,000, due in annual installments of $125,000 to $360,000 through June of 2030. Interest payments are scheduled semi-annually from 2.30% to 6.50% (before federal subsidy). The schedule of bond payments and interest is listed below.

Payment Date	Principal Due	Coupon	Interest Due	Subsidy Payment
6/15/2011			$ 108,994	$ (49,047)
12/15/2011			108,994	(49,047)
6/15/2012	$ 125,000	2.30%	108,994	(49,047)
12/15/2012			107,556	(48,400)
6/15/2013	125,000	2.75%	107,556	(48,400)
12/15/2013			105,838	(47,627)
6/15/2014	125,000	3.25%	105,838	(47,627)
12/15/2014			103,806	(46,713)
6/15/2015	150,000	3.50%	103,806	(46,713)
12/15/2015			101,181	(45,532)
6/15/2016	150,000	4.00%	101,181	(45,532)
12/15/2016			98,181	(44,182)
6/15/2017	150,000	4.25%	98,181	(44,182)
12/15/2017			94,994	(42,747)
6/15/2018	150,000	4.50%	94,994	(42,747)
12/15/2018			91,619	(41,228)
6/15/2019	175,000	4.75%	91,619	(41,228)
12/15/2019			87,463	(39,358)
6/15/2020	175,000	5.00%	87,463	(39,358)
12/15/2020			83,088	(37,389)
6/15/2021	195,000	5.80%	83,088	(37,389)
12/15/2021			77,433	(34,845)
6/15/2022	205,000	5.80%	77,433	(34,845)
12/15/2022			71,488	(32,169)
6/15/2023	220,000	5.80%	71,488	(32,169)
12/15/2023			65,108	(29,298)
6/15/2024	235,000	5.80%	65,108	(29,298)
12/15/2024			58,293	(26,232)
6/15/2025	245,000	5.80%	59,293	(26,232)
12/15/2025			51,188	(23,034)
6/15/2026	275,000	6.50%	51,188	(23,034)
12/15/2026			42,250	(19,013)
6/15/2027	290,000	6.50%	42,250	(19,012)
12/15/2027			32,825	(14,771)
6/15/2028	315,000	6.50%	32,825	(14,771)
12/15/2028			22,588	(10,164)
6/15/2029	335,000	6.50%	22,588	(10,164)
12/15/2029			11,700	(5,265)
6/15/2030	360,000	6.50%	11,700	(5,265)

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2010 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through June 30, 2011, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements, other than as described below.

On January 20, 2011, John Moon, PA, was named as lead counsel for litigation regarding funds granted to Clark County by the Department of Natural Resources (DNR). Funds received from the grant were to be used in preservation of the old county courthouse. DNR believed the County was not properly using the funds in the preservation of the old county courthouse. A negotiated agreement has been made with DNR in the amount of $20,000 in lieu of the original $57,000 grant that the County had received in 2008. An additional requirement as part of the litigation is that the new courthouse must maintain an exhibit showcasing the old courthouse.

The County accepted bids for the construction of a new courthouse, and such bids were opened June 14, 2011. Bids were given to a consultant for further research before choosing the appropriate contractor.

COMPLIANCE SECTION

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McBRIDE, LOCK & ASSOCIATES

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Clark County, Missouri

We have audited the accompanying financial statements of Clark County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated June 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Clark County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clark County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Clark County, Missouri's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clark County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 1 and 2.

We noted certain matters that we reported to management of Clark County, Missouri in the findings and recommendations section as items 3 through 7.

Clark County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Clark County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
June 30, 2011

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AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission and
Officeholders of Clark County, Missouri

Compliance

We have audited the compliance of Clark County, Missouri, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on its major federal program for the years ended December 31, 2010 and 2009. Clark County, Missouri's major federal program is identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Clark County, Missouri's management. Our responsibility is to express an opinion on Clark County, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Clark County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Clark County, Missouri's compliance with those requirements.

In our opinion, Clark County, Missouri, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal program for the years ended December 31, 2010 and 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of federal award findings and questioned costs as finding number 10-1.

Internal Control Over Compliance

The management of Clark County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered Clark County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Clark County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as finding 10-1. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Clark County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Clark County, Missouri's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
June 30, 2011

CLARK COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31 2009	2010
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
	Department of Economic Development		$ -	$ 81,966
14.228	Community Development Block Grant			
	U.S. DEPARTMENT OF JUSTICE			
	Passed through state:			
	Missouri Sheriff's Association-			
	Edward Bryne Memorial State and Local Law Enforcement			
16.580	Assistance Discretionary Grants Program Domestic Cannabis Eradication		323	342
	State Department of Public Safety-			
16.588	Violence Against Women Formula Grants		40,898	41,095
16.803	Local Law Enforcement Block Grant Program - ARRA	2009-LBGJ-RA-022	1,499	-
16.803	Edward Byrne Memorial Justice Assistance Grants - ARRA		23,032	4,290
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
	Highway and Transportation Commission-			
20.205	Highway Planning and Construction	BRO-023(21)	37,885	357,244
		BRO-023(22)	-	40,997
20.600	State and Community Highway Safety		1,487	726
20.601	Alcohol Impaired Driving Countermeasures and Incentive Grants	09-K8-03-27	10,480	11,513
20.607	Alcohol Open Container Requirements	LKK040 NHTSA	877	2,443
	ELECTION ASSISTANCE COMMISSION			
	Passed through state:			
	Office of Secretary of State-			
90.401	Help America Vote Act Requirements and Payments		614	613
	U.S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through state:			
	Department of Public Safety			
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)		-	212,984
	Total Expenditures of Federal Awards		$ 117,095	$ 754,213

Schedule of Expenditures of Federal Awards.

CLARK COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditure of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – SUBRECEIPIENTS

The County provided no federal awards to sub-recipients during the years ended December 31, 2010 and 2009.

NOTE D – RECOVERY ACT BONDS

The County issued taxable general obligation bonds through the Build America Recovery Zone Economic Development Bonds program that provides 45% in federal subsidies on the total interest requirements. The interest is paid to the County on a semi-annual basis corresponding with the interest payment dates to the bondholders. One subsidy payment was received prior to December 31, 2010, totaling $45,505. Per OMB guidance, funds were not included in the scope of the A-133 audit.

CLARK COUNTY, MISSOURI
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2010 AND 2009

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of Auditors' Report Issued:	Unqualified
Internal Control Over Financial Reporting:	
- Material weakness(es) identified?	___ Yes _X_ No
- Significant deficiencies identified that are not considered to be material weaknesses?	___ Yes _X_ None Reported
- Noncompliance material to financial statements noted?	_X_ Yes ___ No

Federal Awards:

Internal Control Over Major Programs:	
- Material weakness(es) identified?	____ Yes _X_ No
- Significant deficiencies identified that are not considered to be material weaknesses?	_X_ Yes ___ None Reported
Type of Auditor's Report Issued on Compliance For Major Programs:	Unqualified
Any audit findings disclosed that are required to be Reported in accordance with section 510(A) of Circular A-133?	_X_ Yes ____ No

Identification of Major Programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.205	Highway and Transportation – Highway Planning and Construction

Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	$300,000
Auditee Qualified as low-risk:	____ Yes _X_ No

SECTION II – FINANCIAL STATEMENTS FINDINGS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

1. Absence of Investment Policy
2. Budgetary Compliance

Summary of Schedule of Prior Audit Findings:

1. Procurement Procedures
2. Absence of Investment Policy
3. Budgetary Compliance
4. Payroll and Personnel Procedures
5. Documentation in Personnel Files

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Finding No. 10-1. Incorrect Schedule of Expenditures of Federal Awards
Federal Grantor: U.S. Department of Transportation
Pass-Through Grantor: Highway and Transportation Commission
Federal CFDA Number: 20.205
Program Title: Highway Planning and Construction
Pass Through Entity Identifying Number: BRO – 023(22)
Award Year: 2010
Questioned Costs: None

10-1. Schedule of Expenditures of Federal Awards (SEFA)

Condition: As a recipient of federal grant funds, the County is required to comply with Office of Management and Budget (OMB) Circular A-133. Subpart C, Section 300(A) of the Circular requires the recipient of federal funds to accurately report the amount of federal funds expended each year on a Schedule of Expenditures of Federal Awards (SEFA). The SEFA for the year ending December 31, 2010 was inaccurate in that the County did not properly report expenditures for BRO-023(22). Such expenditures were reported as $4,924 when actual expenditures for BRO-023(22) were $40,997.

Recommendation: We recommend that the County Clerk strengthen review procedures to ensure that expenditures are accurately reported on the SEFA.

County Response: We agree. Greater care will be taken to ensure the accuracy for the reporting of costs.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

SECTION IV – FOLLOW-UP ON PRIOR YEAR'S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

1. Absence of Investment Policy

Condition: The County has not adopted an investment policy as required by State Statutes. The County has no investments, however, an investment policy addresses topics such as collateralization of deposits, strategy with respect to investment of public funds, and other areas, and thus such a policy would be beneficial and also required for the County. Section 110.270, RSMo 2007, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2007, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

Recommendation: We recommend the County adopt an investment policy and review compliance with this policy at least annually. Guidelines for developing an investment policy may be found at organizations such as the Government Finance Officer's Association, which offers a publication entitled GFOA's New Model Investment Policy, and examples of investment policies for many counties may be found on the internet.

County's Response: The County will check on an investment policy.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

2. Budgetary Controls

Condition: The County Commission did not exercise adequate budgetary control over a number of funds during the audit period. During the period under audit, there were six different funds for which expenditures were approved for payment which exceed the approved budget.

	2010	2009
Special Road and Bridge Fund	X	N/A
1/2 Cent Sales Tax Jail Operation-Law Enforcement Fund	N/A	X
Community Development Block Grant Fund	X	N/A
Sheriff's Revolving Fund	N/A	X
Inmate Security Fund	X	N/A
Courthouse Sales Tax Fund	X	N/A

RSMo 50.740 prohibits expenditures in excess of approved budgets. Additionally, case law provides that strict compliance with county budget laws is required by county officials. If there are valid reasons which require excess disbursements (i.e., emergencies, unforeseen occurrences, and statutorily required obligations), amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's Office.

Recommendation: We recommend the County ensure compliance with State Statutes by adopting a formal budget for all funds and refraining from approving expenditures in excess of budgeted amounts. In the event that the originally adopted budget is inadequate to finance current year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County's Response: We will try to comply.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

OTHER MATTERS

In planning and performing our audit of the financial statements of Clark County, Missouri (the County) as of and for the years ended December 31, 2010 and 2009, in accordance with general accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control. Accordingly we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit, we became aware of certain matters that are an opportunity for strengthening internal controls and operating efficiency. Our comment and suggestion regarding these matters are summarized below. We previously reported on the County's internal control in our report dated June 30, 2011. This document does not affect our report dated June 30, 2011.

3. Accounting for Transfers

Condition: The financial statements of the County as presented in the annual budget document present transfers between funds. However, we noted that some transfers were identified as expenditures and revenues within the funds. Additionally, there were costs identified as reimbursements that were shown as transfers. The financial statements included in this report have been adjusted so that transfers in and out between funds are equal as of December 31, 2010 and 2009.

Recommendation: In order to ensure that transfers are properly reported and are in balance (transfers to other funds equal transfers from other funds), we recommend the transfers be clearly identified as transfers and presented in the budget within the Transfer category. Other types of transactions should not be presented in the Transfers Category.

County's Response: We will try to comply.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

4. Old Outstanding Checks

Condition: The Treasure's bank reconciliation at December 31, 2010 included 41 checks totaling $2,968 that were outstanding one or more years. Several of these checks were included as outstanding checks on December 31, 2009 reconciliation.

Recommendation: We recommend the Treasurer properly void all stale-dated outstanding checks which will more correctly state available cash balances and facilitate the bank reconciliation process.

County's Response: We will take this under consideration.

Auditor's Evaluation: We continue to recommend all stale-dated outstanding checks be voided.

5. Documentation of 941's

Condition: There was no copy of the original IRS payroll withholding 941 form for the fourth quarter of 2010 available. However, the County Clerk represented that the related tax payments were made.

Recommendation: We recommend that the County Clerk's Office retain and file the payroll 941 forms in order to provide assurance of compliance with taxing authority requirements. The County should also ensure that appropriate tax payments were made in those instances for which no 941 is available.

County's Response: We do keep these records on file. One just happened to be misfiled.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

6. Payroll and Personnel Procedures

While performing our audit tests in the areas of payroll and personnel, we noted the following opportunities for improvement in recordkeeping.

A. Condition: Some time sheets are not signed by employees and their supervisors. Time sheets should be signed by the employee and the employee's supervisor to document their agreement as to the accuracy of reported hours worked each pay period.
Recommendation: We recommend that the County ensure that all time sheets are signed by both the employee and the employee's supervisor.

County's Response: We will comply with this as much as we can.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

B. Condition: The County has not adopted an official personnel manual which details policies and procedures for County employees. Failure to adopt an official personnel manual increases the likelihood of misunderstandings or unequal treatment of employees. It also increases the risk of financial exposure to the County by not having clearly defined and consistently applied guidelines that have been communicated uniformly to all employees.
Recommendation: We recommend that the County develop a personnel policies and procedures manual which is distributed to all County employees.

County's Response: We are looking for a good personnel manual.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

C. Condition: Centralized records of time sheets, vacation leave, sick leave or compensatory time earned, taken, or accumulated by employees of the Sheriff's Department are not maintained by the County Clerk. The Sheriff maintains these records for his department and sends the County Clerk a summary report of time worked by employees. Centralized records are needed to ensure that employees are meeting expectations of County employment, that policies are being uniformly applied, and that potential leave and/or compensatory time accruals are being centrally monitored. In addition, such records should be maintained and monitored in a central location in the event disputes arise and to ensure compliance with the Federal Fair Labor Standards Act (FLSA).
Recommendation: We recommend that the County ensure that the Clerk's office maintains centralized time sheet and leave records for all County employees.

County's Response: We will try to improve.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

7. Employee Personnel Files

Condition: The County does not keep an updated record of each employee's pay rate in their personnel file. When an employee receives a pay raise, there is no evidence in their personnel file of when and how much the raise was for nor documentation of County Commissioner approval. The County Clerk's office does, however, maintain a listing indicating current approved rates for each County employee.

Recommendation: We recommend that the County Clerk's Office maintain documentation of each employee's approved rate of compensation in their personnel file in addition to supporting documentation from the County Commission approving all employee compensation adjustments.

County's Response: We will try to comply.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

CLARK COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Clark County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2008 and 2007.

1. The County did not consistently solicit bids and/or retain bid documentation for various purchases of goods and services. In addition, the minutes did not adequately document bid information such as justification for accepting other than the lowest bid or engaging in single source purchases.

   Status – Resolved

2. The County has not adopted an investment policy as required by State Statutes.

   Status – Not resolved. See finding No. 1.

3. The County Commission did not exercise adequate budgetary control over a number of funds during the audit period. During the period under audit, there were four different funds of which expenditures were approved for payment which exceed the approved budget.

   Status - Not Resolved. See finding No.2.

4. Centralized records of time sheets, vacation leave, sick leave or compensatory time earned, taken, or accumulated by employees of the Sheriff's Department are not maintained by County Clerk. Some time sheets are not signed by employees and their supervisors. The County has not adopted an official personnel manual which details policies and procedures for County employees.

   Status – Not Resolved. See finding No.6.

5. The County does not keep an updated record of each employee's pay rate in their personnel file. When an employee receives a pay raise, there is no evidence in their personnel file of when and how much the raise was for nor documentation of County Commissioner approval.

   Status – Not Resolved. See finding No. 7.

Thomas A. Schweich

Missouri State Auditor

Monroe County

September 2011

Report No. 2011-68

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Monroe County

Property Tax System Controls and Procedures	As noted in our five prior audit reports, controls and procedures over the property tax system need improvement to ensure property tax monies are accounted for properly. Neither the County Commission nor the County Clerk adequately reviews property tax additions and abatements or the property tax collection activities of the County Collector. State law assigns the County Clerk the duty to make tax book corrections and to extend the current and back tax books and charge the County Collector with the amount of taxes to be collected. Instead, the County Assessor enters additions and abatements, and the County Collector prepares the current and back tax books. The County Clerk does not document any review of the tax rates entered and does not reconcile her account book with the County Collector's settlements.
Fuel Use	The county lacks adequate procedures for monitoring the use of its bulk fuel tanks.
Computer Controls	Controls over the county computer systems need to be improved to prevent unauthorized access and restore key systems in the event of a disaster. Passwords should be changed periodically, user identifications should be required to log on to computers, backups should be tested regularly, and the County Recorder and Sheriff should store backups at off-site locations.
Closed Meetings	The County Commission failed to comply with the Sunshine Law. It did not maintain minutes of several closed sessions or document the reasons for entering into three closed sessions on April 9, 2010.
Payroll Controls and Procedures	Personnel policies are not followed. The road and bridge department used sick leave time to calculate employees' compensatory (overtime) balances and allowed employees to accumulate balances in excess of the Fair Labor Standards Act limit. In addition, employees are allowed to use unearned sick leave and carry forward unused vacation time from the prior year which is not in compliance with the county leave policies. Although state law requires a meeting each odd-numbered year, the Monroe County Salary Commission has not met since 2005, and the salary schedule established may no longer comply with state law.
Public Administrator's Controls and Procedures	As noted in our prior audit, the Public Administrator did not file complete, accurate, and timely annual settlements, and the Probate Court did not adequately monitor her activities. The Public Administrator could not explain the amounts charged estates, and we found three wards were overcharged a total of $598 and one ward was undercharged $185. Estate fees were not consistently paid because the estates did not have enough funds and the amounts not paid were not tracked.
Senate Bill 40 Board	The Senate Bill 40 Board lacked adequate documentation for 90 percent of its disbursements of Targeted Case Management funds. As noted in our prior audit report, the board failed to file formal budgets with the State Auditor's office, its budgets did not meet legal requirements, and financial statements were not published.

Prosecuting Attorney's Controls and Procedures	As noted in our prior audit reports, the Prosecuting Attorney's office needs to improve its accounting controls and procedures. Accounting duties are not adequately segregated, receipt slips are not issued for monies received, money orders are not restrictively endorsed immediately, and monies are not always properly recorded on the receipt logs. We identified $658 in restitution receipts which had not been recorded on the log. Monthly bank reconciliations are not performed, and the account contains a fluctuating amount of unidentified monies. Five checks totaling $475 have been outstanding for more than a year, and restitution receipts are not always deposited and disbursed in a timely manner.
Sheriff's Controls and Procedures	Accounting duties are not adequately segregated, receipt slips are not issued for civil fees collected, and the log does not reflect the method of payment (cash, check or money order). Fuel purchases are not adequately recorded and monitored. The Sheriff's department deposited concealed weapon permit fees in the Sheriff's Civil Fees Fund, but state law requires the fees be deposited into a Sheriff Revolving Fund and restricts how they can be spent.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.* However, the audit revealed serious shortcomings with the Property Tax System Controls and Procedures.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	A $10,000 Recovery Act: Edward Byrne Memorial Justice Assistance Grant was received and spent by the Sheriff's department to purchase emergency lighting equipment for seven patrol vehicles. The Monroe County Senate Bill 40 Board received a $12,336 Medicaid Federal Medical Assistance Percentage grant.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent:	The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
Good:	The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
Fair:	The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
Poor:	The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Monroe County
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THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Monroe County

We have audited certain operations of Monroe County in fulfillment of our duties under Section 29.230, RSMo. In addition, Devereux and Krauss, LLP, Certified Public Accountants, was engaged to audit the financial statements of Monroe County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2010. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Monroe County.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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1. Property Tax System Controls and Procedures

As similarly noted in our five prior audit reports, controls and procedures over the property tax system need improvement. As a result of the significant control weaknesses identified, there is less assurance property tax monies have been accounted for properly. The County Collector received and distributed approximately $6.5 million and $6.7 million for the years ended February 28, 2011 and 2010, respectively.

1.1 Additions and abatements

The County Commission and County Clerk do not perform adequate or timely reviews of property tax additions and abatements, which totaled $90,548 and $90,947, respectively, for the year ended February 28, 2011. The Assessor prepares court orders for additions and abatements, enters them into the tax system, and gives the court orders to the County Commission at the end of the County Collector's fiscal year. The court orders are not signed by the County Commission and changes are made to the property tax system throughout the year without approval of the County Commission. In addition, the County Clerk does not reconcile the court orders for additions and abatements to actual changes made to the property tax system. As a result, additions and abatements, which constitute changes to the amount of taxes the County Collector is charged with collecting, are not properly monitored and errors or irregularities could go undetected.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, periodic reviews and timely approvals of court orders, along with an independent reconciliation of approved additions and abatements to corrections made to the property tax system, would help ensure changes are proper.

1.2 Review of property taxes

Neither the County Commission nor the County Clerk adequately reviews the activities of the County Collector. The County Clerk does not prepare or verify the accuracy of the current or back tax books for real and personal property. The County Collector enters the tax rates, which are obtained from the County Clerk, and extends and prints the current tax books. The County Collector also prepares the back tax books. The County Clerk indicated she reviews tax rates after entry by the County Collector, but does not maintain documentation of her reviews. Although the County Clerk maintains an account book based on data provided by the County Collector, she does not enter additions and abatements and therefore cannot adequately reconcile with the County Collector's monthly and annual settlements. In addition, the County Commission does not document its review of the County Collector's annual settlements.

Sections 137.290 and 140.050, RSMo, require the County Clerk to extend the current and back tax books and charge the County Collector with the amount of taxes to be collected. If it is not feasible for the County Clerk to

prepare the tax books, at a minimum, she should verify the accuracy of the tax books and document approval of the tax book amounts to be charged to the County Collector. Additionally, the County Commission and the County Clerk should perform a thorough review of the County Collector's settlements. Failure to do so could result in errors or irregularities going undetected.

Recommendations

1.1 The County Commission and Assessor ensure all changes made to the property tax system are supported by court orders approved by the County Commission. In addition, the County Clerk should develop procedures to adequately monitor court orders to ensure only authorized additions and abatements are posted to the property tax system.

1.2 The County Clerk prepare the current and back tax books or, at a minimum, verify the accuracy of the tax books prior to charging the County Collector with property tax amounts to be collected. Additionally, the County Commission and County Clerk should perform a thorough review of the County Collector's monthly and annual settlements.

Auditee's Response

The County Commission provided the following written responses:

1.1 The Commission has always completed a yearly review in the past. However, the more timely review has already started. The Commission reviews each court order weekly and it is signed by the Presiding Commissioner.

1.2 The Commission has always reviewed the Collector's settlements, however, we will document such review in the future.

The County Clerk provided the following written responses:

1.1 This procedure has been started. The Collector sends to me by monthly e-mail, her spreadsheet of court orders add on and court order off. The Assessor gives me a copy of each add on and court order off. They are given to the Commission and signed by the Presiding Commissioner. I then check off each one to see that the amounts are correct and mark each one with an asterisk. I then sign and date each one.

1.2 I believe I perform all of the duties as best as I can with the Collector. I do not enter the tax rates for her, but would be more than willing to do so if she approved. I do verify the accuracy of the tax books, however have not documented that verification but will

do so in the future. I review the County Collector's monthly and annual settlements and sign those documents.

2. Fuel Use

The county has not established effective monitoring procedures regarding fuel use. The road and bridge department maintains three bulk fuel tanks at the road and bridge building and another bulk fuel tank at an employee's residence. The bulk fuel tanks at the road and bridge building are metered, but the gallons dispensed are not recorded. Fuel logs are maintained in the vehicles and equipment; however, gallons used per the fuel logs are not reconciled to gallons dispensed per the meters on the tanks or to fuel purchases. Per the budget, approximately $190,000 was spent on fuel during the 2 years ended December 31, 2010, for road and bridge department vehicles and other equipment. Failure to account for fuel use could result in loss, theft, or misuse going undetected.

To ensure the reasonableness and propriety of fuel use and disbursements, gallons used per the fuel logs should be reconciled to gallons dispensed per the meter on the tank, and gallons dispensed should also be reconciled to gallons purchased.

Recommendation

The County Commission ensure road and bridge department employees reconcile the gallons dispensed per the fuel logs to gallons dispensed per the meter readings, and also reconcile gallons dispensed to gallons purchased.

Auditee's Response

The County Commission provided the following written response:

Our meters are not certified, therefore even if we reconciled, it would not come out correct with delivery trucks which are certified by the state. Tanks are always locked and electric is shut off when no one is there. Total amount of gallons run consistently over past years except for when there is a flood or extreme winter blizzards. Theft would be apparent because of the location. The tanks are adjacent to the courthouse and it would be very visible if someone stole fuel.

3. Computer Controls

Controls over the county computer systems are not sufficient to prevent unauthorized access or to restore key systems in the event of a disaster or systems failure.

3.1 User IDs and passwords

Passwords for most county computer systems are not changed on a periodic basis to ensure confidentiality. In addition, user identifications are not required to log on to computers in the Prosecuting Attorney's office and personnel in the Assessor's office share passwords.

The lack of an effective system of user identifications and passwords may allow unauthorized access and/or changes to the system. To control access, a unique user identification and password should be assigned to each user of

a system. These passwords should be kept confidential and changed periodically to help limit unauthorized access to computer files.

3.2 Backup data

Data backup procedures are not adequate. While backups are prepared by all county officials utilizing computer systems, the County Recorder and Sheriff do not store backups at off-site locations. Additionally, the Sheriff does not test backups.

Failure to store computer backup data at a secure off-site location results in the backup data being susceptible to the same damage as the data on the computer. In addition, periodic testing of backup data is necessary to help prevent loss of information and ensure all essential county information and computer systems can be recovered following a disaster or computer failure. Preparation of backup data, periodic testing to ensure it is adequate, and off-site storage would provide increased assurance county data could be recreated if necessary.

Recommendations

The County Commission:

3.1 Work with county officials to require user identifications and passwords for all employees which are confidential and periodically changed to prevent unauthorized access to county computers and data.

3.2 Work with county officials to ensure backup data is stored in a secure off-site location and tested on a regular, predefined basis.

Auditee's Response

The County Commission provided the following written response:

The County Commission does not have access to other elected officials' computer systems and feels it is the responsibility of each duly elected official to manage their office and the ID and password policy to be implemented. However, the Commission will suggest the county officials implement these recommendations.

The Prosecuting Attorney provided the following response:

3.1 User identifications and passwords were implemented after discussion with the auditors.

The Assessor provided the following written response:

3.1 All records of assessment are public records. All computers have the same information allowing everyone to work in different fields at the same time.

The Recorder provided the following response:

3.2 I will take the back-up discs to the bank once or twice a week.

The Sheriff provided the following response:

3.2 I will check into this.

4. Closed Meetings

The county failed to maintain minutes of several closed meetings held by the County Commission and failed to document the reasons for entering into three closed sessions held on April 9, 2010. Closed meeting minutes were not prepared to document the matters discussed in closed meetings held April 17, 2009, and April 27, 2009. Although closed meeting minutes were not prepared to document the matters discussed during two closed sessions held on April 5, 2010, and three closed sessions held on April 9, 2010, action taken was documented in the body of the open meeting minutes. The County Commissioners indicated it is difficult to document the closed meetings, because the County Clerk is not present during the meetings and they do not have anyone recording the discussions as they speak.

The Sunshine Law, Chapter 610, RSMo, requires minutes be kept for all closed meetings. The minutes should provide sufficient details of discussions to demonstrate compliance with statutory provisions and support important decisions.

Recommendation

The County Commission ensure minutes are prepared and retained to support all closed meetings.

Auditee's Response

The County Commission provided the following written response:

The Commission discussed with the Clerk, and all have agreed that from now forward whenever the Commission goes into closed session, we will call her into our chambers and she will take minutes. The action taken during closed session on April 5th and 9th 2010 was documented into open meeting minutes after 72 hours.

The County Clerk provided the following written response:

I agree that I do not monitor the County Commission's meetings as I should, the reason being I am a working county clerk and only have a staff of two other people. When I lost one of my full time employees, I chose to try to save county money and hired my part time person to work full time, therefore I lost a part time person of three days per week. With that said I took up the slack and I do well to get everything done that needs to be done in my office. The Commissioners and I have discussed this and in the future they agree they will call me into their chambers when they go into closed

session. Also, I would like to address that the action taken in the closed sessions held on April 5 and April 9, 2010 was documented into the open meeting minutes after 72 hours. I know this was not documented correctly, but it was documented. I might add that I send the Commission minutes to two newspapers in Monroe County and one newspaper out of the county as well as to the radio station.

5. Payroll Controls and Procedures

Payroll controls and procedures need improvement. Although there is an established written personnel manual, not all policies are followed. In addition, the salary schedule established for elected officials in 2005 does not appear to comply with state law.

5.1 Compensatory time

Compensatory (overtime) balances are allowed to accumulate in excess of the maximum allowed under the Fair Labor Standards Act of 1938 (FLSA). We identified two road and bridge department employees who were allowed to accumulate compensatory time in excess of the 240 hour maximum allowed. In addition, compensatory time related to the road and bridge department is not always earned and paid in accordance with the county's personnel policy. The road and bridge supervisor uses nonworking time (sick leave) to calculate the amount of compensatory time earned by employees. As a result of using nonworking time in the calculations of compensatory time earned, the county may be paying more compensatory time to employees than required.

The county personnel policy indicates overtime will be determined based upon "hours actually worked on the county's behalf", which complies with the FLSA. The FLSA also states covered employees may accumulate a maximum of 240 hours (480 for law enforcement personnel) of compensatory time. Hours in excess of this maximum are to be paid to or taken off by the employee in the next pay period.

Upon our request, the County Clerk's office prepared totals of accumulated compensatory hours and the potential liability those hours could create for the county. At April 25, 2011, nine road and bridge department employees had accumulated 1,156 hours of compensatory time valued at approximately $15,707.

Proper controls over the management of compensatory time require the county to ensure compliance with the personnel policy, evaluate balances for reasonableness, review the reasons for large or increasing balances, and provide solutions to prevent improper accruals and excessive balances.

A similar condition was noted in our prior audit report.

5.2 Leave policies and procedures

Sick leave and vacation leave procedures are not in compliance with the established personnel policy. The personnel policy states regular full time

employees shall earn 8 hours of sick leave for each completed calendar month. However, the Deputy County Clerk records the entire leave amount that would be earned for the year, at the beginning of each year. As a result, employees may use and be paid for unearned sick leave. In addition, the personnel policy (Article 10, page 35) indicates normally, vacation leave shall be used in its entirety each calendar year. During our review of the January 2011 payroll records, we noted employees were allowed to bring forward unused vacation leave from the prior year. The County Clerk indicated employees are always allowed to bring forward their vacation leave.

By not requiring full compliance with the county's personnel policy, the County Commission may be putting the county at risk of incurring additional liabilities beyond what is established by the policy. The county should require compliance with established policies, and periodically review policies and practices to ensure consistency.

5.3 Statutory salaries

The Monroe County Salary Commission has not held a meeting since November 21, 2005. During that meeting, the Salary Commission established salaries for officials' terms beginning in 2007, 2009, and 2011. However, some statutory provisions related to officials' salaries have been revised since 2005. For example, Senate Bill 497, which passed in 2007, revised requirements regarding base salaries of the various elected officials. The Salary Commission should have met to consider statutory changes and ensure the salary schedules established and approved in 2005 were in compliance with state law.

Section 50.333, RSMo, states the Salary Commission shall meet at least once before November thirtieth of each odd numbered year. The Salary Commission should meet as soon as possible to review salaries for compliance with current statutes and consult with the Prosecuting Attorney as appropriate.

Recommendations

5.1 The County Clerk ensure employees accrue overtime in accordance with the county's personnel policy. In addition, the County Commission should closely monitor county employees' compensatory time to limit potential county liabilities.

5.2 The County Clerk ensure vacation and sick leave is accrued and used in accordance with the personnel policy.

5.3 The County Commission ensure the Salary Commission meets at least once prior to November 30th of each odd numbered year as required by state law. In addition, the Salary Commission should review the current salary schedule and consult with legal counsel as appropriate to ensure the schedule complies with state law.

Auditee's Response

The County Commission provided the following written responses:

5.1&
5.2 *The practice of using nonworking hours has been changed and the Commission will monitor this closer in the future.*

5.3 *The Salary Commission is comprised of all elected officials excluding the Circuit Clerk, who actually calls the meeting to order. The Commission does not feel it is their sole responsibility to ensure the Salary Commission meet. The letter has been drafted that the Salary Commission will meet in October, 2011. We did not feel it was necessary to meet in 2007 and 2009 because the salaries had been set by the salary commission in 2005.*

The County Clerk provided the following written responses:

5.1 *Overtime in the courthouse has always been in accordance with the County's personnel policy. Employees must actually work 40 hours before any overtime accrues. However, in the past, road and bridge was done differently due to the fact that they sometimes had to work 7 days a week in bad weather and I agree that the personnel policy was not followed correctly. The Commission explained to the road and bridge supervisor and the road and bridge employees about correcting this issue and going forward it will be corrected. Also, the payroll manager will monitor the compensatory time the first of every year and those employees having over 240 hours will be paid for hours over 240. This has already been implemented and done since the auditors were here.*

5.2 *Due to the fact of work overload, many employees are unable to use all of their vacation time during the year and have always been allowed to carry over those days. The County Commission made an addendum to the personnel policy to be effective January 1, 2012 which states: If an employee leaves or retires they will only be paid for vacation time that they accrue in the year they leave employment.*

Full time employees earn 96 hours of sick leave a year. In the past, those hours have been entered into the computer the first of each year. Our software vendor has changed our payroll program so that we may enter 3.6923 hours per each pay period for the 26 pay periods in the year. This will be implemented January 1, 2012.

5.3 *The Salary Commission will meet in October, 2011 to review salaries for compliance with current statutes.*

6. Public Administrator's Controls and Procedures

Weaknesses involving preparation and review of annual settlements and calculating estate fees were identified. The Public Administrator is the court-appointed personal representative for wards or decedent estates of the Probate Court, and is responsible for the financial activity of eight individuals.

6.1 Annual settlements

The Public Administrator has not filed complete and accurate annual settlements in a timely manner. For each ward, the Public Administrator is required to file an annual settlement with the Probate Court which reflects a detailed list of assets held, as well as financial activity for the year. However, none of the 12 annual settlements due to be filed with the court during the period from July 28, 2009, to March 11, 2011, were filed on time. Two annual settlements were filed 2 weeks late, six were filed between 2 and 4 months late, and one was filed 7 months late. The three remaining settlements with due dates of October 14, 2010, January 13, 2011, and March 11, 2011 were not filed as of July 15, 2011.

In addition, some annual settlements prepared by the Public Administrator's office were not complete or accurate. A liability of $4,398 relating to a claim against one estate for nursing home services was not reported on the estate's settlement. Also, the total receipts of some settlements filed with the court were incorrect because the total of the receipts column included the total of assets on hand at the beginning of the settlement year. For example, total receipts of $17,723 as shown on one annual settlement included $8,465 of beginning assets.

To ensure the financial activity of the estates is accurately reported to the court, all assets, liabilities, receipts, and disbursements should be accurately reflected on the annual settlements.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file with the court an annual settlement for each ward or estate. Timely and accurate settlements are necessary for the court to properly oversee the administration of cases and reduce the possibility that errors or misuse of funds will go undetected.

A similar condition was noted in our prior audit report.

6.2 Estate fees

The Public Administrator does not provide supporting documentation for fee calculations to the Probate Court and was unable to explain how she arrived at the amounts charged to estates. We recalculated the estate fees on eight of the nine annual settlements filed with the court and noted errors in the amounts charged to four estates. Specifically, three wards were

overcharged by $203, $20, and $375, while one ward was undercharged by $185.

In addition, public administrator estate fees approved by the court were not consistently paid to the County Treasurer from the estates because the estates did not have enough money to pay the fee. For example, the Public Administrator submitted a petition for fees of $945 for one ward which was approved by the court, but only $300 was paid from the ward's account to the County Treasurer. Fees of $569 were petitioned and approved by the court for another ward, but only $300 was paid to the County Treasurer. The established estate fee is 5 percent of income; however, the Public Administrator and Probate Judge indicated the estate fee is only charged to the estate if the wards have enough money in their account to pay the fee. The amounts not paid from the estates were not tracked.

To ensure all fees are properly assessed and transmitted to the county, the Public Administrator should work with the Probate Judge to ensure fees are petitioned from the court for all applicable wards and estates on a timely basis, approved, properly monitored, and paid to the extent possible.

6.3 Court oversight

The Probate Court had not established procedures to adequately monitor the activity of cases assigned to the Public Administrator during our audit period. The former Probate Clerk did not inform the Public Administrator when annual settlements were due or follow up on delinquent settlements. In addition, there was no documentation of the former Probate Clerk's review of the annual settlements and supporting documentation filed with the court. The Probate Judge indicated that if any amounts on the settlements were questioned, additional documentation would be requested from the Public Administrator. The former Probate Clerk retired in January 2011. The Associate Circuit Clerk assumed these additional duties in February 2011, and recently began sending letters to the Public Administrator to remind her of due dates and overdue annual settlements.

Failure to adequately review and monitor the activity of cases assigned to the Public Administrator by the Probate Court increases the risk that errors or misuse of funds could go undetected.

Section 475.280, RSMo, requires the clerk to keep a docket of all conservators and the day upon which their annual settlements are required. In addition, the clerk is required to mail a notice to each conservator at least 30 days before the due date; however, failure to receive the notice does not excuse the conservator from filing the settlements as required by law.

Recommendations

6.1 The Public Administrator file complete and accurate annual settlements in a timely manner.

6.2 The Public Administrator ensure estate fees are computed correctly and prepare and maintain written documentation to support fee calculations for all annual settlements submitted to the Probate Court for approval. In addition, the Public Administrator should work with the Probate Court to fully document agreed upon lesser amounts when wards do not have sufficient funds to pay the 5 percent estate fee.

6.3 The Associate Circuit Clerk continue recent efforts to mail notices to the Public Administrator and follow up on overdue annual settlements. In addition, the Probate Judge should establish procedures to adequately monitor the activity of all cases assigned to the Public Administrator.

Auditee's Response

The Public Administrator provided the following responses:

6.1 I will try to ensure settlements are filed timely in the future.

6.2 I will ensure the calculation of fees is documented and is accurate. If funds are not available to pay the entire fee, I will determine the amount the ward can afford and will document it for the judge's review. I can determine the amount paid and not paid by reviewing the ward's file.

The Probate Judge provided the following written response:

6.3 The Probate Court/Associate Circuit Judge concurs in principle with the findings.

The court will comply with Section 475.280 RSMo. The Circuit Clerk will continue to send notices to the Public Administrator regarding due dates for annual reports and other accountings, as well as notices of overdue annual settlements. Note that these procedures were not always done through the auditor's review period, as the auditor noted. However, as also noted, consistent notice procedures were initiated prior to the beginning of the actual audit. Consequently, no additional corrective action is needed.

The court reviews and approves all Public Administrator submissions; however, it will increase its scrutiny consistent with these findings and will request additional supporting documentation for expenditures not clearly justified on their face. As a part of its review of annual settlements, the Probate Judge will specifically review all future Public Administrator's submissions to ensure the 5 percent estate fees have been properly calculated based on the

information provided. Time frame for corrective action: immediately.

7. Senate Bill 40 Board

Controls over Senate Bill 40 Board disbursements and budgetary procedures are in need of improvement. The Senate Bill 40 Board is funded through a property tax levy and a state funded Targeted Case Management program.

7.1 Disbursements

The Senate Bill 40 Board does not have adequate controls over disbursements of Targeted Case Management (TCM) funds. Of the $6,262 disbursed by the Senate Bill 40 Board during 2009 and 2010 for special requests under the TCM program, only one expenditure for $564 had adequate supporting documentation in the file. In addition, some checks are written directly to TCM clients without requiring any documentation to verify clients purchased and received goods as intended. For example, $650 was disbursed by check to a client on December 21, 2010, without supporting documentation for the purchase of an iPad. The Senate Bill 40 Board did not follow up with the client to obtain an invoice and ensure the client purchased and received the intended product. These inadequate monitoring efforts and informal payment methods do not provide adequate assurance TCM funds are used as intended.

To safeguard against possible loss or misuse of funds, the board should review and maintain adequate supporting documentation of all disbursements.

7.2 Budgets

Formal budgets were not filed with the State Auditor's office for 2009, 2010, and 2011. In addition, the budgets approved by the Senate Bill 40 Board did not include TCM funds received and disbursed and did not include other required information including beginning and projected ending cash balances or comparative statements of actual receipts and disbursements for the prior 2 years.

To be of maximum assistance as a planning tool and to adequately inform the public, budgets should include all beginning available resources and actual receipts and disbursements of the prior 2 years. Section 50.590, RSMo, requires budgets to include the amounts for the last 2 completed fiscal years to provide a comparison with the estimates for the current fiscal year, and Section 50.740, RSMo, requires budgets to be submitted to the State Auditor's office.

7.3 Financial statements

The Senate Bill 40 Board did not publish its financial statements for the years ended December 31, 2009 and 2010. Section 50.800, RSMo, provides details regarding the various information required to be provided in the county's annual published financial statements and requires that receipts, disbursements, and beginning and ending balance information be presented for all county funds. Complete published financial statements are needed to

adequately inform the citizens of the county's financial activities and show compliance with statutory requirements.

Similar conditions previously reported

Similar conditions to points 7.2 and 7.3 were noted in our prior audit report.

Recommendations

The Senate Bill 40 Board:

7.1 Ensure adequate supporting documentation for all disbursements is reviewed and maintained in the files to ensure funds are used as intended.

7.2 Ensure accurate and complete budgets are submitted to the State Auditor's office as required by state law.

7.3 Publish financial statements annually as required by state law.

Auditee's Response

The Senate Bill 40 Board Administrator provided the following written responses:

7.1 All supporting documentation will be maintained in the files for all disbursements made. This rule is already in effect. We have been given all correspondence in regards to TCM funds the clients have received and for what they purchased with our funding. This procedure started in April 2011.

7.2 Complete budgets have been prepared and will be sent by mail to the State Auditor's office. As changes are made to the budget, a new copy will be sent to the State Auditor's office. The 2011 budget was mailed to the State Auditor's office on August 16, 2011.

7.3 The 2010 financial statement was published in the local paper in July 2011 and was mailed to the State Auditor's office on August 16, 2011.

8. Prosecuting Attorney's Controls and Procedures

As similarly noted in our prior audit reports, weaknesses exist in accounting controls and procedures in the Prosecuting Attorney's office. The Prosecuting Attorney's office collects bad check restitution and related fees and court-ordered restitution. The Prosecuting Attorney only accepts receipts in the form of money orders from individuals and checks from the courts. The Prosecuting Attorney's office collected approximately $7,780 and $39,139 during the years ended December 31, 2010 and 2009, respectively.

8.1 Segregation of duties

Accounting duties are not adequately segregated. One clerk collects monies, records transactions, makes deposits, prepares disbursement checks, and reconciles bank accounts. Although the Prosecuting Attorney signs disbursement checks, she does not review the accounting records. As a result, there is little assurance all transactions are accounted for properly and accounting records are complete and accurate.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, periodic independent or supervisory reviews of accounting records should be performed and documented by the Prosecuting Attorney.

8.2 Receipting procedures

The Prosecuting Attorney's office does not issue receipt slips for monies received, and receipts are not always properly recorded on the bad check and restitution receipt logs. We identified six restitution receipts totaling $658 which were not recorded on the restitution receipt log during the period from June 1, 2010, through March 14, 2011. In addition, the Prosecuting Attorney's office does not restrictively endorse money orders received for fees payable to the county treasury.

The lack of proper receipting and recordkeeping procedures reduces assurance that all monies are properly handled. To adequately safeguard receipts and reduce the risk of loss or misuse of funds, receipt slips should be issued for all monies received, receipts payable to the county treasury should be restrictively endorsed immediately upon receipt, and receipts should be recorded timely.

8.3 Bank reconciliations

Monthly bank reconciliations are not documented and unidentified amounts have accumulated in the bank account. In addition, the Prosecuting Attorney does not routinely follow up on outstanding checks. As of March 31, 2011, the bank account had five checks totaling $475 outstanding for more than a year. Although a running balance is maintained in the checkbook register, formal bank reconciliations are not performed. Upon our request, the Prosecuting Attorney prepared bank reconciliations for the months of December 2010 and December 2009. Office personnel indicated all restitution monies are disbursed to victims upon receipt and the bank account should zero out at month end, with the exception of the unidentified monies inherited from the former Prosecuting Attorney. The unidentified balance in the bank account has fluctuated over time and was $1,684 as of December 31, 2010. Our prior audit noted an unidentified balance of $1,640 at December 31, 2005.

The preparation of monthly bank reconciliations is necessary to ensure the accounting records are in balance and to identify errors in a timely manner. Follow up on outstanding checks is necessary to ensure monies are

appropriately disbursed to the payee or as otherwise provided by state law. Unidentified and unclaimed monies should be disposed of in accordance with state law.

8.4 Deposits

Restitution receipts are not always deposited and disbursed in a timely manner. Restitution monies collected from November 19 through December 21, 2010, totaling $325, were not deposited until December 28, 2010, and restitution monies collected from December 29, 2010, through February 7, 2011, totaling $836, were not deposited until February 11, 2011. These monies were not disbursed to the victims until February 14, 2011.

In addition, restitution monies are sometimes disbursed prior to deposit of the corresponding receipts. For example, the Prosecuting Attorney issued checks totaling $100 to victims on July 6, 2010, and $61 on October 19, 2010. The deposits of the corresponding receipts were not made until July 7, 2010 and October 21, 2010.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, deposits and disbursements should be made timely and monies should not be disbursed prior to deposit.

Recommendations

The Prosecuting Attorney:

8.1 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.

8.2 Ensure all monies are properly recorded on the receipt logs or official pre-numbered receipt slips are issued for all monies received. In addition, the Prosecuting Attorney should restrictively endorse all receipts payable to the county treasury immediately upon receipt.

8.3 Prepare formal bank reconciliations monthly to ensure the bank account zeroes out, and investigate and resolve any differences between the accounting records and bank reconciliations. In addition, the Prosecuting Attorney should follow up on outstanding checks. Old outstanding checks should be voided and reissued to payees who can be readily located. Unidentified and unclaimed monies should be disposed in accordance with state law.

8.4 Deposit receipts and subsequently disburse monies on a timely basis. The Prosecuting Attorney should ensure all monies are deposited prior to disbursement.

Auditee's Response

The current Prosecuting Attorney provided the following written responses:

8.1 We are currently segregating accounting duties to two separate office personnel within the scope of limited personnel we have available to us.

8.2 We have ensured all monies are properly recorded on our receipt log and numbered receipts have been given or mailed to the proper person(s) or entity. Restrictive endorsements will be made on all money orders received for the Treasurer. Receipt slips obtained from the County Treasurer have been collected at time of issuance.

8.3 Formal bank reconciliations are now being completed and reviewed by the Prosecuting Attorney. We are also currently investigating our bank reconciliation and accounting records to determine the sources of unidentified amounts. A large percentage of those monies accumulated more than 4 years ago during previous administrations and will take a number of hours to reconcile.

8.4 Restitution deposits and disbursements will occur as soon as feasibly possible. Monies are now deposited prior to disbursement.

9. Sheriff's Controls and Procedures

Accounting controls and procedures are in need of improvement. The Sheriff's department receives monies for civil and criminal fees, prisoner boarding fees, carry and conceal permits, jail phone commissions, bonds, and other miscellaneous receipts. The Sheriff's department collected approximately $40,000 and $55,700 during the years ended December 31, 2010 and 2009, respectively.

9.1 Segregation of duties

Accounting duties are not adequately segregated. The Sheriff's secretary collects monies, records transactions, makes deposits, prepares and signs disbursement checks, reconciles bank accounts, and maintains accounts receivable records. The Sheriff does not review or approve disbursements, co-sign checks, or review bank reconciliations.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, periodic independent or supervisory reviews of accounting records should be performed and documented by another employee or the Sheriff.

9.2 Receipting procedures

The civil fees log did not indicate the method of payment (cash, check, or money order) and receipt slips were not issued for these fees. In addition, deposit slips do not accurately reflect the composition of monies. As a result, the composition of receipts cannot be reconciled to the composition of deposits.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, official pre-numbered receipt slips should be issued immediately upon receipt, the method of payment should be documented on receipt slips, the composition of receipts should be reconciled to the composition of deposits, and all monies received should be deposited intact.

A similar condition was noted in our prior audit report.

9.3 Fuel purchases and monitoring

Records and monitoring of unleaded fuel purchases are not adequate. The Sheriff and six deputies are assigned county-owned vehicles while conducting official duties and each vehicle has a fuel card for a local gas station. Although fuel logs maintained by the 911 dispatchers indicate the date, officer, location, gallons, and mileage, the logs are not complete because some fuel purchases are not reported by the officers. For example, our review of three fuel cards used during November 2010 identified 289 gallons were invoiced to the Sheriff's department while only 250 gallons were recorded on the fuel logs. The Sheriff indicated that he only reconciles a few monthly invoices to the fuel logs each year and he does not investigate small differences since officers sometimes forget to call fuel into the dispatchers. Additionally, the Sheriff does not document his review.

Review of vehicle mileage and fuel use logs and comparison of log information to fuel purchases are necessary to prevent paying vendors for improper billing amounts and to decrease the risk of theft or misuse of fuel occurring without detection. Logs should provide sufficient details so the county can effectively monitor fuel costs.

9.4 Sheriff Revolving Fund

The Sheriff Revolving Fund was not established or budgeted as required by state law, and the fees collected for processing concealed weapon permit applications or renewals are recorded in the Sheriff's Civil Fees Fund held by the county treasury.

Because the concealed weapon permit fees are not separately identified from the civil fees, the monies may not be spent in accordance with state law. The Sheriff Revolving Fund may only be used by law enforcement agencies for the purchase of equipment, to provide training, and to make necessary expenditures to process applications for concealed weapon permit applications or renewals, where as the Sheriff's Civil Fees Fund (up to $50,000 per year) may be expended at the discretion of the Sheriff for the furtherance of the Sheriff's duties.

Section 571.101, RSMo, authorizes the Sheriff to charge non-refundable fees for processing a first time application and a renewal for a concealed weapon permit which shall be paid to the county treasury to the credit of the Sheriff Revolving Fund. By establishing the Sheriff Revolving Fund which is maintained by the county treasury and preparing a budget for the fund, the

County Commission and Sheriff will be able to more effectively monitor overall financial resources, make budgetary decisions, and ensure funds are spent in accordance with state law.

Recommendations

9.1 The Sheriff adequately segregate accounting duties to the extent possible or ensure independent or supervisory reviews of accounting records are performed and documented. In addition, disbursement checks prepared and signed by the secretary should be co-signed by the Sheriff.

9.2 The Sheriff issue official pre-numbered receipt slips for all monies received, accurately record the method of payment on each receipt slip, and reconcile the composition of receipts to the composition of deposits.

9.3 The Sheriff ensure all fuel obtained is properly recorded on the fuel logs and review the fuel logs for reasonableness. In addition, fuel use should be reconciled to fuel purchases, and any significant discrepancies should be investigated.

9.4 The County Commission and the Treasurer establish the Sheriff Revolving Fund as required by state law and ensure the appropriate fees are remitted to the county treasury from the Sheriff on a monthly basis. In addition, a budget should be prepared for this fund.

Auditee's Response

The Sheriff provided the following responses:

9.1 I have started reviewing bank reconciliations, signing checks when I'm available, and signing purchase orders.

9.2 This recommendation was implemented in June 2011.

9.3 We have changed our procedures to require odometer readings to be entered at the pump at the time of purchase. The vendor prepares detailed invoices with odometer readings for each card (vehicle). I review these invoices for reasonableness each month.

The County Commission provided the following written response:

9.4 The County Commission and the Treasurer will set up a revolving fund in January 2012 with a new B1 form for budget year 2012.

Monroe County
Organization and Statistical Information

Monroe County is a county-organized, third-class county. The county seat is Paris.

Monroe County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 41 full-time employees and 10 part-time employees on December 31, 2010.

In addition, county operations include a Senate Bill 40 Board. The Enhanced 911 Board was dissolved effective December 1, 2006, and all emergency 911 operations run through the county's General Revenue Fund.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2011	2010
Donald Simpson, Presiding Commissioner	$	26,000
Mike Whelan, Associate Commissioner		24,000
Glenn E. Turner, Associate Commissioner		24,000
Merry Sue Meals, Recorder of Deeds		33,750
Sandra Francis, County Clerk		36,000
Nicole Volkert, Prosecuting Attorney		43,000
David Hoffman, Sheriff		41,000
Martha Cullifer, County Treasurer		33,250
James K. Reinhard, County Coroner		10,500
Marguerite Jones, Public Administrator (1)		20,888
Anita Dunkle, County Collector, year ended February 28,	36,000	
Judy Harman, County Assessor , year ended August 31,		37,000

(1) Includes $888 of compensation from a probate case for additional duties.

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

According to county personnel, the county was awarded the following American Recovery and Reinvestment Act of 2009 funding during the 2 years ended December 31, 2010:

A Recovery Act: Edward Byrne Memorial Justice Assistance Grant was awarded by the U.S. Department of Justice to the Missouri Department of Public Safety and $10,000 was passed through to Monroe County and spent during the year ended December 31, 2009, to purchase emergency lighting equipment for seven Sheriff's patrol vehicles.

For the years ended December 31, 2010 and 2009, the Monroe County Senate Bill 40 Board received $12,336 under Title V, Section 5001 of the Recovery Act which provided additional federal funding through the Medicaid Federal Medical Assistance Percentage grant. The grant was awarded by the Missouri Department of Mental Health. The payments were made for Medicaid expenditures reported between October 1, 2008, and December 31, 2010.

Thomas A. Schweich

Missouri State Auditor

Harrison County

September 2011

Report No. 2011-67

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Harrison County

Sheriff's Procedures

The Sheriff's department secretary receives, records, and disburses all monies; maintains accounting records; writes and signs checks; and prepares deposit slips and month-end bank account reconciliations. To ensure all transactions are accounted for properly and assets are protected, accounting duties must be segregated or periodic, independent supervisory reviews should be conducted.

Receipts are given for monies received for inmate, bond, and telephone cards, but the information is recorded on multiple records, and no one record is complete. The method of payment (cash, check or money order) is not always accurately recorded, and no reconciliation is performed between the various records to the total of receipts and monies deposited.

Inmate monies are held in cash in inmate lockers, and the secretary does not maintain documentation showing when and how inmate checks and money orders were cashed, making it more difficult to ensure all monies are deposited and accounted for properly. In addition, prepaid telephone cards are not properly inventoried, which increases the risk of loss, theft, or misuse of the telephone cards.

Seized Property

The Sheriff's department does not have adequate controls over seized property. The seized property log does not always contain the applicable case number or list the seized property item. We found $50 in cash which should have been returned to the owner in May 2009, and we found that $1,995 had been released without proper documentation. Also, duties are not adequately segregated; all officers have access to the seized property room, and there are no procedures to keep track of who enters the room.

911 Fund

The 911 Fund balance is projected to decline to less than $2,000, and the county has not developed long-range plans for equipment upgrades and related operations. The county has no documentation to support the amounts it transfers from the Law Enforcement Sales Tax Fund to the 911 Fund or amounts charged to other entities for dispatching services. The amounts transferred and charged should be based on a measure of activity or some comparable basis.

Additional Comments

Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.* However, the audit revealed several shortcomings within the Sheriff's department.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

Harrison County did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Harrison County
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THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Harrison County

We have audited certain operations of Harrison County in fulfillment of our duties under Section 29.230, RSMo. In addition, Kevin G. Hudson, Certified Public Accountant, has been engaged to audit the financial statements of Harrison County for the 2 years ended December 31, 2010. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2010. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Harrison County.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Randall Gordon, M.Acct., CPA, CGAP
In-Charge Auditor:	Tania Williams, MBA
Audit Staff:	Wayne Kauffman, MBA

1. Sheriff's Procedures

Accounting duties are not adequately segregated and improvements are needed in the receipting and depositing of monies for inmate, bond, and prepaid telephone card monies.

The Sheriff's department received monies for civil and criminal fees, prisoner boarding fees, carry and conceal permits, telephone card sales, bonds, and other miscellaneous receipts totaling approximately $328,000 and $221,000 for the years ended December 31, 2010 and 2009, respectively.

1.1 Segregation of duties

Accounting duties are not adequately segregated. The secretary is responsible for receiving, recording, and disbursing all monies; maintaining accounting records; writing and signing checks; preparing deposit slips; and month-end bank reconciliations. Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, periodic independent or supervisory reviews of accounting records should be performed and documented by another employee or the Sheriff.

1.2 Receipts

Procedures for receipting and recording inmate, bond, and telephone card monies are not sufficient to ensure all collections are accounted for properly. While receipts are recorded on several different records, no single record is complete, and the various receipt records are not compared to ensure all receipts collected are accurately recorded and deposited. Some receipts are recorded on multiple records and the records are not provided to the secretary prior to processing for deposit in the Sheriff's fees bank account. Bond receipts are recorded on unnumbered bond tickets. Inmate monies are logged into an inmate account log, and prepaid telephone card purchases are logged on a telephone card purchase record by the jailers or jail administrator. The method of payment (cash, check or money order) is not always accurately recorded, and no reconciliation is performed between the various records to the total of receipts and monies deposited. As a result, two checks totaling $6,475 were not recorded in the receipt ledger; however, one of the checks was included with the deposit made on April 1, 2010, and the other check was included with the April 23, 2010, deposit. The secretary noticed the extra receipts when reconciling the receipts ledger to deposits per the bank statement, and not when making the deposit.

Without a detailed reconciliation of all receipt records, there is no assurance inmate monies, bonds, and telephone card purchases have been handled appropriately. The lack of reconciliation between the various records makes it difficult to ensure all monies are recorded and deposited. Bond forms should be prenumbered. In addition, the method of payment should be documented, and sufficient details should be provided in the accounting records to facilitate a reconciliation of deposits to the receipt records, and to

clearly demonstrate the proper handling of monies for the different types of receipts.

1.3 Inmate monies

Inmate monies are held in cash and not deposited, and the secretary does not retain documentation showing when and how inmate checks and money orders are cashed. In addition, the composition of receipts is not reconciled to the composition of deposits.

The jail maintains records of inmate monies received and withdrawn, and available inmate balances. When monies are received for inmates, the cash is placed in the respective inmate locker. To maintain inmate monies in cash form, the jail administrator will have the inmates endorse their checks or money orders and put the checks and money orders in an envelope. Then the secretary will remove any checks and money orders from the envelope and replace with the same amount of cash. The secretary obtains the cash either by cashing the checks and money orders at the bank or cashing the checks and money orders from the telephone card or bond cash receipts on hand and later depositing the checks and money orders into the Sheriff's fee bank account. The cash is returned to the jail administrator and the cash is recorded on the inmate's account log and placed in the inmate's locker. As a result, we noted numerous deposits where the composition of receipts did not agree to the composition of the deposits. We obtained the bank backup for several deposits and were not able to determine the basis for all items deposited. As a result, the Sheriff's department is unable to ensure all monies are deposited and accounted for properly.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, the Sheriff should establish alternative procedures for maintaining inmate monies, and ensure the composition of receipts agrees to the composition of deposits.

1.4 Inventory

Inventory records are not maintained of prepaid telephone cards. When the telephone cards are received, the jail administrator makes a photocopy of the telephone cards to keep track of the telephone cards on hand; however, after the telephone card is sold, the photocopy is thrown away and the transaction is recorded on a telephone card purchase record and the inmate's record.

A detailed inventory ledger is necessary to adequately account for telephone cards. Inventory records should document the beginning number of telephone cards, cards purchased, cards sold, and the ending balance of cards. Periodic physical inventory counts should be performed and reconciled to inventory records. Loss, theft, or misuse of the telephone cards may go undetected without adequate inventory records and procedures.

Similar conditions previously reported

Similar conditions to points 1.1 and 1.2 were noted in our prior audit report.

Recommendations

The Sheriff:

1.1 Adequately segregate accounting duties to the extent possible or ensure independent or supervisory reviews of accounting records are performed and documented.

1.2 Ensure all receipts are properly recorded and reconciled to deposits. In addition, the Sheriff should ensure the method of payment is recorded on all receipt slips, prenumbered bond forms are used, and the numerical sequence of bond forms is accounted for properly.

1.3 Discontinue the practice of maintaining inmate monies on hand by cash and establish a bank account to maintain inmate monies, and ensure the composition of receipts is recorded and reconciled to the composition of deposits.

1.4 Ensure telephone card inventory records are maintained and periodically reconciled to a physical inventory.

Auditee's Response

The Sheriff provided the following responses:

1.1 Staffing in a small agency is an issue. However, we will review the receipts and disbursements on a monthly basis at the time they are paid into the county treasury.

1.2 We will ensure receipts are properly recorded and reconciled to deposits, and we will ensure the method of payment is recorded on all receipt slips, and this will be checked periodically. We will work with the Circuit Clerk and Judges regarding obtaining prenumbered bond forms and once obtained we will account for the numerical sequence.

1.3 We will consider this recommendation.

1.4 We will start maintaining a ledger to record telephone card purchases and sold, and we will also periodically perform a physical inventory of telephone cards on hand to agree to the amount on the ledger.

2. Seized Property

Adequate controls over seized property have not been established. Some seized property items and some applicable case numbers were not recorded properly on the seized property log.

The duties related to seized property are not adequately segregated. Under current procedures, each deputy is responsible for bringing in seized items and posting items to the seized property log. All officers have access to the seized property room where items are stored, and there are no procedures in place to keep track of who enters the room.

In addition, information recorded on seized property logs did not always correspond to information recorded in the database and incident reports. When property is received by the Sheriff's department, an incident report is prepared. The database used to generate the incident report automatically assigns a case number. Since the database uses the case number to identify the items, the database should correspond to the incident reports and seized property records. In April 2011, we located $50 of seized cash in the seized property room, although other items related to the case were returned to the owner in May 2009. While the cash was recorded on the seized property log; a case number was not documented. In addition, the database and incident report prepared by the arresting officer did not document the $50. As a result, the $50 cash was not returned to the owner.

Furthermore, the release of cash totaling $1,995 was not adequately documented. On June 18, 2010, the Sheriff released $5,371 of seized cash to its owner. While documentation was properly signed by the receiving person and releasing officer for $3,376, there was no documentation regarding the other $1,995 released. The owner was contacted and indicated the $1,995 had been returned.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, misuse, or theft of the stored items. In addition, the database, incident reports, and seized property logs should agree, and include information such as description, persons involved, current location, case number, date of seizure, and disposition of such property. Furthermore, adequate documentation should be maintained to support the chain of custody and release of seized property.

Recommendation

The Sheriff limit access to the seized property room and establish procedures to ensure accurate information is recorded on seized property logs and incident reports.

Auditee's Response

The Sheriff provided the following response:

This will be done.

3. 911 Fund

The county is experiencing declining 911 revenues and may need additional funding to continue the 911 service. The county does not track the number of calls handled for the various political subdivisions or the volume of emergency and nonemergency dispatching services to determine the cost associated with dispatching services.

3.1 Financial condition

The cash balance of the 911 Fund has declined in the past 2 years and the county has not developed long-range plans for equipment upgrades and related funding for the 911 operation. The 911 Fund is funded primarily by an emergency telephone tax, reimbursement for dispatching services, and transfers from the General Revenue Fund and the Law Enforcement Sales Tax Fund (LESTF). The following table reflects the ending cash balances for the last 3 years and the projected ending balance for 2011 obtained from the county's budget documents:

		December 31,			
		* 2011	2010	2009	2008
Ending Cash Balance	$	1,901	17,878	38,101	18,638

* Projected

While receipts have generally remained constant, disbursements have increased and the General Revenue Fund has subsidized the 911 Fund for the last 3 years by transferring monies generated from the local use tax levy. In addition, in 2011, there were large unexpected equipment purchases, including recorders ($9,524) and a radio system ($77,535). Not all dispatching services costs are recovered (see section 3.2). As a result of the 911 Fund's poor financial condition, the General Revenue Fund purchased the radio system.

Rapid advances in communications technology are continuing to pose major challenges to current 911 systems that will require changes in the near future such as upgrading equipment to include the capabilities to locate an individual calling from their cell phone. The County Commission indicated the cost is estimated to be over $100,000 plus software and maintenance of $22,000.

With the lack of increases in funding levels and increased costs, the 911 Fund cannot adequately set aside monies for future contingencies such as equipment upgrades or replacements. Efforts should be made to address the immediate and long-term aspects of these operations. The County Commission needs to develop a written plan to improve the financial condition of the 911 Fund.

3.2 Dispatching services

The county has not documented its basis for transferring amounts from the LESTF to the 911 Fund or for determining the amounts to charge other

entities for dispatching services. The 911 center provides emergency and non-emergency dispatch services to various political subdivisions. The county has entered into annual fee agreements with 6 out of the 10 political subdivisions that are provided dispatching services. The county transferred $30,000 and $35,000 in 2010 and 2009, respectively, from the LESTF to the 911 Fund for the Sheriff's department calls. However, the County Commissioners could not recall how the amounts charged to the LESTF and the other entities were derived. In 2008 and 2009, the 911 Director provided the County Commission with the number of calls handled for the Sheriff's department and the City of Bethany. The County Commissioners stated the majority of the call volume comes from these two entities, but the county had no documentation to show how this data was used in determining the transfer and contract amounts.

The county should base its transfer and contract amounts on a measure of actual activity or some comparable basis and document the basis. These actions are necessary to ensure the amounts charged other entities are reasonable and to ensure compliance with the restrictions on the allowable uses of the LESTF.

Similar conditions previously reported

Similar conditions were noted in our prior audit.

Recommendations

The County Commission:

3.1 Continue to closely monitor the financial condition of the 911 Fund. In addition, the County Commission should develop a written long-term plan to reduce costs, increase receipts, and determine future equipment needs.

3.2 Determine the costs associated with dispatching services and base the transfers from the LESTF to the 911 Fund, and its contracts with political subdivisions for dispatching, upon a measure of actual activity or some comparable basis. In addition, documentation of the calculation and data that supports it should be maintained.

Auditee's Response

The County Commission provided the following responses:

3.1 We will continue to monitor the financial condition. We will try to develop a plan of anticipated receipts and disbursements for the next several years based on various funding sources.

3.2 We will review the statistics of the calls handled and the expenses of the dispatching services provided, and we will perform and document a calculation to determine the amount of the transfer to

be made from the LESTF and to be charged to other political subdivisions. We will try to obtain contracts with all political subdivisions that are provided dispatching services.

Harrison County
Organization and Statistical Information

Harrison County is a township-organized, third-class county. The county seat is Bethany.

Harrison County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. The townships maintain county roads. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 46 full-time employees and 8 part-time employees on December 31, 2010.

In addition, county operations include the Senior Citizens' Services Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2011	2010
Jack W. Hodge, Presiding Commissioner	$	25,760
Roger D. Gibson, Associate Commissioner		23,760
George Bowles, Associate Commissioner		23,760
C. Sherece Eivins, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Sherry Seltman, County Clerk		36,000
R. Cristine Stallings, Prosecuting Attorney		43,000
George W. Martz, Jr., Sheriff		40,000
Jeremy Eivins, County Coroner		10,000
Kimberly King, Public Administrator		36,000
Cheryl Coleman, County Collector-Treasurer, year ended March 31,	36,000	
Lila Mae Craig, County Assessor , year ended August 31,		36,000

(1) Compensation is paid by the state.

Financing Arrangements

The county entered into a lease purchase agreement with Municipal Financial Group (MFG) for the county law enforcement center. The terms of the agreement called for the county to lease the real estate to MFG, which constructed the facility, and then lease purchase the facility from MFG with lease payments equal to the amount due to retire the indebtedness. Construction of the facility was completed in 2003. The lease is scheduled to be paid off in the year 2022. The remaining principal due on the lease at

December 31, 2010, was $1,254,677. The lease is paid with proceeds from the one-half cent law enforcement sales tax which took effect on October 1, 2002.

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

Harrison County did not receive any federal stimulus monies during the 2 years ended December 31, 2010.

Thomas A. Schweich
Missouri State Auditor

St. Louis Public School District, Patrick Henry Downtown Academy

Enrollment and Attendance Recording and Reporting

September 2011

Report No. 2011-66

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of St. Louis Public School District, Patrick Henry Downtown Academy, Enrollment and Attendance Recording and Reporting

Background

The State Auditor's office received substantial, credible information alleging school attendance and enrollment data was being falsified at Patrick Henry Downtown Academy (Henry Elementary). Because of the severity of the allegations and the risk that evidence would be destroyed, the State Auditor sent the rapid response team to gather evidence and ensure its preservation. The team collected documentary evidence, conducted interviews, and took the sworn testimony of four school/district employees.

From the evidence collected, it appears enrollment and attendance data was being manipulated, which overstated attendance. This may have helped the school meet Adequate Yearly Progress (AYP) under the federal *No Child Left Behind Act of 2001* and possibly resulted in additional federal funding. Because of weaknesses in the school's computer system, the State Auditor's office was not able to determine who was responsible for the data manipulation, but one employee testified, under oath, that Principal Esperanza Veal instructed her to manipulate the data.

Attendance Data

The State Auditor's office conducted several different tests and found numerous discrepancies between manual attendance records (completed by teachers) and the official attendance data entered into the computerized Student Information System (SIS) by office personnel. Each time, the net effect of these discrepancies inflated attendance, which supports the testimony that attendance and enrollment data was intentionally manipulated.

Henry Elementary has shown significant unexplained increases in attendance, increasing over 12 percent from 2007 to 2010, and it had the district's highest elementary school attendance percentage (97.3 percent) in 2010. In addition, withdrawn students were not timely withdrawn in the SIS. Since teachers do not always mark withdrawn students absent on the manual attendance forms, withdrawn students could be shown as present in the SIS. Some withdrawn students were also counted in membership and enrollment counts, which affected federal funding.

Prior to 2011, the school did not record out-of-school suspensions in the SIS, therefore some students on out-of-school suspension were counted as present. Also, according to sworn testimony, during fiscal year 2010, the Principal told a front office employee to "clean up" attendance by identifying all students with five or more absences in the year and changing each of those absences to tardies in the SIS. The State Auditor's office confirmed for fiscal year 2010, there was a significant decrease in absences and a corresponding increase in tardies.

District-wide System Controls	The SIS does not adequately limit or electronically track when or by whom changes are made in the system, leaving the data subject to unauthorized or erroneous changes.
Attendance Procedures	District policy requires each teacher to enter attendance data directly into the SIS each day. At Henry Elementary, however, teachers were required to complete manual attendance forms, and a member of the office staff entered the data into the SIS. According to sworn testimony, Principal Veal directed changes be made to the data after it was entered into the SIS, without documentation to support the changes, and without teacher approval of the changes. Henry Elementary did not document late arrivals or early departures, although district policy requires they be documented to track the total minutes a student is present each day, which affects attendance percentages. District policy allows elementary students to be withdrawn by the principal or school official only in certain circumstances. For the 3 years ended June 30, 2011, we found 40 students withdrawn from Henry Elementary and re-enrolled in less than 3 weeks. A review of 11 of these students found 3 did not appear to be withdrawn for reasons allowed by district policy. One of these students was withdrawn due to an illness lasting only about 10 days, but policy only allows a student to be withdrawn due to extended illness if it is expected to last 3 weeks or longer and there is no expectation the student will recover in time to complete the semester. Withdrawing students for short-term absences inflates attendance percentages, because withdrawn students are not counted as absent during the time they are listed as withdrawn.

Because of the nature of this rapid response audit, no overall rating is provided.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	Not applicable.

St. Louis Public School District, Patrick Henry Downtown Academy
Enrollment and Attendance Recording and Reporting
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THOMAS A. SCHWEICH
Missouri State Auditor

To the Special Administrative Board
and
The Board of Education
St. Louis Public School District

The State Auditor conducted an audit of certain operations of the St. Louis Public School District, Patrick Henry Downtown Academy, Enrollment and Attendance Recording and Reporting, under authority granted in Section 29.205, RSMo. Enrollment and attendance recording and reporting recently became a concern when the State Auditor received specific credible information regarding attendance data at the Patrick Henry Downtown Academy (Henry Elementary). The State Auditor evaluated the information provided and determined the concerns met the criteria for activating the Auditor's Swift Assessment Program. The objectives of our audit were to:

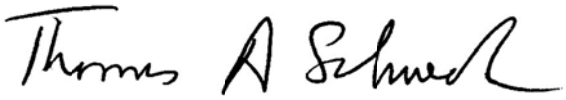
1. Evaluate the accuracy of Henry Elementary's enrollment and attendance reports.

2. Evaluate Henry Elementary's internal controls over enrollment and attendance recording and reporting.

3. Evaluate Henry Elementary's compliance with certain legal provisions concerning enrollment and attendance.

For the areas audited, we identified (1) inaccurate enrollment and attendance data, (2) deficiencies in internal controls, and (3) noncompliance with legal provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.



Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Robert McArthur II
Audit Staff:	M. M. Williams

St. Louis Public School District, Patrick Henry Downtown Academy Enrollment and Attendance Recording and Reporting Introduction

Background

On April 24, 2011, the Office of the State Auditor received substantial, credible evidence alleging that misrepresentation, fraud, and/or violations of state or federal law had occurred and were occurring at Patrick Henry Downtown Academy (Henry Elementary) regarding the falsification of school attendance data. As a result, on May 2, 2011, the State Auditor activated the Auditor's Swift Assessment Program (ASAP) and served subpoenas on designated administrators and staff of the St. Louis Public School District to ensure the preservation of evidence and to compel testimony.[1]

The State Auditor's office began conducting interviews and reviewing files immediately because the end of the school year was fast approaching and many Henry Elementary employees would be out for the summer, and because immediate action was needed to prevent the possibility of additional alterations of enrollment and/or attendance records.

On May 5, 2011, the State Auditor and his staff met with the Superintendent and other district officials to discuss the school attendance issue. On May 17, 2011, attorneys of the State Auditor's office took the testimony of several Henry Elementary employees, including a district employee, a front office employee, and two teachers. This testimony was given under oath and was recorded by a court reporter. At the time of the depositions, these individuals provided notes, memorandums, communications, documents, and other materials related to student attendance, enrollment, discipline, absences, and transfers. The State Auditor's office also subpoenaed Ms. Esperansa Veal, Henry Elementary Principal, but she refused to provide testimony.

In her sworn deposition, a member of the Henry Elementary staff alleged, under oath, that Principal Esperansa Veal ordered the falsification of attendance data. The three other employees also testified that attendance data was falsified, but for reasons described later, they could not say who was responsible for the falsification.

[1] The State Auditor activates the ASAP when there is substantial, credible evidence to believe there is:

(1) Fraud, violations of state or federal law, rule or regulation, or significant misappropriation, mismanagement, or waste of public resources; or
(2) Significant risk of loss of confidence of the people in their government due to fiscal abuse or mismanagement; and
(3) The need for immediate action to preserve relevant evidence and/or prevent continued harm.

Henry Elementary

Henry Elementary is a pre-kindergarten through sixth grade elementary school located in downtown St. Louis. As of June 2011, Henry Elementary was staffed by approximately 20 teachers and had an enrollment of 274 students. Ms. Veal became principal of Henry Elementary in July 2007 (fiscal year 2008) and was placed on administrative leave on or about May 9, 2011.

Elected School Board

Members of the St. Louis Public School District elected board at June 30, 2011, were:

Katherine Wessling, President
David L. Jackson, Jr., Vice President
Chad Beffa, Secretary
Donna Jones
Rebecca Rogers
Emile Bradford-Taylor
Bill Haas

Special Administrative Board

Members of the St. Louis Public School District special administrative board at June 30, 2011, were:

Rick Sullivan, President/CEO
Melanie Adams, Vice President
Richard Gaines, Comprehensive Long Range Plan Chair

Superintendent

The district's superintendent at June 30, 2011, was Dr. Kelvin Adams.

Scope and Methodology

The scope of the audit included, but was not necessarily limited to, the 3 years ended June 30, 2011. The district engaged RubinBrown LLP, Certified Public Accountants & Business Consultants (CPAs), to audit the district's financial statements for the years ended June 30, 2009, 2010, and 2011. To minimize duplication of effort regarding enrollment and attendance recording and reporting, we reviewed the audit report and attendance- and enrollment-related working papers of the CPA firm for the 2 years ended June 30, 2010 and 2009; however, the 2011 audit was not yet completed.

Our methodology included reviewing the documents and testimony gathered as a result of the subpoenas to determine whether school attendance data had been falsified as alleged. In addition, we reviewed the district's written policies and procedures, procedures followed at Henry Elementary, enrollment and attendance records, and other pertinent documents, and interviewed various personnel of the district and Henry Elementary, as well as certain external parties. We also reviewed selected attendance data for the 3 years ended June 30, 2011.

To evaluate internal controls over Henry Elementary's enrollment and attendance recording and reporting, we reviewed district policies and procedures, as well as Henry Elementary's procedures. The St. Louis Public School District utilizes the computerized Student Information System (SIS) to track various student data, including enrollment/withdrawal dates, daily attendance, grades, disciplinary actions, etc. School-level personnel enter this data into the SIS, and district central office personnel upload certain data for the entire district quarterly to the Missouri Department of Elementary and Secondary Education (DESE).

District policies require each teacher to record student attendance in the SIS on a daily basis; however, until May 2011, most teachers at Henry Elementary manually recorded attendance on 2-week attendance sheets provided by Henry Elementary office personnel which listed each teacher's roster of students on a 2-week grid. The teachers turned these sheets into the office each day, and the School Secretary entered the attendance data into the SIS. Not until May 2011, did Henry Elementary teachers begin entering their classroom attendance directly into the SIS rather than using the manual attendance sheets. Each year, teachers at Henry Elementary also prepare a manual S-1 Attendance Record (S-1) for each student which records daily attendance, summarized by quarter and semester. The S-1s are maintained in each student's manual file in the Henry Elementary office for each year the student attends Henry Elementary. In addition, teachers manually record student absences on Report on Absence of Pupil forms (A-2 forms) for school social workers when intervention is required to improve student attendance.

To evaluate the accuracy of Henry Elementary's enrollment and attendance reports, we compared the various manual records mentioned above to the SIS to determine if absences and tardies marked on the manual records were recorded in the SIS and vice versa.

To evaluate Henry Elementary's compliance with certain legal provisions, we obtained an understanding of legal requirements related to enrollment and attendance reporting. We determined state and federal funding, as well as reporting under the federal *No Child Left Behind Act of 2001* are affected by school attendance data. This Act includes annual proficiency targets, participation rates, and attendance/graduation rates to demonstrate students are making Adequate Yearly Progress (AYP). If a school fails to meet AYP requirements for 2 consecutive years, it is placed in school improvement status and must, among other things, implement a school improvement plan, notify parents of the school improvement status, and allow students to transfer to other public or charter schools. If the school continues to fail to meet AYP requirements, additional action is required.

St. Louis Public School District, Patrick Henry Downtown Academy Enrollment and Attendance Recording and Reporting Management Advisory Report - State Auditor's Findings

1. Attendance Data

Patrick Henry Downtown Academy (Henry Elementary) attendance, enrollment, and membership data for fiscal year 2011, compiled through June 2, 2011, the end of the school year, did not appear complete or accurate and appeared to have significantly overstated actual attendance. Similar issues were noted with fiscal year 2010 and 2009 attendance data. Analysis of attendance data reported for the 4 years ended June 30, 2010, showed significant unexplained increases in attendance for Henry Elementary (see Appendix).

Schools are required to track attendance accurately. Excessive absences, late arrivals, or tardies may indicate that a student is at-risk and needs intervention, and the Missouri Department of Elementary and Secondary Education (DESE) uses attendance data to determine the appropriate amount of state and federal funds to give each district. The higher a district's attendance percentage, the more funds it receives. Absences and late arrivals reduce the amount of funding a district receives.[2] The DESE also relies, in part, upon such data to determine whether a school is complying with state and federal statutes and regulations.

Analytical analysis

An analysis of Henry Elementary attendance data for the 5 years ended June 30, 2011, showed significant unexplained fluctuations, as follows:

	2011		2010		2009		2008		2007
	Attendance		Attendance		Attendance		Attendance		Attendance
Elementary Schools	Percentage	Change	Percentage	Change	Percentage	Change	Percentage	Change	Percentage
Henry Elementary	94.6	-2.70%	97.3	3.80%	93.5	4.10%	89.4	4.20%	85.2
District Average	92.9	-0.10%	93.0	0.40%	92.6	0.30%	92.3	0.30%	92.0

In fiscal year 2010, Henry Elementary reported a 97.3 attendance percentage, enabling it to rank first among district elementary schools and meet its Adequate Yearly Progress (AYP), which is part of the *No Child Left Behind Act of 2001*.

As of the end of the 2011 school year, Henry Elementary's attendance percentage had dropped to 94.6, which is still well above the district average of 92.9 for elementary schools. Because the district did not provide us with detailed daily attendance data for fiscal year 2011, we could not determine when the daily attendance percentages began to decrease.

Between fiscal year 2007 and 2010, Henry Elementary experienced annual increases in attendance percentage of over 3 percent, or a total increase of

[2] Late is defined as arriving late by 30 minutes or more, while tardy is arriving late by less than 30 minutes and does not affect funding.

more than 12 percent from 2007 to 2010. Part of the increases during fiscal years 2008 through 2010 at Henry Elementary can be attributed to virtual students participating in courses from their homes via computer; however, virtual students represented less than 20 percent of Henry Elementary students for fiscal year 2010 and did not significantly affect overall attendance percentages. Over this same timeframe, only 2 of the approximately 40 other elementary schools in the district experienced a greater than 3 percent increase in attendance percentage for the period from 2007 to 2010 (see Appendix).

Manual records vs. SIS

We compared several different manual attendance records maintained at Henry Elementary to attendance data recorded in the computerized Student Information System (SIS) and noted numerous unexplained or undocumented discrepancies between manual records and the SIS. We noted absences and tardies marked on the manual records that were not in the SIS, as well as absences and tardies marked in the SIS that were not on the manual records. However, there were significantly more absences and tardies recorded on the manual records that were not in the SIS than there were the other way around. This fact suggests manipulation of the data to reflect better than actual attendance.

In her sworn deposition, a Henry Elementary front office employee stated, under oath, that the Principal instructed her to make changes to attendance data in the SIS. On several occasions, the Principal told her after the daily preliminary attendance report was run that specific children marked absent were actually present and to change their absences to tardies prior to finalizing the daily attendance each day. In addition, she stated the Principal often instructed her to change individual student attendance records after finalizing the daily student attendance. She indicated that she did not believe these changes were accurate or appropriate.

In order to test the accuracy of such testimony, we performed various tests using the Henry Elementary attendance data. Due to the nature of these tests, some students were included in more than one test. The following are the detailed tests we performed:

- We selected 60 Henry Elementary student manual files for the 3 years ended June 30, 2011, and noted numerous discrepancies between the manual S-1 attendance records and the SIS. The results are as follows:

	2011	2010	2009
Absences or tardies on S-1, but not in the SIS	96	100	51
Absences or tardies in the SIS, but not on S-1	53	67	27

During our interviews with Henry Elementary staff, five students were specifically identified to us as likely to have incorrect attendance data in the SIS, so we compared the manual S-1 Attendance records and the SIS for these five students also. For these five students, we noted 34 absences and tardies on S-1s that were not recorded in the SIS, and 17 absences and tardies recorded in the SIS that were not on the S-1s during fiscal year 2011.

- In a sworn deposition, a district employee indicated she and her supervisor were asked by the district Central Office in May 2011 to verify Henry Elementary student attendance for fiscal year 2011 by comparing manual attendance records (S-1s or 2-week attendance sheets) obtained from Henry Elementary teachers to data recorded in the SIS. Although they had not completed their review at the time of the deposition, they found numerous discrepancies between the manual attendance records and the SIS for the students they reviewed. We re-tested approximately 30 of the 160 students they reviewed and selected another 56 students to test which they had not reviewed. In total, for the 86 students we reviewed for fiscal year 2011, we noted 355 absences and tardies on the teacher records that were not recorded in the SIS, and 52 absences and tardies recorded in the SIS that were not on the teacher's manual records, which suggests manipulation of the data to inflate attendance percentages.

- A Henry Elementary employee also provided 53 manual Report on Absence of Pupil forms (A-2 forms) to us. These forms are used by teachers to record student absences and are subsequently forwarded to the social worker when, for example, the student has accumulated three consecutive unexcused absences and early intervention is required to improve student attendance. We compared all 53 of the A-2 forms to the SIS data. In total for fiscal year 2011, we noted 119 absences and tardies on the A-2 forms that were not recorded in the SIS, and 18 absences and tardies recorded in the SIS that were not on the A-2 forms, again suggesting the manipulation of attendance data to inflate attendance percentages.

- In a sworn deposition, a Henry Elementary teacher indicated she began to compare her manual 2-week attendance sheets for fiscal year 2011 to data recorded in the SIS after she started to note some discrepancies. The teacher indicated she was only able to complete a review of 22 of her 28 students prior to our subpoena. We verified her analysis for 5 of the 22 students she reviewed and determined her analysis was accurate. We also tested the remaining six students which she had not reviewed. For the 28 students analyzed in her class, a total of 232 absences and tardies were noted on her 2-week attendance sheets that were not recorded in the SIS, and 44 absences and tardies recorded in the SIS were not on her manual 2-week

attendance sheets. In addition, she noted 32 instances in which someone else changed absences to tardies on her 2-week attendance sheets, which may have overstated attendance.

- We selected an additional 10 of the 45 completed manual 2-week attendance sheets from fiscal year 2011 provided to us from various sources. For the 10 manual 2-week attendance sheets reviewed, attendance for approximately 130 students was tracked on these sheets for the respective 2-week period. In total, our review of these 130 students noted 54 absences and tardies on the 2-week attendance forms that were not recorded in the SIS and 10 absences and tardies recorded in the SIS that were not on the 2-week attendance forms, suggesting attendance data percentages were overstated.

  We were given only 45 manual 2-week attendance forms for fiscal year 2011 that appeared complete, and we were not given any of these forms for prior years. Henry Elementary teachers told us that normally the folders used to carry the manual forms back and forth from the office to the classrooms contained all of the manual forms for the entire year; however, sometime in the spring of 2011, someone removed the manual forms from earlier in the year and left only the most current manual forms in the folders. In May 2011, current Henry Elementary office personnel told us they did not know what happened to these forms.

- We also scanned all 2011 manual attendance records (S-1s or 2-week attendance sheets) available to us to identify students who had been recorded as absent three or more consecutive days. We noted 125 instances of three or more consecutive absences recorded in the manual records. When we compared the manual records for these students to the information entered in the SIS, we noted 176 individual absences on the manual attendance records that were not recorded in the SIS or were recorded as tardies, and 5 individual absences recorded in the SIS that were not on the manual attendance records, which suggests manipulation of the data to overstate attendance.

- In his sworn deposition, a Henry Elementary teacher told us his manual attendance records disappeared from his classroom during the school year, and were not available for us to review. This teacher said his classroom door was, "kicked out," and his attendance records were missing from his desk.

We combined the results of the above-described tests and removed any duplicate students. The combined results are as follows:

	2011	2010	2009
Students tested	214	24	16
Error rate for students tested	68%	83%	94%
Absences or tardies on manual records but not in the SIS	803	100	51
Absences or tardies in the SIS, but not on manual records	187	67	27

Due to the lack of controls, particularly the inability to track changes and who made them in the SIS (See MAR finding number 2), we cannot state with certainty who altered the Henry Elementary attendance records. But, it appears that attendance records were altered, overstating actual student attendance, and the sworn testimony we obtained suggests the Principal directed these changes.

Withdrawn students

Henry Elementary did not consistently record students as withdrawn on a timely basis, so students stayed active in the SIS longer than appropriate. Since the SIS automatically counts an enrolled student as present unless an absence is entered, if a student withdraws from school and is no longer being marked absent by the teacher but the SIS is not updated to show the student as withdrawn, the student will be counted as present in the SIS. This artificially inflates the school's attendance. Likewise, because the SIS reports did not include the attendance data for some students prior to their withdrawal dates, Henry Elementary's attendance was misstated for these days.

Based on sworn depositions taken from three Henry Elementary employees, students remained on class rosters long after they stopped attending classes. A district employee had discussions with the teachers, parents, and other schools in which the students were enrolled, and verified these students no longer attended Henry Elementary, but the SIS still listed many as enrolled. After the employee raised this issue, these students were changed to withdrawn in the SIS; however, the withdrawal dates entered for many of the students did not agree with information provided by other sources. Ultimately, more appropriate withdrawal dates were entered for many of these students, but the attendance data in the SIS from the final withdrawal date to the current date was erased. As such, we were unable to determine if Henry Elementary improperly reported any of these students as present for any days after the final withdrawal date entered into the SIS.

In addition to reviewing the provided documents and sworn testimony, we scanned Henry Elementary attendance data for withdrawn students. Our analysis of attendance data recorded through June 2, 2011, revealed 38 students in fiscal 2011, 4 students in fiscal year 2010, and 2 students in fiscal year 2009 enrolled and later withdrew, but no enrollment or

attendance data was reflected in the SIS reports. Upon further investigation, we determined that, because the students had been dropped from the SIS attendance module, their enrollment and attendance data was not shown on the SIS reports; however, we noted the withdrawal dates entered into the SIS were later than the recommended withdrawal dates, which may need to be corrected so that attendance for these students is accurately reflected in the SIS reports (see additional discussion in the enrollment/membership counts section below).

Enrollment/membership counts

Some students were included in enrollment and membership counts and then later listed in the SIS as withdrawn on a date before the counts occurred. If the students had already withdrawn by the date of the counts, they should not have been included in the counts, because this would overstate enrollment and/or membership for the count dates and could improperly increase federal funding for Henry Elementary.

In conjunction with our review of withdrawn students, we reviewed the accuracy of Henry Elementary enrollment and membership counts reported to the DESE for the 3 years ended June 30, 2011. Enrollment counts are used to determine the number of resident and nonresident students enrolled which affects the amount of federal funding a school receives, while membership counts determine, by grade, how many resident students are enrolled and in attendance at least 1 of the 10 previous school days. An enrollment count and a membership count are performed the last Wednesday of September, and another membership count is performed on the last Wednesday of January.

Enrollment and membership count discrepancies noted in fiscal year 2011 involved withdrawn students. For January 2011, we noted 11 students counted whose withdrawal dates were later backdated to dates prior to the count day. We also noted three students counted who had no enrollment or attendance reflected in the SIS reports. For September 2010, we noted five students counted whose withdrawal dates were backdated to dates prior to the count day. We also noted 34 students counted who had no enrollment or attendance recorded in the SIS reports. In addition, we noted two more students counted who appeared to have been enrolled in August and September 2010, then withdrew in September, but no attendance was reflected in the SIS reports.

In analyzing the September 2010 counts, we also noted approximately 20 students who were included in the counts and then withdrawn on September 30, 2010, the day after counts were taken. Each student appears to have been dropped from the SIS attendance module, so their enrollment or attendance was not shown on the SIS reports. District staff reattached a student to see what his attendance data would show. This student was recorded in the SIS as attending August 16, 2010, thru September 30, 2010.

Within this timeframe two absences were also recorded. This may explain why this student shows up on the September enrollment and membership counts.

Discipline incidents

Based upon sworn testimony of a district employee, Henry Elementary does not accurately record discipline incidents in the SIS. In April 2011, this employee sent an e-mail message to the School Secretary and Principal informing them the SIS attendance needed to be updated to show out-of-school suspensions. Until then, some students on out-of-school suspension were reflected in the SIS as being present. Appropriate changes were eventually made for most students for 2011, but it appears this was the first time Henry Elementary recorded out-of-school suspensions in the SIS; our analysis of the SIS data for fiscal years 2010 and 2009 showed Henry Elementary recorded no suspensions.

Out-of-school suspensions are the equivalent of an absence when calculating a student's average daily attendance percentage reported to, and used by, the DESE for funding and oversight purposes.

Attendance clean up

Absences were incorrectly changed to tardies in the SIS during fiscal year 2010, thereby overstating Henry Elementary's attendance data. In her sworn deposition, a Henry Elementary front office employee explained that during fiscal year 2010 the Principal told her to "clean up" attendance based on an e-mail message from the superintendent related to the district's "Student Attendance Review and Clean-Up Process." At the Principal's direction, she identified students with five or more absences and changed each of those absences to tardies in the SIS, although she did not believe these changes were accurate or appropriate.

To test the accuracy of this testimony, we analyzed fluctuations in absences and tardies for the 3 years ended June 30, 2011, in the table below:

	Year Ended June 30,					
	2011		2010		2009	
	Students	Days	Students	Days	Students	Days
5 or more absences	218	2,341	115	949	155	2,446
5 or more tardies	32	449	102	1,090	21	247

In fiscal year 2010, there was a significant decrease in absences and a corresponding increase in tardies, which supports the testimony that attendance records were manipulated to overstate attendance. The district's "Student Attendance Review and Clean-Up Process" is intended to review and validate attendance for all students and ensure accurate withdrawal

dates for withdrawn students; it does not instruct schools to change absences to tardies for any students with five or more absences.

Conclusion

According to sworn testimony, Henry Elementary attendance data was falsified resulting in overstated attendance. In every one of the many tests described above, the auditors discovered differences between manual attendance records and the SIS, and every time the net effect of the discrepancies was to increase attendance percentages, not decrease them. This suggests that the sworn testimony was correct and attendance data was manipulated to inflate attendance percentages.

If school attendance is not accurately recorded, at-risk students may not receive needed intervention and/or referral for additional services. In addition, attendance records may be relied upon in legal proceedings, such as cases of truancy or domestic matters, and inaccuracies in these could undermine the integrity of such proceedings.

Enrollment and attendance data also provide the DESE with basic data used to generate various state and federal payments and to determine compliance with state and federal statutes and regulations, including Adequate Yearly Progress (AYP) under the *No Child Left Behind Act of 2001*. Overstating attendance may result in the district receiving more funding than it is entitled to and/or may impair the ability of the DESE to monitor the school's performance effectively. As of the end of the school year, discrepancies discussed throughout the report had not been corrected. Schools have up to 5 years to correct attendance data in the DESE computer system. However, since DESE funding is based on the weighted average daily attendance for the previous 3 years, the changes should be made as soon as possible to ensure funding is allocated appropriately.

Recommendations

The St. Louis Public School District Special Administrative Board:

- Address discrepancies between manual records and the SIS records, including unusual fluctuations in Henry Elementary student attendance, procedures for student withdrawals, recording of out-of-school suspensions, and absences being changed to tardies.

- Determine whether any students were improperly counted in enrollment counts and/or membership counts and report any corrections to the counts.

- Investigate allegations Principal Veal directed that unverified and/or invalid changes be made to data entered in the SIS.

- Investigate allegations that records were stolen, destroyed, or altered.

- Update and correct the attendance data submitted to the DESE as appropriate.

Auditee's Response

The St. Louis Public School District Special Administrative Board provided the following written response:

It is the written policy of the St. Louis Public School District ("District") that all schools maintain accurate data relating to student attendance, enrollment, and discipline. In addition, the District has policies and procedures in place describing how and when such data should be recorded in the District's Student Information System ("SIS"). The findings of this audit regarding the manner in which attendance and enrollment data were recorded and reported at Patrick Henry Downtown Academy ("Henry") raise several important concerns that the District will address more fully below. Notwithstanding these concerns, the District is encouraged by one aspect of the audit relating to the attendance data as described in the Appendix. In general, the attendance data set forth in the Appendix is consistent with the findings of the District's May 2011 internal review of attendance and enrollment procedures utilized at multiple District school sites. Consistent with the data contained in the Appendix of this report, the District's review did not produce information suggesting that the findings set forth herein relating to Henry are indicative of a District-wide pattern of school sites failing to follow District attendance and enrollment data collection procedures and/or purposely inflating attendance figures.

In May 2011, in response to the State Auditor's announced audit of the attendance and enrollment practices at Henry, the District initiated a "Process Follow Through" review of the procedures being utilized at various school sites throughout the District concerning standardized testing, attendance, enrollment, discipline and the recording of student grades. The District provided an Executive Summary of the results of the Process Follow Through to the State Auditor's Office. The Process Follow Through involved central office staff conducting on-site visits at thirty (30) school sites and interviews of eighty-seven (87) individuals regarding the actual procedures utilized at each location (12 Elementary; 11 Middles Schools; 7 High Schools). In general, the results of the Process Follow Through indicated overall compliance with District attendance and enrollment procedures. However, consistent with some of the finding of this audit report, the Process Follow Through did assist in identifying current practices and procedures the District can update or revise that will increase the accuracy and reliability of student data collection.

The District considers the findings and conclusions of the State Auditor's Office regarding the operations at Henry significant. The Auditor's report repeatedly references sworn testimony alleging that attendance data from the Henry school site was falsified and that District procedures for recording attendance and enrollment were not followed. In addition, the audit report cites sworn deposition testimony in which individuals state they were instructed to record information they did not believe was accurate or appropriate into the SIS. The District considers the issues raised in the report to be of grave concern and fully intends to follow-up on the testimony and findings referenced herein as they relate to operations at Henry. As described more fully in the District's responses set forth in Sections 2 and 3 below, the District is implementing additional processes and procedures to increase the District's ability to detect such activity in the future.

In addition, the District will undertake the following data reconciliation actions to ensure the accuracy of the Henry data:

<u>Henry School - Data Reconciliation</u>

- *Review and update student enrollment and withdrawal data as needed for Henry School (3 years)*
- *Review and update student attendance history for all Henry School students (3 years)*

  Obtain copies of all manual enrollment and attendance documents (including S-1, A-2, manual rosters, forms from teachers, others)

  Reconcile enrollments and withdrawals

  Reconcile absences, late arrivals, early dismissals, out of school suspensions, etc.
- *Generate updated enrollment counts and attendance percentages (3 years)*
- *Provide report containing updated data; show impact/actual results of reconciliation process*
- *Submit appropriate changes/updates to DESE/MOSIS*

2. District-wide System Controls

The SIS does not adequately limit or electronically track when or by whom changes are made in the system, nor does it track the reason the changes are made. Without tracking or limiting changes in the SIS or requiring teachers to approve any changes to attendance recorded for their classroom, the data is subject to unauthorized or erroneous changes which may significantly

affect attendance reported to the DESE or school social workers for further follow up and possible student intervention.

District policies state daily student attendance is to be recorded in the SIS by each teacher. A preliminary attendance report is run each day by each school's office personnel and reviewed by school officials for accuracy before finalizing the daily attendance. If any changes need to be made to attendance before finalizing the daily attendance, or at a later date when a correction needs to be made, the changes can be made by each school's office personnel. However, the SIS does not track changes and does not require the reasons for any changes be documented. In addition, the teachers are not required to verify the attendance changes that affect the students in their classrooms or to approve final daily attendance reports.

Making legitimate changes to attendance data in the SIS is necessary if a student arrives late or leaves early. In addition, it is a necessary step in the reporting process and must be done before attendance can be certified to the DESE. However, changes should be tracked and approved to ensure their accuracy, and therefore, the accuracy and reliability of the attendance data.

Recommendation

The St. Louis Public School District Special Administrative Board implement additional controls and procedures to ensure student attendance data is accurately recorded and reported, including requiring teachers to verify any attendance changes. If changes are necessary, the board should ensure the changes are adequately documented and approved.

Auditee's Response

The St. Louis Public School District Special Administrative Board provided the following written response:

According to the audit report, the evidence and data compiled and reviewed by the Auditor's Office suggests that the testimony indicating attendance data was purposefully manipulated to inflate attendance percentages was correct. The District notes that it cannot prevent every instance of purposeful violation of District policies and procedures; however, the District is prepared to implement controls and processes that will aid in detecting and investigating anomalies in student attendance and enrollment data as soon as possible. Toward this goal, the District is:

1. *reviewing current attendance and enrollment related policies and procedures to increase accountability controls by developing a policy establishing a management approval process for making changes to the SIS that will include consequences for any person making an unauthorized change in the SIS;*

2. *reviewing and considering additional controls and procedures to improve its ability to manage employee access to the SIS, including developing mechanisms to track changes to student data;*

3. *consulting with the SIS software developers to create an automated audit trail system within SIS to automatically record the date, time, and user identification whenever data is entered or changed in the SIS;*

4. *implementing a policy requiring all users to manually record this information whenever they enter or change data in the SIS until this information can be recorded by the SIS automatically; and,*

5. *consulting with the SIS software developer to create a procedure for regularly scheduled automated backups of the SIS database to allow the District to preserve "point in time" data at regular intervals to enhance the District's ability to track changes in the SIS over a given period of time.*

In conjunction with the upgrades to the SIS described above, the District is also reviewing the efficacy of implementing a system of mandated periodic data reviews that will include quarterly student level attendance data review and certification of the data by building level administrators.

3. Attendance Procedures

Henry Elementary did not follow district procedures regarding daily student attendance, late arrival/early departure, or short-term withdrawals, which resulted in inflated attendance percentages.

3.1 Daily attendance

Changes made to attendance data in the SIS were not adequately documented or approved. At the end of each day a Henry Elementary front office employee prepared a preliminary attendance report and provided it to Principal Veal for approval before finalizing daily attendance. According to sworn testimony of the employee responsible for unlocking the main door to admit students who were tardy or late, Principal Veal directed changes to the attendance record for specific children marked absent because she said they were actually present that day, even though the employee had not admitted these children on the days in question. The employee made the changes to the attendance data as directed by the Principal.

There was no mechanism in place to verify the accuracy of such changes. Instead, changes directed by the Principal were made without asking teachers to verify any discrepancies between the SIS data and their manual records. As noted above, during our comparison of Henry Elementary manual attendance records to data recorded in the SIS, we noted numerous discrepancies for which there was no documentation or explanation (see MAR finding number 1).

Moreover, district policy requires teachers to enter daily student attendance in the SIS directly. This policy was not followed at Henry Elementary. Instead, manual 2-week attendance sheets (printed by school office personnel) were completed by most teachers and forwarded to the front office daily for entry into the SIS. When asked why attendance was not entered by the teachers, one front office employee indicated the Principal said that is how she wanted it done. Allowing teachers to enter data directly into the SIS removes one opportunity for data to be manipulated.

District attendance procedures should be followed at the school-level to help ensure the accuracy of attendance data entered into the SIS.

3.2 Late arrival/early departure

District procedures regarding the recording of late arrivals and early departures were not followed at Henry Elementary. Our analysis of Henry Elementary attendance data for the 3 years ended June 30, 2011, showed no late arrivals or early departures recorded in the SIS.

The SIS student attendance procedures indicate late arrivals or early departures are to be recorded to track the number of minutes a student is not present. This would then be reflected in the student's average daily attendance percentage reported to, and used by, the DESE for funding purposes.

In sworn depositions and subsequent interviews performed, many of the Henry Elementary teachers indicated students were either recorded as present or absent for the full day and there was nothing in between (i.e. if the student arrived late or left early, the student was credited as being present the full day). In addition, in a sworn deposition, the Henry Elementary front office employee responsible for issuing admission slips indicated they were not consistently used to document late arrivals; therefore, there would be no record showing these students were not at school the entire day.

Daily attendance for each student should be tracked by hours present to ensure attendance totals are accurate.

3.3 Short-term withdrawals

District procedures regarding the short-term withdrawal of students for illnesses were not always followed at Henry Elementary, resulting in inflated attendance percentages.

The district policy on withdrawal of students from school allows elementary students to be withdrawn by action of the principal or other school official only in the following circumstances: 1) death of the student, 2) absence of the student from school for 3 weeks or longer where after investigation the school is unable to determine the reason for the absence, 3) absence of the student from school for 3 weeks or longer due to extended illness where there is no basis for expecting the student to recover in time to complete the

semester, except where home teacher is being provided, 4) departure of the student from the city, loss of status as a resident, etc., or 5) enrollment of the student in a private school, parochial school, or public school outside the city.

Our analysis of Henry Elementary enrollment and withdrawal data for the 3 years ended June 30, 2011, showed approximately 40 students withdrawn and reenrolled less than 3 weeks apart. We selected 11 of these students to review. Eight students appeared to have been withdrawn as allowed by the district policy, either they transferred to a different school or moved out of the district. However, 3 of the 11 did not appear to be withdrawn for reasons allowed by the policy. In one example, the student was apparently withdrawn and reenrolled due to an illness lasting approximately a week and a half, which is not allowed by the district policy. As a result, this student was not recorded as absent on the days he/she was out sick, which artificially inflated the school's attendance percentage.

The district policy on withdrawal of students from school should be followed to help ensure the attendance data entered into the SIS is accurate and consistent between schools in the district.

Recommendations

The St. Louis Public School District Special Administrative Board:

3.1 Ensure all schools in the district comply with district attendance policies and procedures.

3.2 Ensure all schools in the district comply with district policies and procedures regarding late arrival and early departure.

3.3 Ensure all schools in the district comply with district policies and procedures regarding withdrawal of students.

Auditee's Response

The St. Louis Public School District Special Administrative Board provided the following written response:

The recommendations set forth in Section 3 of the report instruct the District to ensure compliance with various District policies and procedures regarding student attendance and enrollment recording and reporting. The District notes that the activities at Henry as described in this report were not in compliance with current policies and procedures. Instead, the report repeatedly concludes that the issues associated with student attendance and enrollment at Henry are likely the result of a purposeful attempt to circumvent District policies. It is impossible to create a set of policies and procedures, or a system of controls that a determined individual cannot violate; however, the District believes that providing additional training programs will facilitate earlier detection of student data anomalies.

The District is reviewing the current procedures regarding enforcement of the attendance and enrollment policies and procedures. In addition to the changes and improvements to the SIS already identified in the responses set forth in Section 2 above, the District is developing a Professional Development Plan to provide annual and on-going training regarding student attendance and enrollment data collection policies and procedures. In conjunction with the previously described improvements to the District's ability to monitor changes made in the SIS, the professional development program will also include training on identifying "red flags" or problem indicators to provide early identification of anomalies in student attendance and enrollment data. These changes, along with ensuring dissemination of the District's policies and procedures for reporting student data concerns will be part of the District's ongoing effort to ensure compliance with all student data related policies.

Appendix

St. Louis Public School District
Comparative Statement of Elementary School Attendance Percentages

			Fiscal Year Ended June 30,								
			2011		2010		2009		2008		2007
Elementary School Name	Variance from 2007 to 2011	Variance from 2007 to 2010	Attendance Percentage	Variance	Attendance Percentage	Variance	Attendance Percentage	Variance	Attendance Percentage	Variance	Attendance Percentage
Adams Elementary School	0.90%	1.50%	93.0	-0.60%	93.6	0.00%	93.6	0.70%	92.9	0.80%	92.1
Ames Visual and Performing Arts Elementary School	1.30%	1.90%	93.4	-0.60%	94.0	0.90%	93.1	0.10%	93.0	0.90%	92.1
Ashland Elementary School	2.00%	1.90%	90.5	0.10%	90.4	1.10%	89.3	0.20%	89.1	0.60%	88.5
Bryan Hill Elementary School	1.70%	0.70%	92.6	1.00%	91.6	1.30%	90.3	-0.90%	91.2	0.30%	90.9
Buder Elementary School	-0.80%	-0.90%	93.3	0.10%	93.2	-0.40%	93.6	0.70%	92.9	-1.20%	94.1
Clay Community Education Full Service School	2.50%	2.60%	92.1	-0.10%	92.2	0.00%	92.2	1.70%	90.5	0.90%	89.6
Cole eMINTS Academy School	0.20%	1.00%	92.4	-0.80%	93.2	-3.90%	97.1	1.60%	95.5	3.30%	92.2
Columbia Elementary School	3.80%	2.40%	93.2	1.40%	91.8	1.50%	90.3	1.10%	89.2	-0.20%	89.4
Cote Brilliante Elementary School	1.00%	0.90%	92.4	0.10%	92.3	0.20%	92.1	1.00%	91.1	-0.30%	91.4
Dewey International Studies Elementary School	-0.20%	-0.30%	94.9	0.10%	94.8	0.30%	94.5	-0.60%	95.1	0.00%	95.1
Paul Laurence Dunbar Elementary School	-1.10%	-0.30%	91.7	-0.80%	92.5	0.70%	91.8	0.60%	91.2	-1.60%	92.8
Farragut Elementary School	1.60%	2.40%	92.7	-0.80%	93.5	3.80%	89.7	-1.70%	91.4	0.30%	91.1
Ford Elementary Community Education Full Service School	1.50%	0.80%	92.0	0.70%	91.3	-0.20%	91.5	0.90%	90.6	0.10%	90.5
Froebel Elementary School	1.70%	0.60%	93.7	1.10%	92.6	-0.50%	93.1	-0.60%	93.7	1.70%	92.0
Gallaudet School for the Deaf	-	0.30%	*	-	91.3	1.60%	89.7	0.30%	89.4	-1.60%	91.0
Gateway Elementary Math, Science, and Technology Magnet School	-1.20%	-1.10%	94.3	-0.10%	94.4	-0.10%	94.5	-0.40%	94.9	-0.60%	95.5
Gateway Michael Elementary School	-2.00%	-1.40%	88.8	-0.60%	89.4	-0.50%	89.9	-0.20%	90.1	-0.70%	90.8
Hamilton eMINTS Academy Community Education Full Service School	2.90%	2.20%	90.6	0.70%	89.9	1.00%	88.9	0.70%	88.2	0.50%	87.7
Patrick Henry Downtown Academy	***9.40%***	***12.10%***	***94.6***	***-2.70%***	***97.3***	***3.80%***	***93.5***	***4.10%***	***89.4***	***4.20%***	***85.2***
Herzog Pilot Academy	1.50%	1.30%	94.2	0.20%	94.0	0.20%	93.8	0.40%	93.4	0.70%	92.7
Hickey Elementary School	2.80%	3.10%	91.6	-0.30%	91.9	1.00%	90.9	0.00%	90.9	2.10%	88.8
Hodgen Elementary College Bound Academy	-1.00%	-1.00%	92.7	0.00%	92.7	-0.30%	93.0	-0.50%	93.5	-0.20%	93.7
Jefferson Elementary School	1.70%	1.60%	92.1	0.10%	92.0	2.10%	89.9	0.20%	89.7	-0.70%	90.4
Kennard Classical Junior Academy	-0.40%	-0.80%	96.7	0.40%	96.3	0.50%	95.8	-0.30%	96.1	-1.00%	97.1
Pierre Laclede Elementary School	-0.20%	-0.10%	91.7	-0.10%	91.8	-1.70%	93.5	1.00%	92.5	0.60%	91.9
Lexington Elementary School	1.70%	2.90%	91.3	-1.20%	92.5	1.90%	90.6	0.10%	90.5	0.90%	89.6
Lyon at Blow	-0.80%	-1.20%	93.3	0.40%	92.9	2.20%	90.7	-1.70%	92.4	-1.70%	94.1
Mallinckrodt Elementary School	1.10%	1.10%	95.6	0.00%	95.6	0.90%	94.7	-0.20%	94.9	0.40%	94.5
Horace Mann Elementary School	-0.10%	0.20%	93.9	-0.30%	94.2	0.40%	93.8	-0.10%	93.9	-0.10%	94.0
Mason School of Academic and Cultural Literacy	1.10%	2.20%	93.7	-1.10%	94.8	1.30%	93.5	0.70%	92.8	0.20%	92.6
Meramec Elementary School	-0.20%	-0.80%	90.7	0.60%	90.1	-1.40%	91.5	1.10%	90.4	-0.50%	90.9
Monroe eMINTS Academy	2.70%	3.80%	92.4	-1.10%	93.5	1.30%	92.2	1.50%	90.7	1.00%	89.7
Mullanphy Investigative Learning Center	0.30%	0.50%	94.9	-0.20%	95.1	0.10%	95.0	0.20%	94.8	0.20%	94.6
Earl Nance Sr. Elementary School	-0.80%	-0.20%	92.6	-0.60%	93.2	0.00%	93.2	-0.90%	94.1	0.70%	93.4

Appendix

St. Louis Public School District
Comparative Statement of Elementary School Attendance Percentages

			Fiscal Year Ended June 30,								
			2011		2010		2009		2008		2007
Elementary School Name	Variance from 2007 to 2011	Variance from 2007 to 2010	Attendance Percentage	Variance	Attendance Percentage	Variance	Attendance Percentage	Variance	Attendance Percentage	Variance	Attendance Percentage
Oak Hill Elementary School	0.70%	0.50%	93.2	0.20%	93.0	-0.20%	93.2	0.20%	93.0	0.50%	92.5
Peabody eMINTS School	2.80%	2.40%	93.5	0.40%	93.1	0.60%	92.5	1.60%	90.9	0.20%	90.7
Shaw Visual Performing Arts Community Education Center	0.20%	0.40%	94.5	-0.20%	94.7	0.20%	94.5	-0.30%	94.8	0.50%	94.3
Shenandoah Elementary School	1.00%	1.70%	92.0	-0.70%	92.7	0.30%	92.4	0.50%	91.9	0.90%	91.0
Sherman Elementary School	-1.50%	-1.30%	92.6	-0.20%	92.8	0.10%	92.7	-1.80%	94.5	0.40%	94.1
Sigel Elementary Community Education Full Service School	2.00%	1.90%	92.3	0.10%	92.2	0.10%	92.1	0.30%	91.8	1.50%	90.3
Stix Early Childhood Center	-1.20%	-1.10%	93.9	-0.10%	94.0	-0.30%	94.3	-1.00%	95.3	0.20%	95.1
Walbridge Community Education Full Service School	1.50%	1.50%	90.5	0.00%	90.5	-1.00%	91.5	-0.30%	91.8	2.80%	89.0
Washington Montessori School	-0.60%	-0.20%	93.9	-0.40%	94.3	-0.20%	94.5	1.00%	93.5	-1.00%	94.5
Wilkinson Early Childhood Center Mission	0.00%	0.50%	93.8	-0.50%	94.3	0.50%	93.8	1.20%	92.6	-1.20%	93.8
Woerner Elementary School	0.40%	-0.10%	94.4	0.50%	93.9	0.40%	93.5	-0.60%	94.1	0.10%	94.0
Woodward Elementary School	0.10%	-0.50%	93.8	0.60%	93.2	0.20%	93.0	0.30%	92.7	-1.00%	93.7
Average for all elementary schools	0.90%	1.00%	92.9	-0.10%	93.0	0.40%	92.6	0.30%	92.3	0.30%	92.0

* This school closed after fiscal year 2010.

Source: The 2007-2010 data was obtained from the Department of Elementary and Secondary Education (DESE) website. The 2011 data was obtained from the St. Louis Public School District as of June 2, 2011.

Thomas A. Schweich

Missouri State Auditor

Pemiscot County

September 2011

Report No. 2011-65

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Pemiscot County

Financial Condition and Budgets	Several county funds are in poor financial condition, and poor budgeting practices have made the financial condition worse. As noted in our prior audit report, the financial condition of the county is weak. The General Revenue, Special Road and Bridge, and Assessment Funds continue to deteriorate and operate with negative cash balances. The county is using other funds, including restricted funds, to cover the negative balances. Despite its poor financial condition, the county gave its employees raises in 2010 totaling $68,400. The county has not transferred administrative service fees from the Capital Improvement Sales Tax Fund, does not identify and pursue all inmate and dispatching fees, and has not billed some cities for their share of assessment costs. Though noted in our prior audit, the county still approves deficit budgets for several funds, which is in violation of state law.
Property Taxes	The County Collector does not always deposit receipts timely and intact, increasing the risk of loss, theft, or misuse of funds. Neither the County Clerk nor the County Commission adequately reviews the activities of the County Collector.
Payroll	Timesheets were not available for some county employees, making it difficult to document hours worked, leave taken, and compliance with the Fair Labor Standards Act. As noted in our prior audit report, the county does not maintain centralized records of leave balances, and several employees had negative vacation and/or sick leave balances.
Capital Assets and Vehicles	As noted in previous audit reports, the county needs to improve its capital assets procedures; it does not tag, inventory, or track capital assets properly. As also noted in our prior audit report, the county does not adequately monitor vehicle and fuel use. The county does not maintain mileage and fuel use logs or reconcile fuel used to fuel purchased.
Protested Tax Distribution and Legal Fees	The county did not enter into agreements with various political subdivisions before withholding property tax payments for taxes and legal fees relating to a protested tax case. Rather than requiring the school district to return $1.17 million to a county business when a protested tax case was settled in favor of the business, the county paid $1.06 million to the business and withheld the August 2009 tax payment to the schools and directed the school to pay the remainder to the business. Likewise, the county paid the legal fees for the protested tax case and recouped a majority of the fees from the political subdivisions by withholding tax distributions on a pro rata basis.
County Treasurer Fees	The previous County Treasurer was paid almost $50,000 in the 2 years ended December 31, 2010, from drainage district funds because of a large increase in federal funds. Ordinarily, the County Treasurer would receive about $1,000 a year from drainage district funds. The county should check with legal counsel and the federal grantor agency to find out whether federal funds should be included in calculating this fee and if this fee was an allowable expense under the federal program.

Sheriff Inmate and Commissary Monies	The numerical sequence of receipt/transaction numbers used to track inmate commissary transactions is not accounted for properly. As noted in our prior audit report, detailed bank reconciliations are not regularly performed and discrepancies resolved, and month-end liabilities are not reconciled to cash balances.
Prosecuting Attorney	Bad checks fees and court-ordered restitution are not transmitted timely to the County Treasurer or victims. Over $11,000 was on hand during our cash count, and checks and money orders are not restrictively endorsed immediately, which increases the risk of loss, theft, or misuse of funds.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Poor**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	During the 2 years ended December 31, 2010, the county was awarded: A $328,769 Recovery Act: Edward Byrne Memorial Justice Assistance Grant Program/Grants to State and Territories, which was received and expended to retain 4 deputies and cover operational costs. The grant does not require these positions be maintained at the end of the grant period. A $107,440 Recovery Act: Homeless Prevention and Rapid Re-housing grant was paid directly to the county's sub-recipient, Delta Area Economic Opportunity Corporation, to help homeless families and those at risk of becoming homeless. A $250,000 Recovery Act: Facility Renovation and Magnetic Resonance Imaging (MRI) Project grant was paid directly to the county's sub-recipient, Pemiscot County Memorial Hospital. A $300,000 Recovery Act: Facility Renovation and MRI bond was paid directly to the county's sub-recipient, Pemiscot County Memorial Hospital.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Pemiscot County
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Management Advisory Report - State Auditor's Findings

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THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Pemiscot County

We have audited certain operations of Pemiscot County in fulfillment of our duties under Section 29.230, RSMo. In addition, Devereux and Krauss, LLP, Certified Public Accountants, was engaged to audit the financial statements of Pemiscot County for the 2 years ended December 31, 2010. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2010. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal control, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Pemiscot County.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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1. Financial Condition and Budgets

Several county funds are in poor financial condition. The financial condition has also been affected by poor budgeting procedures.

1.1 Financial condition

As noted in our prior audit report, the financial condition of the county is weak. In addition, the County Commission does not adequately monitor budgets. The General Revenue, Special Road and Bridge, and Assessment Funds continue to deteriorate and are not expected to improve during the year ended December 31, 2011. Additionally, the county continues to operate some funds with negative cash balances. As a result, the county is using other county funds included in its bank account, including restricted funds, to meet general cash flow needs.

The following table reflects the ending cash balances of various funds over the last 4 years and the projected ending cash balance for 2011, as reported in the county's audited financial statements and budget documents, respectively:

	Ending Cash Balance, Year Ended December 31,				
Fund	2011 Budgeted	2010 Actual	2009 Actual	2008 Actual	2007 Actual
General Revenue	$ (698,892)	(646,294)	(298,636)	(633,633)	(519,340)
Special Road and Bridge	(158,937)	(158,038)	(128,977)	(152,186)	87,972
Assessment	(58,469)	(65,496) *	(9,310) *	57,104	47,751

*Numbers obtained from the county's budget documents

The General Revenue, Special Road and Bridge, and Assessment Funds have experienced a declining cash balance over the past several years, including negative cash balances. Additionally, the county continues to spend more than budgeted for some funds, including funds with existing negative cash balances. Furthermore, in 2010, although the county was in poor financial condition, the County Commission approved raises for county employees paid from the General Revenue and Special Road and Bridge Funds, totaling approximately $68,400.

Several other factors have also contributed to the weak financial condition of the county:

- Prior to 2011, the county appears to have subsidized the cost of boarding city inmates and city dispatching services with General Revenue Fund monies. The county was only charging a flat rate for both services without determining whether the county's costs were covered. In May 2011, the county entered into new agreements with the cities,

charging separate fees for each service. This change will result in the General Revenue Fund receiving approximately $60,000 more each year.

- Administrative service fee transfers have not been made from the Capital Improvement Sales Tax Fund to the General Revenue Fund. Section 50.515, RSMo, allows an administrative service fee to be imposed on the Capital Improvement Sales Tax Fund. The administrative service fee shall be imposed only to generate reimbursement sufficient to recoup actual disbursements made from the General Revenue Fund for related administrative services to the Capital Improvement Sales Tax Fund, and shall not exceed 5 percent of the Capital Improvement Sales Tax Fund. Five percent of 2010 Capital Improvement Sales Tax Fund actual disbursements is approximately $32,000.

- The county does not have procedures to ensure all accrued costs due from cities for boarding city inmates and dispatching fees are adequately identified and pursued. As of April 2011, the General Revenue Fund was owed $30,550 from two cities for fees from prior years.

- The county has not billed various cities for their share of assessment costs. Based upon each city's assessed valuations for current and real estate property, the county could have collected additional revenues of approximately $29,300 for the 2 years ended December 31, 2010 to be deposited in the Assessment Fund.

The County Commission and County Clerk indicated they are aware of the financial concerns with the General Revenue, Special Road and Bridge, and Assessment Funds, but have no specific plans to significantly increase receipts or reduce disbursements. Although the County Commission indicated it reviews monthly reports comparing budget and actual receipts and disbursements for all county funds, actual disbursements still exceeded budgeted disbursements for several funds, including funds with negative cash balances. Spending more than budgeted further contributes to the county's weak financial condition.

It is essential the County Commission address the situation both in the immediate and long-term future. To improve the financial condition of these funds, the County Commission should reduce spending as much as possible, evaluate controls and management practices to ensure efficient use of county resources, attempt to maximize all sources of revenue, and closely monitor budgets.

1.2 Budgetary procedures

Budgetary procedures are not adequate and contribute to the county's poor financial condition. Although noted in our prior audit report, the County Commission continues to approve deficit budgets for multiple funds, including the General Revenue, Special Road and Bridge, and Assessment Funds. The County Commission indicated the county has reduced disbursements as much as possible, but the Commission continues to approve budgeted disbursements in excess of estimated receipts, increasing the deficit balances of some funds.

Section 50.610, RSMo, and Article VI, Section 26(a), Missouri Constitution, prohibit deficit budgeting.

Recommendations

The County Commission:

1.1 Closely monitor the financial condition of the General Revenue, Special Road and Bridge, and Assessment Funds and take the necessary steps to improve the financial condition of the county. The County Commission should also perform long-term planning and ensure receipts are maximized and disbursements are closely monitored. In addition, the County Commission should also ensure budgets are adequately monitored and establish procedures to ensure disbursements are made within the constraints of the budgets.

1.2 Refrain from budgeting deficit balances.

Auditee's Response

The County Commission provided the following written responses:

1.1 We agree. We will continue to monitor the situation and try to reduce budgets next year. However, we cannot reduce the budgets once they are approved. We will ensure revenues are maximized in future years and make appropriate transfers. We will be much more conscientious and monitor budgets to keep offices from overspending.

1.2 We are anticipating positive changes and will continue to work with the county offices to align expenses with revenues.

2. Property Taxes

The County Collector's deposit procedures need improvement. In addition, the County Clerk and County Commission do not provide adequate monitoring over property tax system activities. The County Collector collected approximately $10 million and $11 million during the years ended February 28, 2011 and 2010, respectively.

2.1 Deposits

Receipts are not always deposited intact and on a timely basis. During non-peak months, daily deposits are prepared by the County Collector for

property taxes received; however, deposits are actually made less frequently and multiple deposits are generally taken to the bank at the same time. Peak months include November through February in which deposits are typically made on a daily basis. Our review noted during March 2010, a non-peak month, 30 deposits, totaling $323,993, were deposited on 8 separate days resulting in an average deposit of approximately $40,500 per trip to the bank. In addition, some monies received on March 10, 2010, and March 12, 2010, totaling $66,507, were deposited on March 12, 2010; however, the remaining funds received between March 1 and March 19, 2010, totaling $126,809, were held and not deposited until March 22, 2010.

To adequately safeguard receipts and to reduce the risk of loss, theft, or misuse of funds, all receipts should be deposited intact on a timely basis.

2.2 Account book and annual settlements

Neither the County Commission nor the County Clerk review the activities of the County Collector. While the County Clerk maintains files of tax charges, additions and abatements, and the County Collector's monthly settlements, the County Clerk does not use this information to create an account book or other record summarizing property tax transactions and changes. As a result, the County Clerk and the County Commission are unable to ensure the accuracy and completeness of the County Collector's monthly and annual settlements.

Section 51.150(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records which summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector each year are complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's monthly and annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

A similar condition was noted in our prior audit report.

Recommendations

2.1 The County Collector deposit monies intact and on a timely basis.

2.2 The County Clerk maintain a complete and accurate account book with the County Collector. In addition, the County Commission and the County Clerk should monitor property tax system activities and perform a thorough review of the County Collector's monthly and annual settlements.

Auditee's Response

The County Collector provided the following written responses:

2.1 To ensure that county funds are deposited on a timely manner, I have contacted First State Bank and Trust and made an arrangement for a courier to pick up deposits daily.

2.2 We will work with the Clerk and County Commission in order for them to develop and maintain an account book summarizing charges, additions, abatements, and monthly collections.

The County Clerk provided the following written response:

2.2 When the Collector starts providing the needed information, I will start maintaining an account book and review settlements. This will take place as soon as the Collector's new system is perfected.

The County Commission provided the following written response:

2.2 As soon as the County Clerk gets what she needs from the Collector, she will provide it to us for our review.

3. Payroll

Improvement is needed over payroll policies and procedures. During the 2 years ended December 31, 2010, the county processed payroll disbursements of approximately $3 million each year.

3.1 Timesheets

Timesheets were not available for some county employees. Two Deputy County Collectors do not prepare timesheets. The County Clerk's office pays these employees the same amount each pay period unless told otherwise. In addition, the Road and Bridge Supervisor was unable to locate timesheets and overtime records for road and bridge employees for 2010. Overtime paid out for road and bridge employees totaled approximately $102,000 in 2010.

Timesheets are necessary to document hours worked, substantiate payroll disbursements, and provide the county with a method to monitor hours worked and leave taken, and are beneficial in demonstrating compliance with county policy and requirements of the federal Fair Labor Standards Act of 1938 (FLSA).

3.2 Leave records

Centralized records of leave balances and leave used and earned are not maintained. Each official or department head is responsible for recording and accumulating employee leave balances. Our review of records maintained for some county offices noted the following issues:

- The two Deputy County Collectors do not maintain leave records. These employees indicated they informally know their leave balances.

- Some Sheriff's department employees used vacation leave in excess of their balances, resulting in negative vacation leave balances. As of December 31, 2010, three employees had negative vacation leave balances totaling 48 hours, with the largest negative balance of 32 hours for one employee. The Sheriff indicated these negative balances may be the result of employees incorrectly showing holidays as vacation leave.

- Some Sheriff's department employees used sick leave in excess of their balances, resulting in negative sick leave balances. As of December 31, 2010, four employees had negative sick leave balances totaling 533 hours, with the largest negative balance of 180 hours for one employee. The Sheriff indicated some employees donate time by working additional hours without being paid to help make up for the excess leave taken by other employees; however, this donated time is not documented and did not appear to impact the leave balances for these employees. Additionally, the county does not have a policy related to donated time.

A similar condition was noted in our prior audit report.

Without centralized leave records, the County Commission cannot ensure vacation, sick leave, and compensatory balances are accurate and in compliance with county policy, and all employees are treated equitably. Centralized leave records also aid in determining unused vacation and compensatory leave upon termination of employment, in the event disputes arise, and in demonstrating compliance with the FLSA. In addition, it is not a good practice to allow employees to have negative leave balances or handle donated time in this manner.

Recommendations

The County Commission:

3.1 Require all county employees to prepare timesheets. These timesheets should be signed by the employee, approved by the appropriate supervisor, and filed with the County Clerk.

3.2 Maintain centralized leave records for all county employees and ensure individual leave balances comply with county policy. In addition, the County Commission should consider developing a policy regarding donated leave.

Auditee's Response

The County Commission provided the following written responses:

3.1 The County Clerk's office now keeps a copy of all Road and Bridge timesheets. The County Clerk talked with the Collector's office to ensure timesheets are kept in the future.

3.2 We are working on maintaining centralized leave records in our computer system and will have it implemented in 2012. In addition, we will create a policy for donated leave.

4. Capital Assets and Vehicles

Capital asset and vehicle records are in need of improvement. At December 31, 2010, county property, excluding buildings and vehicles, was valued at approximately $3.4 million on the county insurance policy.

4.1 Capital assets

As noted in previous reports, procedures and records to account for county property are not adequate. The county does not have procedures in place to identify capital asset purchases and dispositions throughout the year. The county's only record of capital assets is the insurance carrier's list of county property, and as a result, the property records do not always include the necessary information for assets. Property is also not tagged for specific identification. In addition, the County Clerk does not request annual physical inventories be performed by the various offices.

Adequate capital asset records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Procedures to track capital asset purchases and dispositions throughout the year and compare to physical inventory results would enhance the county's ability to account for capital assets and potentially identify unrecorded additions and dispositions, identify obsolete assets, and deter and detect theft of assets. Proper tagging of county property items and specific identification of property locations are necessary to reduce the possibility of improper personal use of county property. Section 49.093, RSMo, provides that the officer or their designee of each county department is responsible for performing annual inspections and inventories of county property used by their department and for submitting an inventory report to the County Clerk.

4.2 Vehicle and fuel use

The county has not established effective monitoring procedures regarding vehicle and fuel use. During the 2 years ended December 31, 2010, the county incurred fuel costs of approximately $505,000 for the Road and Bridge Department and approximately $81,000 for the Sheriff's office. Our review noted the following issues:

- The Road and Bridge Department does not maintain separate mileage logs for each vehicle/equipment, and the centralized logs maintained are not organized by vehicle/equipment. As a result, individual vehicle/equipment use cannot be easily reviewed and fuel use is not compared to vehicle mileage readings to help determine the reasonableness of fuel use. When fuel is dispensed, employees are required to indicate the vehicle/equipment fueled, the current mileage reading, and the amount of fuel dispensed on a centralized log maintained at each fuel tank. The Road and Bridge department had 30

vehicles and 21 pieces of equipment that use fuel as of December 31, 2010, of which 9 vehicles/equipment did not have working odometers.

- The county does not maintain adequate bulk fuel inventory records or attempt to reconcile fuel used to fuel purchased. Although the county maintains records of fuel pumped, records are not reconciled to fuel purchased.

Maintenance and review of vehicle and equipment mileage and fuel use logs and bulk fuel inventory records, and comparison of log information and inventory records to fuel purchases are necessary to ensure vehicles and equipment are properly utilized, to prevent paying vendors for improper billing amounts, and to decrease the risk of theft or misuse of fuel occurring without detection. Logs should provide sufficient details so the county can effectively monitor vehicle and equipment use and fuel costs.

Similar conditions previously reported

Similar conditions to sections 4.1 and 4.2 were noted in our prior audit report.

Recommendations

The County Commission:

4.1 And the County Clerk work with other county officials to ensure complete and accurate inventory records are maintained and annual physical inventories are conducted, and implement procedures for tracking capital asset purchases and dispositions throughout the year. In addition, all capital assets should be tagged and identified as county property.

4.2 Establish procedures to maintain adequate records to effectively monitor vehicle, equipment, and fuel use. In addition, bulk fuel inventory records should be maintained, fuel use should be reconciled to fuel purchases, and any significant discrepancies should be investigated.

Auditee's Response

The County Clerk provided the following written response:

4.1 I have the paperwork to give to the offices to start keeping inventory and will disburse this to them within a month.

The County Commission provided the following written responses:

4.1 We will ensure complete and accurate inventory is properly maintained in the future.

4.2 We now have mileage and usage logs in vehicles and will track this in Excel. We will also reconcile fuel purchases to usage.

5. Protested Tax Distribution and Legal Fees

The county did not enter into written agreements with various political subdivisions before withholding property tax payments for property taxes owed and legal fees paid relating to a protested tax case.

In 2007, the county advanced protested taxes totaling approximately $1.17 million to a school district within the county based on court order; however, in 2009, the case was settled in favor of the business and the school district was required to pay the business for the advanced taxes received. In lieu of the school district paying the business directly, the county withheld the August 2009 tax payment to the school district, totaling approximately $1.06 million, and subsequently paid the amount to the business and notified the school district of the remaining taxes owed to be paid directly by the school district. According to the county, there was an oral agreement with the school district to handle payment in this method; however, documentation was not retained and the county did not enter in to a written agreement to document the arrangement. As a result, it is not clear whether all parties agreed to this arrangement.

In addition, during the course of the protested tax case, the county incurred and paid legal fees from 2002 to 2009, totaling approximately $182,000. The majority of legal fees were allocated to the various political subdivisions, including the school district, by withholding property tax distributions to the entities based on the entities percentage of property tax receipts. The county did not enter into any written agreements with the political subdivisions over the method of recouping legal fees and it is unclear if such costs could be directly deducted from property tax payments.

In the future, the county should enter into written legal agreements when political subdivisions are impacted. Section 432.070, RSMo, requires agreements of political subdivisions to be in writing. Written agreements, signed by the parties involved, are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

Recommendation

The County Commission enter into written agreements with political subdivisions as required.

Auditee's Response

The County Commission provided the following written response:

We will do this in the future if a situation like this comes up again.

6. County Treasurer Fees

The previous County Treasurer personally received fees totaling $49,756 during the 2 years ended December 31, 2010, due to a large increase in federal funds received and disbursed by the county's drainage districts.

Pursuant to Section 246.050, RSMo, County Treasurers receive one percent of drainage district funds paid out. Although the County Treasurer received and disbursed federal grant funds through the Emergency Watershed program on behalf of the drainage districts, the fees retained appear excessive and it is not clear whether the statute applies to federal funding or whether the fees were an allowable expense of the federal program. During the 2 years ended December 31, 2010, the County Treasurer disbursed approximately $2.8 million in federal funds through 39 checks on behalf of the drainage districts. The remainder of the federal program disbursements were made by the County Clerk. Based on Section 246.050, RSMo, the County Treasurer typically receives approximately $1,000 in fees each year due to regular, non-federal, disbursement activity on behalf of the county's drainage districts.

Recommendation

The County Commission consult with the federal grantor agency and legal counsel to determine whether fees are an allowable use of federal grant funds and in line with the intent of Section 246.050, RSMo.

Auditee's Response

The County Commission provided the following written response:

We do not believe this is a problem, but we will discuss with our federal agency representative.

7. Sheriff Inmate and Commissary Monies

Records and procedures over inmate and commissary monies need improvement. The Sheriff operates a jail that holds 135 inmates. The Sheriff's office maintains inmate monies and operates a commissary for inmates to purchase various snacks and personal items. Electronic records of receipts, disbursements, and balances are maintained for each inmate. When monies are received on behalf of an inmate, the amount received is posted to the inmate's account and a receipt slip is issued. When an inmate makes a purchase from the commissary, the disbursement is posted to the inmate's account. The Sheriff's office collected inmate monies totaling approximately $102,900 and $121,900 during the years ended December 31, 2010 and 2009, respectively.

7.1 Receipts

The numerical sequence of receipt/transaction numbers in the computerized accounting system is not accounted for properly. The computer system automatically assigns a transaction number to every transaction entered into the system, including receipts posted. During our review of inmate collection reports, we noted several blocks of missing receipt/transaction numbers. Sheriff's office personnel were unable to determine why some receipt/transaction numbers were not accounted for on reports generated from the system. In addition, the method of payment (cash, check, or money order) is not always indicated in the system accurately or reconciled to the composition of deposits.

To ensure all monies received are properly recorded and deposited and reduce the risk of loss, theft, or misuse of funds, the numerical sequence of receipt/transaction numbers should be accounted for properly and the composition of receipt slips issued should be reconciled to the composition of deposits.

7.2 Bank reconciliations

Follow up procedures are not performed on reconciling items shown on detailed bank reconciliations for the inmate bank account. Although Sheriff's office personnel post checks and deposits that clear the bank to the computer system to reconcile the Sheriff's book and bank records on a monthly basis, detailed bank reconciliations, which show all reconciling items, are not generated from the computer system and follow-up procedures are not performed to resolve reconciling items. At our request, personnel generated a detailed bank reconciliation showing all individual reconciling items for the inmate bank account as of February 22, 2011. We noted 620 checks totaling $6,704 had been outstanding for at least a year with some dating back to 2004, and an $82 outstanding deposit from 2002.

Preparation and review of detailed monthly bank reconciliations and adequate follow up of reconciling items are necessary to ensure bank activity and accounting records are in agreement, detect and correct errors timely, and ensure all monies are properly recorded and/or disbursed to the payee.

7.3 Liabilities

Sheriff's office personnel have not identified month-end liabilities (inmate balances) and reconciled the liabilities to available cash balances to ensure monies in the bank account are adequate to cover amounts due to inmates. The Sheriff's office has been unable to generate a list of liabilities from the computerized accounting system to perform this reconciliation. The Sheriff has requested help from the software vendor to determine how to generate this information.

A complete and accurate list of liabilities should be prepared monthly and reconciled to the inmate bank account to ensure records are in balance and sufficient funds are available for the payment of all liabilities. The Sheriff's office personnel should investigate any differences noted and take appropriate action.

Similar conditions previously reported

Similar conditions to sections 7.2 and 7.3 were noted in our prior audit report.

Recommendations

The Sheriff:

7.1 Ensure the numerical sequence of receipt/transaction numbers is accounted for properly. The Sheriff should also ensure the method

of payment is accurately entered into the system and the composition of receipt slips is reconciled to the composition of deposits.

7.2 Establish procedures to follow-up on bank reconciling items on a timely basis.

7.3 Ensure individual inmate account balances and various liabilities are compared to the reconciled bank account balance monthly and any discrepancies are investigated.

Auditee's Response

The Sheriff provided the following written responses:

7.1 Ensuring the numerical sequence of receipt numbers will take a programming change that the programmer is working on for us. We also now show the method of payment for all receipts and agree it to the deposit.

7.2 We now run detailed bank reconciliations each month. We are also getting ready to send old outstanding checks to the State's Unclaimed Property Division and we will ensure outstanding checks and reconciling items are followed up on timely in the future.

7.3 This requires a programming change which our programmer is currently working on.

8. Prosecuting Attorney

Bad check fees and court-ordered restitution receipts are not transmitted timely to either the County Treasurer or victims. Transmittals are usually made only once per month. Our cash count of monies on hand on March 3, 2011, totaled $11,202 and was comprised of receipts collected from February 11 to March 1, 2011. Of this amount, $2,665 was due to the County Treasurer for bad check fees and $8,537 was owed to victims for bad checks and/or court-ordered restitution. Prosecuting Attorney's office personnel indicated a shortage of staff prevents them from transmitting monies more frequently. In addition, our review noted checks/money orders to be transmitted to the County Treasurer were not restrictively endorsed. According to the Prosecuting Attorney, checks/money orders are not restrictively endorsed until the transmittal is prepared. The Prosecuting Attorney's office collected bad check fees and court-ordered restitution totaling approximately $293,000 during the 2 years ended December 31, 2010.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, checks should be restrictively endorsed immediately upon receipt and transmitted in a timely manner.

A similar condition was noted in our prior audit report.

Recommendation

The Prosecuting Attorney ensure all monies are transmitted timely and county checks/money orders are restrictively endorsed immediately upon receipt.

Auditee's Response

The Prosecuting Attorney provided the following written response:

We are now stamping the money orders that are made out to the Prosecutor's Office with a "deposit only" endorsement. That is done immediately upon receipt. We are also making transmittals once per week instead of once per month.

Pemiscot County
Organization and Statistical Information

Pemiscot County is a county-organized, third-class county. The county seat is Caruthersville.

Pemiscot County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 102 full-time employees and 1 part-time employee on December 31, 2010.

In addition, county operations include the Bootheel Drug Task Force, Law Enforcement Restitution Board, and Senate Bill 40 Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2011	2010
James A. Atchinson, Presiding Commissioner	$	28,400
Wendell Hoskins, Associate Commissioner		27,400
Lee Watkins, Associate Commissioner		27,400
Pam Strawbridge, Recorder of Deeds		40,000
Pam Treece, County Clerk		40,000
Michael B. Hazel, Prosecuting Attorney (1)		27,342
Chris Wynes, Prosecuting Attorney (1)		82,025
Thomas Greenwell, Sheriff		45,000
Pat Hoskins, County Treasurer (2)		76,504
James Brimhall, County Coroner		13,000
Carol DeRousse Miller, Public Administrator		26,000
Keith Jean, County Collector (3), year ended February 28,	48,012	
Donna Champion Snider, County Assessor , year ended August 31,		41,000

(1) Michael B. Hazel resigned in March 2010. Chris Wynes was appointed by the Governor in April 2010.

(2) Includes $36,504 of fees for county drainage district distributions.

(3) Includes $8,012 of commissions earned for collecting drainage district property taxes.

Financing Arrangements

In August 1997, the county passed a 1/2-cent sales tax for the purpose of constructing a criminal justice center, and this tax expires in 2017. The Certificates of Participation which were used to construct the criminal justice center were refinanced in December 2010 in the amount of $4,145,000. The county entered into an amended lease purchase agreement with Bank of New York on December 1, 2010. The terms of the agreement call for the county to lease the justice center to the Bank of New York, then the bank leases the justice center back to the county with lease payments equal to the amount due to retire the indebtedness. The lease is scheduled to be paid off in 2018. Principal and interest are due semi-annually on March 1 and September 1. The remaining principal and interest due on the lease as of December 31, 2010, was $4,145,000 and $376,693, respectively.

The county entered into various capital leases for Road and Bridge equipment. As of December 31, 2010, the principle balance of the lease agreements totaled $389,279. Final payments for the various leases are scheduled to occur from 2010 through 2015.

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

According to county personnel, the county was awarded the following American Recovery and Reinvestment Act of 2009 funding during the 2 years ended December 31, 2010:

A $328,769 Recovery Act: Edward Byrne Memorial Justice Assistance Grant Program/Grants to States and Territories was awarded by the U.S. Department of Justice and passed through by the Missouri Department of Public Safety for the support of the Bootheel Drug Task Force, a multijurisdictional drug task force. As of December 31, 2010, $328,769 was received and expended by the county to retain four deputies and cover operational costs including travel, vehicles, and supplies. The grant does not require these positions be maintained at the end of the grant period.

A $107,440 Recovery Act: Homeless Prevention and Rapid Re-housing grant was awarded by the U.S. Department of Housing and Urban Development to the Missouri Department of Social Services (DSS) to help families and individuals who are at risk of becoming homeless and those experiencing homelessness who need temporary assistance obtaining and retaining housing. Although the county signed as the contractor for this grant, these monies were paid by the DSS directly to the county's subrecipient, Delta Area Economic Opportunity Corporation.

A $250,000 Recovery Act: Facility Renovation and Magnetic Resonance Imaging (MRI) Project grant was awarded by the U.S. Department of Agriculture (USDA). Although the county signed as the grantee for this grant, these monies were paid directly by the USDA to the county's subrecipient, Pemiscot County Memorial Hospital.

A $300,000 Recovery Act: Facility Renovation and MRI Project bond was awarded by the USDA. Although the county signed for this bond, these monies were paid directly by the USDA to the county's subrecipient, Pemiscot County Memorial Hospital.

Thomas A. Schweich

Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Village of Indian Point

September 2011

Report No. 2011-64

http://auditor.mo.gov

Village of Indian Point
Follow-Up Report on Audit Findings
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THOMAS A. SCHWEICH
Missouri State Auditor

To the Board of Trustees
Village of Indian Point, Missouri

We have conducted follow-up work pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program on certain audit report findings contained in Report No. 2011-09 *Village of Indian Point*, issued in March 2011. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the village about the follow-up review on those findings.

2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:

    - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
    - In Progress: Auditee has begun to implement and intends to fully implement the recommendation.
    - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
    - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the village prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. We reviewed documents and other evidence indicating the level of implementation for each recommendation reviewed.

As part of the AFTER work conducted, we reviewed supporting documentation provided by village officials regarding their work on the recommendations in the audit report. Documentation included copies of sewer construction invoices and contracts, financial statements and records for the village and the Board of Public Works, board meeting minutes, correspondence with the village attorney, sewer customer payment reports, and discussions with village officials. This report is a summary of the results of this follow-up work, which was substantially completed during August 2011.

Thomas A. Schweich
State Auditor

Village of Indian Point
Follow-Up Report on Prior Audit Findings
Status of Findings

1. Sewer Project

The sewer project was poorly planned and system revenues were not sufficient to meet all operational costs. In addition, supporting documentation was not maintained for some sewer project disbursements.

1.1 Planning and oversight

The sewer project was poorly planned and oversight by the village Board of Trustees was inadequate.

- The Board of Public Works (BPW) did not have a clear estimate of the costs associated with pumping tanks and hauling the solid waste to a neighboring city's sewer system.
- The village did not have a long-term plan to address the costs of a holding tank installed on Map Lane.
- Financing for the installation of the sewage holding tanks was not secured until after the project started.
- Wireless meters costing $8,172 were installed during construction of the waste-water system but were not utilized by the BPW.
- Due to an error, part of the equipment for the treatment facility was placed on private property.
- The state of Missouri Department of Natural Resources (DNR) noted several deficiencies during an inspection and the village did not meet the September 30, 2010, deadline to submit a corrective action plan.
- The board did not approve all change orders as required by ordinance.

Recommendation

The Village of Indian Point Board of Trustees work with the BPW to ensure all capital improvement projects are properly planned and provide adequate oversight of the BPW. Additionally, the Board of Trustees and the BPW should work together to resolve all issues with the current sewer system.

Status

In Progress

Village officials stated they have hired a new village attorney and a new engineer, who are working toward addressing the audit report findings and working with the DNR to resolve sewer plant issues. According to village officials, the plant is undergoing weekly testing to determine whether upgrades estimated at approximately $86,000 can be avoided. The village expects the DNR to issue a final report on the sewer system in September 2011.

Village officials obtained numerous invoices and other documentation that previously could not be located. A review of these documents indicated the village paid for 49 sewage holding tanks, but the BPW has only billed residents for 46. Village officials are in the process of determining the locations of the three remaining tanks.

According to village officials, the new engineer is reviewing the use of the wireless meters and the village has implemented a written schedule for pumping residential and business tanks annually. The village is currently pumping two residential tanks and one business tank each month at a cost of $625.

Village officials indicated they intend to address the Map Lane issues after other operational issues are addressed. The village has been unable to identify the owner of the private land where the equalization tank was placed. Village officials intend for the attorney to address this issue further.

1.2 Financial condition

User fees were insufficient to meet operational costs and debt payments for the system. No formal review of sewer rates had been conducted since 2005 and revenue projections were improperly calculated. In addition, assessment and collection of costs for residential sewage tanks were inconsistent, and no ordinance existed making payment of fees mandatory. The BPW had not enforced the collection of various fees for sewer service.

Recommendation

The Village of Indian Point Board of Trustees closely monitor the financial condition of the BPW by performing a review of sewer rates, consult legal counsel regarding sewage tank charges, and adequately track amounts owed by each customer.

Status

In progress

Sewer system revenues are still not adequate to cover operational costs of the BPW and village monies continue to supplement the BPW. The village attorney advised officials to develop a new user rate ordinance; however, village officials indicated they will not calculate new rates until the DNR provides its final report to the village. Amounts owed by each customer are now properly tracked and village officials indicated they have instructed the village attorney to begin collection procedures on all delinquent accounts.

1.3 Supporting documentation

Adequate supporting documentation was not maintained for some sewer project disbursements. Further, sewer equipment warranties and contractor bonds were not maintained by the village and copies of some contracts did not contain all signatures.

Recommendation

The Village of Indian Point Board of Trustees ensure all disbursements are supported by adequate documentation and signed contracts, and performance bonds and written warranties are maintained.

Status

Implemented

Village officials have met with representatives of the sewer construction company and obtained copies of supporting documentation that could not be

located during the audit. Village officials believe they now have most documentation.

2. Municipal Center

The village did not adequately plan for the financing of the Municipal Center and as a result, the village incurred unnecessary debt and interest. The village borrowed funds more than 2 years before construction of the Municipal Center started. In addition, the village had approximately $400,000 available in village bank accounts to help fund the construction of the Municipal Center, but chose to borrow funds.

Recommendation

The Village of Indian Point Board of Trustees ensure capital improvement projects and corresponding debt issuance are properly planned to prevent unnecessary interest costs.

Status

In Progress

The village is still making regular payments on the certificates of participation (COPs) used to finance the municipal center. This process will continue since the COPs do not allow for early payoff. Village officials communicated that the financial status of the village has recently declined as sales tax revenues used to help fund COP payments are down by approximately 16 percent. Further, the balance of the village's certificates of deposit has dropped from approximately $400,000 to approximately $350,000 because sewer system revenues are insufficient to fund the BPW. Village officials indicated they are aware of the mistakes made in financing the Municipal Center and will avoid repeating the same mistakes in the future.

4. Accounting Controls and Procedures

Accounting controls and procedures utilized by the village needed improvement.

4.1 Segregation of duties

There was minimal oversight and inadequate segregation of accounting duties. The village clerk was responsible for receipting and disbursing monies, performing bank reconciliations, and preparing monthly financial reports. Bank statements were not provided to the Board for review, and there was minimal evidence the Board provided adequate supervision or review of the work performed by the village clerk.

Recommendation

The Village of Indian Point Board of Trustees segregate accounting duties to the extent possible. If proper segregation of duties cannot be achieved, an independent review of the work performed is necessary.

Status

In Progress

The village is currently in the process of establishing written accounting controls and procedures. Although the village trustees are reviewing various accounting records, no written verification of the review exists. Village officials indicated they will document future reviews of accounting records.

4.2 Receipting and depositing

Receiving and depositing procedures needed improvement.

- Monies received were not recorded and deposited in a timely manner.
- Generic rediform receipt slips, instead of official receipt slips, were issued for monies paid in person at the Municipal Center, and the numerical sequence of receipt slips was not accounted for properly.
- The method of payment was not documented on receipt records, preventing reconciliation of the composition of receipts to the composition of deposits.
- Checks were not restrictively endorsed upon receipt.

Recommendation

The Village of Indian Point Board of Trustees ensure monies are posted to the computer system and deposited in a timely manner, official prenumbered receipt slips are issued for all monies received, the numerical sequence of receipt slips is accounted for properly, the method of payment is documented, the composition of receipts is reconciled to the composition of deposits, and checks are restrictively endorsed immediately upon receipt.

Status

Implemented

The village provided a copy of a deposit schedule indicating the receipt date and deposit date of monies received. Based upon this schedule, it appears receipts are now posted to the computer system and deposited timely. The village is now issuing receipts for all monies received, tracking the composition of receipts and reconciling it to deposits, and restrictively endorsing checks immediately upon receipt. The village has not obtained official receipts slips with its name printed on each receipt slip; however, the village has purchased a stamp with its name and stamps each receipt slip.

4.3 Financial records

Village financial records were not accurate.

- The profit and loss statement for the year ended December 31, 2009, failed to include over $13,600 in disbursements, resulting in an overstatement of the cash balance.
- Some disbursements were inaccurately classified in the village accounting system.

- The treasurer's report for 2009 and 2008 financial activity did not include income totaling approximately $55,000 and $119,000, respectively.

Recommendation

The Village of Indian Point Board of Trustees ensure village financial records are accurately maintained.

Status

In Progress

According to village officials, they are currently reviewing the financial records and have found some errors. Village officials are working to correct those errors.

4.4 Bank reconciliations

Bank reconciliations were not always performed in a timely manner.

Recommendation

The Village of Indian Point Board of Trustees ensure bank reconciliations are performed timely.

Status

Implemented

Village officials provided recent bank reconciliations to document that reconciliations are now performed timely.

4.5 Record retention

Numerous village records were not maintained and had to be obtained from other sources or were not maintained in the Municipal Center.

Recommendation

The Village of Indian Point Board of Trustees ensure village records are properly retained and stored at the Municipal Center.

Status

Implemented

Village officials indicated they are now retaining records at the Municipal Center. For example, records pertaining to the construction of the Municipal Center are no longer stored at the home of a trustee.

5. Board of Public Works Utility Controls and Procedures

Significant weaknesses were identified in controls and procedures related to the utility system maintained by the BPW.

5.1 Segregation of duties

Accounting duties, such as receiving and disbursing monies and performing bank reconciliations, were performed by the BPW Clerk without adequate oversight.

Recommendation

The Village of Indian Point Board of Trustees ensure the BPW segregates accounting duties to the extent possible. If proper segregation of duties cannot be achieved, an independent review of the work performed is necessary.

Status

In Progress

The work performed by the part-time BPW clerk is reviewed; however, the review is not documented. According to village officials, a review sheet will be included in future accounting records showing what records were included for the review and the signatures of those who review them.

5.2 Controls over monies received

Improvement was needed in controls over monies received.

- Sewer monies were not recorded immediately upon receipt.
- Monies received were not deposited in a timely manner.
- Sewer receipts were not adequately secured.
- Checks and money orders were not restrictively endorsed immediately upon receipt.

Recommendation

The Village of Indian Point Board of Trustees ensure the BPW records and deposits monies timely, adequately secures monies prior to deposit, and restrictively endorses checks and money orders immediately upon receipt.

Status

Implemented

The BPW provided a copy of a deposit schedule indicating the receipt date and deposit date of monies received. Based upon this schedule, it appears receipts are now posted to the computer system and deposited timely. In addition, the village has implemented procedures to adequately secure monies and restrictively endorse checks and money orders upon receipt.

5.3 Receipt records

The BPW needed better accountability over computerized receipt numbers and customer accounts.

- The numerical sequence of computerized receipt slips was not accounted for properly.
- Receipt amounts posted to customer accounts in the utility system were not reconciled to receipt amounts posted to the accounting system.

Recommendation

The Village of Indian Point Board of Trustees ensure the BPW accounts for the numerical sequence of receipt slips, and reconciles receipt amounts posted to customer accounts to receipt amounts posted in the accounting system.

Status **Implemented**

The BPW clerk indicated she now reconciles computer entries to receipt slips and to the accounting system. Prenumbered receipt slips are now issued for all monies received.

5.4 Bank reconciliations — Reconciliations were not always performed in a timely manner.

Recommendation — The Village of Indian Point Board of Trustees ensure the BPW performs bank reconciliations timely.

Status **Implemented**

The BPW clerk provided recent bank reconciliations to document that reconciliations are now performed timely.

5.5 Adjustments — Adjustments made to customer sewer accounts were not properly authorized or adequately documented.

Recommendation — The Village of Indian Point Board of Trustees ensure the BPW requires someone independent of the sewer system review and approve all adjustments and ensure adequate documentation is maintained of such adjustments.

Status **In Progress**

Although the BPW clerk now adequately documents the date and reason for adjustments, the village trustees do not perform a documented review. Village officials indicated they will conduct a documented review in the future.

5.6 Delinquent accounts — Some village ordinances were not enforced, and the village had not established formal written policies and procedures related to delayed sewer payments.

- Penalty charges were not assessed as required by village ordinance and BPW rules and regulations.
- Sewer service was not shutoff when accounts were delinquent. According to the BPW Vice Chairwoman, businesses were allowed to delay payments during winter months and make those payments in summer months; however, this was not specified in an ordinance.

Recommendation — The Village of Indian Point Board of Trustees ensure the BPW assesses penalties and properly follows shutoff procedures in accordance with village ordinance and BPW rules and regulations.

Status

In Progress

According to village officials, penalty amounts are too high and are not currently charged, but officials will review penalty amounts concurrently with sewer rates. Village officials indicated they will not shutoff service to delinquent accounts, but have authorized the village attorney to institute collection proceedings on delinquent accounts.

8. Meetings and Records

Meeting minutes needed improvement, and the village did not comply with state law when members of the board voted by email.

8.1 Meeting minutes

Several concerns were identified regarding minutes maintained for the Board of Trustees and BPW meetings.

- Minutes for the village Board of Trustees and the BPW were not maintained in an orderly manner or in a centralized location.
- Minutes were not maintained for some open and closed meetings.
- Open meeting minutes for the village Board of Trustees did not always document the reasons for closing the meeting or the specific section of the law that allows for the closed meeting.
- There was no evidence roll call votes were taken during open meetings to close meetings of the village Board of Trustees and the BPW.
- Final copies of minutes were not available for the BPW meetings for the months of October 2009 through January 2010.
- Minutes of the Municipal Center Task Force were not filed with the village.

Recommendation

The Village of Indian Point Board of Trustees ensure Board of Trustee and BPW minutes are maintained for all meetings in an orderly manner, and the village meetings and minutes comply with state law.

Status

Implemented

The village provided documentation that minutes are now maintained for all village and BPW meetings. The village maintains minutes for open and closed meetings separately and follows proper procedure for entering closed sessions. Minutes for the Municipal Center Task Force are now maintained at the Municipal Center.

8.2 Email vote

The village did not comply with state law when board members voted by email without a quorum of members physically present during the vote.

Recommendation

The Village of Indian Point Board of Trustees comply with state law regarding email votes.

Status	**Implemented** According to village officials, no further email votes have been conducted.
9. Elected Officials	A village board member's actions resulted in nepotism, and a candidate for village trustee was not qualified to run for office.
9.1 Nepotism	According to meeting minutes in October 2009, Trustee Canaday voted to appoint his wife to the BPW and voted for her to hold the office of BPW Vice Chairwoman.
Recommendation	The Village of Indian Point Board of Trustees ensure Board members abstain from voting when a relative's appointment is involved, and consult legal counsel regarding the nepotism issue.
Status	**Implemented** Trustee Canaday resigned his position as village trustee and was later re-elected to the board. He is currently the Chairman. His wife resigned her position from the BPW.
9.2 Qualifications to hold village office	The village has not established adequate procedures to ensure all candidates for the position of trustee are qualified to run for office. During the April 2010 election, village Board Chairman Daily was listed on the ballot when his sewer fees for his business were in arrears.
Recommendation	The Village of Indian Point Board of Trustees ensure candidates for village office possess the statutory qualifications for holding office. The Board of Trustees should also consider seeking legal advice from the village attorney regarding the situation.
Status	**In Progress** The village is currently in the process of establishing an ordinance to further restrict individuals from serving on committees and in other positions if amounts owed to the village are not paid. As of August 16, 2011, Trustee Daily owes $6,879 in delinquent sewer fees. This amount does not include the amount of $573 he was billed August 1, 2011, for current charges.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Ralls County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Ralls County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Nichols, Stopp, & VanHoy, LLC, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-63

The County of Ralls
New London, Missouri
Financial Statements, Independent Auditor's Reports, and Supplementary Information
December 31, 2010 & 2009

The County of Ralls
New London, Missouri
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Nichols Stopp & VanHoy LLC
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Independent Auditor's Report

To the County Commission and
Officeholders of Ralls County, Missouri

We have audited the accompanying financial statements of Ralls County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Ralls County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Ralls County, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Ralls County, Missouri, as of December 31, 2010 and 2009, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we also have issued our report dated July 8, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain

provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

Nichols, Stopp, & VanHoy, LLC

Nichols, Stopp, & VanHoy, LLC
July 8, 2011

The County of Ralls
New London, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
Year Ended December 31, 2010

Fund	Cash and Equivalents January 1, 2010	Receipts 2010	Disbursements 2010	Cash and Equivalents December 31, 2010
General Revenue	$ 415,566.22	$ 1,732,636.15	$ 1,873,197.14	$ 275,005.23
Special Road & Bridge	363,326.92	1,460,668.60	1,466,895.58	357,099.94
Capital Improvement	871,853.19	476,105.49	331,629.34	1,016,329.34
Assessment	106,921.76	242,778.73	207,727.38	141,973.11
LETF	3,827.92	3,159.83	3,006.97	3,980.78
PA Training	12,469.32	538.00	800.00	12,207.32
Election Services	647.29	7,389.30	1,451.72	6,584.87
PA Tax	5,173.11	6.03	-	5,179.14
PA Administrative	9,897.54	3,234.42	1,626.00	11,505.96
Recorder's Users	54,578.14	4,685.47	753.00	58,510.61
CERF	1,800.30	67,244.07	67,067.76	1,976.61
County Interest	30,395.53	88,496.87	93,846.35	25,046.05
Sheriff's	21,834.01	29,511.82	40,279.96	11,065.87
Domestic	339.11	543.20	557.18	325.13
Recorder's Tech	29,647.82	2,535.60	554.04	31,629.38
Collector's Tax Maint.	28,920.47	16,118.59	9,874.08	35,164.98
Sheriff's Revolving	9,542.06	6,337.64	12,552.65	3,327.05
Use Tax	-	107,061.84	107,061.84	-
Land Sales Surplus	1,695.35	-	-	1,695.35
Flood Control	8,054.70	0.08	8,054.78	-
L.E.P.C.	-	6,269.26	3,082.26	3,187.00
Emergency Fund	-	200,200.39	-	200,200.39
911 Board	23,972.96	483,255.27	506,293.74	934.49
Total	$ 2,000,463.72	$ 4,938,776.65	$ 4,736,311.77	$ 2,202,928.60

See Notes to Financial Statements

The County of Ralls
New London, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
Year Ended December 31, 2009

Fund	Cash and Equivalents January 1, 2009 (Restated)	Receipts 2009	Disbursements 2009	Cash and Equivalents December 31, 2009
General Revenue	$ 288,051.13	$ 1,774,651.03	$ 1,647,135.94	$ 415,566.22
Special Road & Bridge	140,672.09	1,491,017.64	1,268,362.81	363,326.92
Capital Improvement	702,558.75	482,472.70	313,178.26	871,853.19
Assessment	118,107.23	219,330.55	230,516.02	106,921.76
LETF	-	3,827.92	-	3,827.92
PA Training	12,833.68	620.64	985.00	12,469.32
Election Services	4,166.42	9,478.83	12,997.96	647.29
PA Tax	8,636.33	16.76	3,479.98	5,173.11
PA Administrative	9,196.00	2,198.81	1,497.27	9,897.54
Recorder's Users	50,956.75	4,992.84	1,371.45	54,578.14
CERF	1,300.26	66,699.74	66,199.70	1,800.30
County Interest	24,579.68	94,267.16	88,451.31	30,395.53
Sheriff's	19,616.37	25,859.03	23,641.39	21,834.01
Domestic	422.11	651.54	734.54	339.11
Recorder's Tech	27,512.87	2,753.82	618.87	29,647.82
Collector's Tax Maint.	24,057.83	16,306.53	11,443.89	28,920.47
Sheriff's Revolving	8,273.95	6,008.57	4,740.46	9,542.06
Use Tax	-	151,717.02	151,717.02	-
Land Sales Surplus	4,486.91	-	2,791.56	1,695.35
Flood Control	-	20,997.51	12,942.81	8,054.70
L.E.P.C.	-	-	-	-
Emergency Fund	-	-	-	-
911 Board	40,556.14	499,186.40	515,769.58	23,972.96
Total	$ 1,485,984.50	$ 4,873,055.04	$ 4,358,575.82	$ 2,000,463.72

See Notes to Financial Statements

The County of Ralls
New London, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	General Fund			
	2010		2009	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ 486,960.96	$ 525,182.73	$ 436,672.10	$ 499,575.31
Sales Taxes	603,000.00	776,647.41	817,000.00	804,710.93
Intergovernmental	82,255.00	87,756.37	61,350.00	87,352.20
Charges for Services	197,410.00	207,374.63	202,450.00	204,812.28
Interest	2,500.00	1,391.88	6,500.00	2,939.62
Other	152,150.00	131,676.22	135,500.00	168,142.65
Transfers In	13,500.00	2,606.91	12,500.00	7,118.04
Total Receipts	$ 1,537,775.96	$ 1,732,636.15	$ 1,671,972.10	$ 1,774,651.03
Disbursements				
County Commission	$ 84,980.00	$ 84,560.90	$ 86,180.00	$ 84,975.46
County Clerk	64,260.00	64,028.66	66,710.00	65,073.78
Elections	76,840.00	77,185.71	54,320.00	43,472.22
Building and Grounds	82,210.00	72,970.40	83,360.00	63,387.67
Employee Fringe Benefits	185,500.00	190,069.66	236,500.00	152,916.73
County Treasurer	41,700.00	41,513.42	41,850.00	41,848.90
Collector	70,860.00	70,987.58	72,560.00	72,543.97
Circuit Clerk	60,665.00	60,088.53	66,616.00	64,852.86
Court Administration	12,146.70	7,242.28	13,909.00	7,520.38
Public Administrator	43,625.00	44,486.03	47,900.00	43,906.71
Sheriff	665,250.00	654,767.14	684,940.00	670,937.12
Prosecuting Attorney	85,699.56	85,761.56	115,750.00	85,999.91
Juvenile Officer	49,981.14	26,924.79	49,981.14	21,777.94
Coroner	16,275.00	15,179.00	20,414.00	14,229.14
Planning and Zoning	17,900.00	17,450.00	18,600.00	17,900.00
Other	130,980.00	94,545.14	183,722.00	133,681.35
Health and Welfare	500.00	-	500.00	-
Transfers Out	263,500.00	65,436.34	63,000.00	62,111.80
Emergency Fund	-	200,000.00	52,000.00	-
Total Disbursements	$ 1,952,872.40	$ 1,873,197.14	$ 1,958,812.14	$ 1,647,135.94
Receipts Over (Under) Disbursements	$ (415,096.44)	$ (140,560.99)	$ (286,840.04)	$ 127,515.09
Cash, January 1	$ 415,566.22	$ 415,566.22	$ 288,051.13	$ 288,051.13
Cash, December 31	$ 469.78	$ 275,005.23	$ 1,211.09	$ 415,566.22

See Notes to Financial Statements

The County of Ralls
New London, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Road and Bridge Fund			
	2010		2009	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ 505,766.66	$ 533,844.31	$ 459,033.53	$ 514,515.81
Sales Taxes	118,000.00	155,330.30	168,666.00	160,943.19
Intergovernmental	578,260.00	696,780.79	749,698.10	724,971.92
Charges for Services	-	-	-	-
Interest	2,500.00	1,386.72	9,500.00	2,806.82
Other	89,050.00	71,174.93	93,550.00	87,100.25
Transfers In	679.65	2,151.55	679.65	679.65
Total Receipts	$ 1,294,256.31	$ 1,460,668.60	$ 1,481,127.28	$ 1,491,017.64
Disbursements				
Salaries	$ 330,000.00	$ 352,772.35	$ 360,000.00	$ 327,754.29
Employee Fringe Benefits	148,500.00	108,583.43	139,000.00	103,985.19
Supplies	396,000.00	300,939.33	322,000.00	253,873.00
Insurance	35,000.00	25,686.54	42,500.00	28,205.53
Road & Bridge Materials	401,000.00	441,138.15	398,200.00	304,841.54
Equipment Repairs	55,000.00	25,445.78	50,000.00	40,358.38
Rentals	5,000.00	15,407.00	2,500.00	-
Equipment Purchases	225,000.00	169,364.00	170,000.00	101,459.49
R & B Construction	34,750.00	20,835.97	115,000.00	101,839.48
Other Expenditures	17,000.00	6,723.03	12,500.00	6,045.91
Transfers Out	10,000.00	-	10,000.00	-
Total Disbursements	$ 1,657,250.00	$ 1,466,895.58	$ 1,621,700.00	$ 1,268,362.81
Receipts Over (Under) Disbursements	$ (362,993.69)	$ (6,226.98)	$ (140,572.72)	$ 222,654.83
Cash, January 1	$ 363,326.92	$ 363,326.92	$ 140,672.09	$ 140,672.09
Cash, December 31	$ 333.23	$ 357,099.94	$ 99.37	$ 363,326.92

See Notes to Financial Statements

The County of Ralls
New London, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Capital Improvement Fund			
	2010		2009	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ -	$ -	$ -	$ -
Sales Taxes	600,000.00	465,619.08	525,000.00	481,618.25
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	5,000.00	10,486.41	6,000.00	854.45
Other	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	$ 605,000.00	$ 476,105.49	$ 531,000.00	$ 482,472.70
Disbursements				
UMB COP Payment	$ 350,000.00	$ 290,418.25	$ 286,000.00	$ 291,063.87
Trustee Fee Expense	7,500.00	2,142.25	-	5,156.63
Other Expenses	50,000.00	39,068.84	-	16,957.76
Total Disbursements	$ 407,500.00	$ 331,629.34	$ 286,000.00	$ 313,178.26
Receipts Over (Under) Disbursements	$ 197,500.00	$ 144,476.15	$ 245,000.00	$ 169,294.44
Cash, January 1	$ 871,853.19	$ 871,853.19	$ 702,558.75	$ 702,558.75
Cash, December 31	$ 1,069,353.19	$ 1,016,329.34	$ 947,558.75	$ 871,853.19

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The County of Ralls
New London, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Assessment Fund				LETF Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	167,425.00	176,272.92	165,130.00	153,371.36	-	-	-	
Charges for Services	1,400.00	4,322.50	1,660.00	1,389.15	3,450.00	2,112.00	4,349.00	3,421.37
Interest	300.00	183.31	1,835.00	268.04	-	3.89	51.00	1.55
Other	2,000.00	-	2,000.00	2,302.00	-	989.85	-	405.00
Transfers In	62,000.00	62,000.00	62,000.00	62,000.00	-	54.09	-	-
Total Receipts	$ 233,125.00	$ 242,778.73	$ 232,625.00	$ 219,330.55	$ 3,450.00	$ 3,159.83	$ 4,400.00	$ 3,827.92
Disbursements								
Salaries	$ 134,080.00	$ 133,300.00	$ 134,080.00	$ 138,968.11	$ -	$ -	$ -	$ -
Employee Fringe Benefits	32,665.00	28,149.24	32,000.00	25,737.16	-	-	-	-
Materials and Supplies	10,000.00	9,615.22	11,000.00	10,097.08	-	-	-	-
Services and Other	40,950.00	22,419.12	37,500.00	38,971.67	4,600.00	3,006.97	4,400.00	-
Capital Outlay	10,000.00	14,243.80	16,000.00	16,742.00	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 227,695.00	$ 207,727.38	$ 230,580.00	$ 230,516.02	$ 4,600.00	$ 3,006.97	$ 4,400.00	$ -
Receipts Over (Under) Disbursements	$ 5,430.00	$ 35,051.35	$ 2,045.00	$ (11,185.47)	$ (1,150.00)	$ 152.86	$ -	$ 3,827.92
Cash, January 1	$ 106,921.76	$ 106,921.76	$ 118,107.23	$ 118,107.23	$ 3,827.92	$ 3,827.92	$ -	$ -
Cash, December 31	$ 112,351.76	$ 141,973.11	$ 120,152.23	$ 106,921.76	$ 2,677.92	$ 3,980.78	$ -	$ 3,827.92

See Notes to Financial Statements

The County of Ralls
New London, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	PA Training				Election Services			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	650.00	523.50	590.91	595.44	-	-	-	-
Interest	150.00	14.50	191.18	25.20	50.00	5.50	50.00	8.85
Other	-	-	-	-	11,304.00	5,453.45	9,310.92	9,469.98
Transfers In	-	-	-	-	-	1,930.35	750.00	-
Total Receipts	$ 800.00	$ 538.00	$ 782.09	$ 620.64	$ 11,354.00	$ 7,389.30	$ 10,110.92	$ 9,478.83
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	500.00	514.46	3,450.00	3,484.48
Services and Other	3,000.00	800.00	2,000.00	985.00	9,504.00	937.26	9,525.30	9,456.60
Capital Outlay	-	-	-	-	1,450.00	-	57.00	56.88
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 3,000.00	$ 800.00	$ 2,000.00	$ 985.00	$ 11,454.00	$ 1,451.72	$ 13,032.30	$ 12,997.96
Receipts Over (Under) Disbursements	$ (2,200.00)	$ (262.00)	$ (1,217.91)	$ (364.36)	$ (100.00)	$ 5,937.58	$ (2,921.38)	$ (3,519.13)
Cash, January 1	$ 12,469.32	$ 12,469.32	$ 12,833.68	$ 12,833.68	$ 647.29	$ 647.29	$ 4,166.42	$ 4,166.42
Cash, December 31	$ 10,269.32	$ 12,207.32	$ 11,615.77	$ 12,469.32	$ 547.29	$ 6,584.87	$ 1,245.04	$ 647.29

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The County of Ralls
New London, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	PA Tax				PA Administrative			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	25.00	6.03	114.98	16.76	25.00	13.18	111.73	18.31
Other	-	-	1,055.86	-	3,500.00	3,221.24	3,697.00	2,180.50
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	$ 25.00	$ 6.03	$ 1,170.84	$ 16.76	$ 3,525.00	$ 3,234.42	$ 3,808.73	$ 2,198.81
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	5,000.00	-	1,170.84	3,479.98	7,000.00	1,626.00	2,000.00	1,497.27
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 5,000.00	$ -	$ 1,170.84	$ 3,479.98	$ 7,000.00	$ 1,626.00	$ 2,000.00	$ 1,497.27
Receipts Over (Under) Disbursements	$ (4,975.00)	$ 6.03	$ -	$ (3,463.22)	$ (3,475.00)	$ 1,608.42	$ 1,808.73	$ 701.54
Cash, January 1	$ 5,173.11	$ 5,173.11	$ 8,636.33	$ 8,636.33	$ 9,897.54	$ 9,897.54	$ 9,196.00	$ 9,196.00
Cash, December 31	$ 198.11	$ 5,179.14	$ 8,636.33	$ 5,173.11	$ 6,422.54	$ 11,505.96	$ 11,004.73	$ 9,897.54

See Notes to Financial Statements

The County of Ralls
New London, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Recorder's Users Fund				CERF			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	5,500.00	4,620.00	4,300.00	4,891.00	85,500.00	67,242.20	60,050.00	66,697.39
Interest	250.00	65.47	225.00	101.84	-	1.87	1.50	2.35
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	$ 5,750.00	$ 4,685.47	$ 4,525.00	$ 4,992.84	$ 85,500.00	$ 67,244.07	$ 60,051.50	$ 66,699.74
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	54,500.00	753.00	55,481.75	1,371.45	87,300.30	67,067.76	60,051.50	66,199.70
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 54,500.00	$ 753.00	$ 55,481.75	$ 1,371.45	$ 87,300.30	$ 67,067.76	$ 60,051.50	$ 66,199.70
Receipts Over (Under) Disbursements	$ (48,750.00)	$ 3,932.47	$ (50,956.75)	$ 3,621.39	$ (1,800.00)	$ 176.31	$ -	$ 500.04
Cash, January 1	$ 54,578.14	$ 54,578.14	$ 50,956.75	$ 50,956.75	$ 1,800.30	$ 1,800.30	$ 1,300.26	$ 1,300.26
Cash, December 31	$ 5,828.14	$ 58,510.61	$ -	$ 54,578.14	$ 0.30	$ 1,976.61	$ 1,300.26	$ 1,800.30

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The County of Ralls
New London, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	County Interest Fund				Sheriff's Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	102,500.00	88,430.66	91,400.00	94,182.36	20,500.00	22,492.80	20,500.00	17,650.59
Interest	250.00	66.21	540.00	84.80	100.00	22.62	125.00	40.02
Other	-	-	-	-	-	6,996.40	6,766.00	8,168.42
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	$ 102,750.00	$ 88,496.87	$ 91,940.00	$ 94,267.16	$ 20,600.00	$ 29,511.82	$ 27,391.00	$ 25,859.03
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	2,000.00	-	4,000.00	-	5,000.00	10,238.45	16,720.00	16,225.79
Capital Outlay	-	-	-	-	18,000.00	30,041.51	7,000.00	7,415.60
Transfers Out	100,750.00	93,846.35	98,000.00	88,451.31	-	-	-	-
Total Disbursements	$ 102,750.00	$ 93,846.35	$ 102,000.00	$ 88,451.31	$ 23,000.00	$ 40,279.96	$ 23,720.00	$ 23,641.39
Receipts Over (Under) Disbursements	$ -	$ (5,349.48)	$ (10,060.00)	$ 5,815.85	$ (2,400.00)	$ (10,768.14)	$ 3,671.00	$ 2,217.64
Cash, January 1	$ 30,395.53	$ 30,395.53	$ 24,579.68	$ 24,579.68	$ 21,834.01	$ 21,834.01	$ 19,616.37	$ 19,616.37
Cash, December 31	$ 30,395.53	$ 25,046.05	$ 14,519.68	$ 30,395.53	$ 19,434.01	$ 11,065.87	$ 23,287.37	$ 21,834.01

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The County of Ralls
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Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Domestic Fund				Recorder's Tech Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	675.00	543.00	614.00	651.00	3,000.00	2,500.00	2,500.00	2,698.75
Interest	2.00	0.20	2.68	0.54	50.00	35.60	125.00	55.07
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	$ 677.00	$ 543.20	$ 616.68	$ 651.54	$ 3,050.00	$ 2,535.60	$ 2,625.00	$ 2,753.82
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,000.00	557.18	497.72	734.54	29,600.00	554.04	30,137.87	618.87
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 1,000.00	$ 557.18	$ 497.72	$ 734.54	$ 29,600.00	$ 554.04	$ 30,137.87	$ 618.87
Receipts Over (Under) Disbursements	$ (323.00)	$ (13.98)	$ 118.96	$ (83.00)	$ (26,550.00)	$ 1,981.56	$ (27,512.87)	$ 2,134.95
Cash, January 1	$ 339.11	$ 339.11	$ 422.11	$ 422.11	$ 29,647.82	$ 29,647.82	$ 27,512.87	$ 27,512.87
Cash, December 31	$ 16.11	$ 325.13	$ 541.07	$ 339.11	$ 3,097.82	$ 31,629.38	$ -	$ 29,647.82

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The County of Ralls
New London, Missouri
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Budget and Actual, All Governmental Funds: Regulatory Basis
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	Tax Maintenance Fund			
	2010		2009	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	28.00	29.60	27.75	27.18
Other	18,000.00	16,088.99	14,240.00	16,279.35
Transfers In	-	-	-	-
Total Receipts	$ 18,028.00	$ 16,118.59	$ 14,267.75	$ 16,306.53
Disbursements				
Salaries	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	20,000.00	7,569.52	20,000.00	4,491.60
Services and Other	10,100.00	2,304.56	8,500.00	6,952.29
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	$ 30,100.00	$ 9,874.08	$ 28,500.00	$ 11,443.89
Receipts Over (Under) Disbursements	$ (12,072.00)	$ 6,244.51	$ (14,232.25)	$ 4,862.64
Cash, January 1	$ 28,920.47	$ 28,920.47	$ 24,057.83	$ 24,057.83
Cash, December 31	$ 16,848.47	$ 35,164.98	$ 9,825.58	$ 28,920.47

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The County of Ralls
New London, Missouri
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Budget and Actual, All Governmental Funds: Regulatory Basis
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	Sheriff's Revolving Fund				Use Tax Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	195,000.00	107,061.84	145,000.00	151,717.02
Charges for Services	-	-	-	-	-	-	-	-
Interest	50.00	8.39	-	19.57	-	-	-	-
Other	7,000.00	6,329.25	2,000.00	5,989.00	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	$ 7,050.00	$ 6,337.64	$ 2,000.00	$ 6,008.57	$ 195,000.00	$ 107,061.84	$ 145,000.00	$ 151,717.02
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	2,000.00	-	-	-	-	-	-	-
Services and Other	7,500.00	12,552.65	6,040.00	4,740.46	-	-	-	-
Capital Outlay	2,100.00	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	195,000.00	107,061.84	145,000.00	151,717.02
Total Disbursements	$ 11,600.00	$ 12,552.65	$ 6,040.00	$ 4,740.46	$ 195,000.00	$ 107,061.84	$ 145,000.00	$ 151,717.02
Receipts Over (Under) Disbursements	$ (4,550.00)	$ (6,215.01)	$ (4,040.00)	$ 1,268.11	$ -	$ -	$ -	$ -
Cash, January 1	$ 9,542.06	$ 9,542.06	$ 8,273.95	$ 8,273.95	$ -	$ -	$ -	$ -
Cash, December 31	$ 4,992.06	$ 3,327.05	$ 4,233.95	$ 9,542.06	$ -	$ -	$ -	$ -

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The County of Ralls
New London, Missouri
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Budget and Actual, All Governmental Funds: Regulatory Basis
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	Land Sales Surplus				Flood Control			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,500.00	-	-	-	22,000.00	-	9,966.66	20,997.51
Interest	-	-	-	-	-	0.08	2.57	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	$ 2,500.00	$ -	$ -	$ -	$ 22,000.00	$ 0.08	$ 9,969.23	$ 20,997.51
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	4,195.35	-	-	2,791.56	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	30,000.00	8,054.78	9,969.23	12,942.81
Total Disbursements	$ 4,195.35	$ -	$ -	$ 2,791.56	$ 30,000.00	$ 8,054.78	$ 9,969.23	$ 12,942.81
Receipts Over (Under) Disbursements	$ (1,695.35)	$ -	$ -	$ (2,791.56)	$ (8,000.00)	$ (8,054.70)	$ -	$ 8,054.70
Cash, January 1	$ 1,695.35	$ 1,695.35	$ 4,486.91	$ 4,486.91	$ 8,054.70	$ 8,054.70	$ -	$ -
Cash, December 31	$ -	$ 1,695.35	$ 4,486.91	$ 1,695.35	$ 54.70	$ -	$ -	$ 8,054.70

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Budget and Actual, All Governmental Funds: Regulatory Basis
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	LEPC				Emergency Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	4,500.00	6,269.26	4,500.00	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	200.39	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	200,000.00	-	-
Total Receipts	$ 4,500.00	$ 6,269.26	$ 4,500.00	$ -	$ -	$ 200,200.39	$ -	$ -
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	4,500.00	3,082.26	4,500.00	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 4,500.00	$ 3,082.26	$ 4,500.00	$ -	$ -	$ -	$ -	$ -
Receipts Over (Under) Disbursements	$ -	$ 3,187.00	$ -	$ -	$ -	$ 200,200.39	$ -	$ -
Cash, January 1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Cash, December 31	$ -	$ 3,187.00	$ -	$ -	$ -	$ 200,200.39	$ -	$ -

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The County of Ralls
New London, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	911 Board			
	2010		2009	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ -	$ -	$ -	$ -
Sales Taxes	458,000.00	465,954.61	458,000.00	482,181.71
Intergovernmental	-	-	-	-
Charges for Services	9,240.00	9,240.00	9,240.00	9,240.00
Interest	60.00	41.08	60.00	66.23
Other	6,500.00	8,019.58	6,500.00	7,698.46
Transfers In	-	-	-	-
Total Receipts	$ 473,800.00	$ 483,255.27	$ 473,800.00	$ 499,186.40
Disbursements				
Salaries	$ 310,236.00	$ 313,874.53	$ 310,236.00	$ 308,519.31
Employee Fringe Benefits	79,785.00	77,574.93	79,785.00	78,254.71
Materials & Supplies	4,300.00	4,054.87	4,500.00	4,801.27
Services and Other	83,831.00	90,271.18	83,231.00	101,933.77
Capital Overlay	19,800.00	20,518.23	19,800.00	22,260.52
Transfers Out	-	-	-	-
Total Disbursements	$ 497,952.00	$ 506,293.74	$ 497,552.00	$ 515,769.58
Receipts Over (Under) Disbursements	$ (24,152.00)	$ (23,038.47)	$ (23,752.00)	$ (16,583.18)
Cash, January 1	$ 23,972.96	$ 23,972.96	$ 40,556.14	$ 40,556.14
Cash, December 31	$ (179.04)	$ 934.49	$ 16,804.14	$ 23,972.96

See Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies

Organized in 1820, the county of Ralls was named after Daniel Ralls. Ralls County is a county-organized, third-class county and is part of the Tenth Judicial Circuit. The county seat is New London. Ralls County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, an ex officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Ralls County and the Ralls County 911 board.

Ralls County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Ralls County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered by the Missouri State Auditor's Office to comprise Ralls County's legal entity. The Ralls County 911 board controlled by a separate elected board is also included under the control of Ralls County.

Certain elected County officials, such as the County Collector, Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Ralls County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, or the 911 Board. The General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If Ralls County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Ralls County adopts a budget for each governmental fund.

On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures. During our audit we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The Capital Improvement Fund, PA Tax Fund, CERF Fund, Sheriff's Fund, Domestic Fund, Sheriff's Revolving Fund, Use Tax Fund, Land Surplus Fund, Flood Control Fund, and the 911 Board Fund all had expenses exceeding their budget.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within Ralls County's boundaries for the calendar year 2010 and 2009, for the purposes of taxation was:

	2010	2009
Real Estate	112,215,320	105,451,421
Personal Property	68,002,750	58,331,069
Railroad and Utilities	20,539,666	19,570,032
	200,757,736	183,352,522

The tax levy per $100 of the assessed valuation of tangible taxable property for the calendar years 2010 and 2009 for the purpose of County taxation was as follows:

	2010	2009
General Revenue Fund	$ 0.2639	$ 0.2639
Road and Bridge	0.2754	0.2754

The County also receives sales tax collected by the State and remitted based on the County’s sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Ralls County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions (continued)

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Ralls County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents".

Deposits - Missouri statues require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amount of Ralls County's deposits was $2,202,928.60 and $2,000,463.72, respectively, and the bank balance was $2,280,187.00 and $2,267,807.45, respectively. At December 31, 2010 & 2009, 100% of Ralls County's deposits and investments were covered by the Federal Deposit Insurance Company (FDIC) or were collateralized.

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2010, as follows:

Deposits	1,502,928.60
Investments	700,000.00
Restricted Cash	-
Total Deposits & Investments as of December 31, 2010	$2,202,928.60

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2009, as follows:

Deposits	1,300,463.72
Investments	700,000.00
Restricted Cash	-
Total Deposits & Investments as of December 31, 2009	$2,000,463.72

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Ralls County's investment policy does not include custodial credit risk requirements. Ralls County's deposits were not exposed to custodial credit risk for the years ended December 31, 2010, and 2009.

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Ralls County or its agent but not in the government's name. Ralls County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of Ralls County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Ralls County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by Ralls County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Ralls County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. Ralls County's deposits were not exposed to concentration of investment credit risk for the years ended in December 31, 2010 and 2009.

Note 3 - Long Term Debt

On October 1, 2004 the County issued Certificate of Participation (COP's) in the amount of $2,455,000. The maturity of the COP's is October 1, 2014 and the interest rate ranges from 2.00%-4.30%. The UMB Bank is the holder of this COP's.

Debt	Balance at 1/1/2010	Amount Borrowed	Amount Repaid	Balance at 12/31/2010	Interest Paid During Year
2004 COP's	1,495,000.00	-	230,000.00	1,265,000.00	60,450.00
Total	1,495,000.00	-	230,000.00	1,265,000.00	60,450.00

Debt	Balance at 1/1/2009	Amount Borrowed	Amount Repaid	Balance at 12/31/2009	Interest Paid During Year
2004 COP's	1,720,000.00	-	225,000.00	1,495,000.00	68,212.50
Total	1,720,000.00	-	225,000.00	1,495,000.00	68,212.50

Note 3 - Long Term Debt (continued)

2010 Amortizations
Series 2004 Certificates of Participation Schedule

Year	Principal	Interest	Total
2011	$ 240,000.00	$ 52,055.00	$ 292,055.00
2012	250,000.00	42,935.00	292,935.00
2013	260,000.00	32,935.00	292,935.00
2014	515,000.00	22,145.00	537,145.00
Total	$ 1,265,000.00	$ 150,070.00	$ 1,415,070.00

2009 Amortizations
Series 2004 Certificates of Participation Schedule

Year	Principal	Interest	Total
2010	$ 230,000.00	$ 60,450.00	$ 290,450.00
2011	240,000.00	52,055.00	292,055.00
2012	250,000.00	42,935.00	292,935.00
2013	260,000.00	32,935.00	292,935.00
2014	515,000.00	22,145.00	537,145.00
Total	$ 1,495,000.00	$ 210,520.00	$ 1,705,520.00

Note 4 - Interfund Transfers

Transfers between funds for the years ended December 31, 2010 and 2009 are as follows:

	2010		2009	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	$ 2,606.91	$ 265,436.34	$ 7,118.04	$ 62,111.80
Road & Bridge	2,151.55	-	679.65	-
Election Services	1,930.35	-	-	-
Assessment	62,000.00	-	62,000.00	-
Unclaimed Fees	-	-	111.80	-
LETF	54.09	-	-	-
County Interest	-	93,846.35	-	88,451.31
Flood Control	-	8,054.78	-	12,942.81
General Schools	98,594.57	-	93,596.43	-
Emergency Fund	200,000.00	-	-	-
Total	$ 367,337.47	$ 367,337.47	$ 163,505.92	$ 163,505.92

	2010		2009	
	Transfers Out	Sales Tax	Transfers Out	Sales Tax
Use Tax Fund	$ 107,061.84	$ -	$ 151,717.02	$ -
911 Board	-	53,530.92	-	75,858.50
Capital Improvement Fund	-	53,530.92	-	75,858.52
Total	$ 107,061.84	$ 107,061.84	$ 151,717.02	$ 151,717.02

Note 5 - Local Government Employees Retirement System (LAGERS)

Plan Description

Ralls County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and is governed by statue, section RSMo. 70.600- 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO, 65102 or by calling 1-800-447-4334.

Funding Status

Ralls County's full time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rates for 2010 are 6.4% (general), 2.2% (police) and 7.7% (911), for 2009 they are 5.4% (general), 1.2% (police) and 7.0% (911) of the annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

Annual Pension Cost (APC) and Net Pension Obligation (NPO)

For 2010, the political subdivision's annual pension cost of $67,832 for the County and $17,221 for the 911 Board was equal to the actual contributions and the remaining net pension obligation. The 2010 annual required contribution (ARC) was determined as part of the February 28, 2008 and/or February 28, 2009 annual actuarial valuation using the entry age actuarial cost method. For 2009, the political subdivision's annual pension cost of $50,037 for the County and $16,320 for the 911 Board was equal to the required and actual contributions. The 2009 required contribution was determined as part of the February 28, 2007 and/or February 28, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement morality asked on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis for 2009 and 2010. The amortization period of February 29, 2008 was 15 years for the General division and 15 years for the Police division. The amortization period of February 28, 2009, was 30 years for the General division and 9 years for the Police division.

Note 5 - Local Government Employees Retirement System (LAGERS) (continued)

Three Year Trend Information - 2010

	County			911 Board		
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	52,674	100.0%	-	16,692	100%	-
6/30/2009	50,037	100.0%	-	16,320	100%	-
6/30/2010	67,832	83.5%	11,192	17,221	100%	-

County

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b -a) / c] UAL as a Percentage of Covered Payroll
2/29/2008	2,344,661	1,758,207	(586,454)	133%	1,020,836	0%
2/28/2009	1,695,232	1,614,908	(80,324)	105%	983,464	0%
2/28/2010	1,579,507	1,606,539	27,032	98%	1,090,291	2%

911 Board

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b -a) / c] UAL as a Percentage of Covered Payroll
2/29/2008	130,694	141,211	10,517	93%	222,628	5%
2/28/2009	125,308	166,037	40,729	75%	237,589	17%
2/28/2010	152,666	193,322	40,656	79%	225,003	18%

Note: The above assets and actuarial liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

Note 5 - Local Government Employees Retirement System (LAGERS) (continued)

Three Year Trend Information - 2009

	County			911 Board		
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2006	54901	100%	-	15,250	100%	-
6/30/2007	52674	100%	-	16,692	100%	-
6/30/2008	50037	100%	-	16,320	100%	-

County

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b -a) / c] UAL as a Percentage of Covered Payroll
2/28/2007	2,106,560	1,571,858	(534,702)	134%	968,899	0%
2/28/2008	2,344,661	1,758,207	(586,454)	133%	1,020,836	0%
2/28/2009	1,695,232	1,614,908	(80,324)	105%	983,464	0%

911 Board

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b -a) / c] UAL as a Percentage of Covered Payroll
2/28/2007	101,474	115,114	13,640	88%	214,123	6%
2/28/2008	130,694	141,211	10,517	93%	222,628	5%
2/28/2009	125,308	166,037	40,729	75%	237,589	17%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

Note 6 - County Employees Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Section 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar amount, targeted replacement ratio formula, and the prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death. Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for the police department, all other departments in the county the age is sixty. Any member with less than eight years creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions. The County Employee's Retirement Fund issues audited financial statements.

Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P. O. Box 2271, Jefferson City, MO, 65102-2271, or by calling 1-573-632-9203

Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in CERF. During 2010 and 2009, the County collected and remitted to CERF. Of the 6% contribution, 4% is contributed by the County and the remaining 2% is covered through employee contributions to LAGERS. Employee contributions of approximately $20,441.24 and $19,538.48, respectively, were collected and remitted to CERF for the years then ended.

Note 7 - Prosecuting Attorney Retirement Fund

In accordance with state statue Chapter 56.807 RSMo, Ralls County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. Ralls County has contributed $2,244 and $2,244, respectively, for the years ended December 31, 2010 and 2009.

Note 8 - Post Employment Benefits

Ralls County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the Primary Government.

Note 9 - Claims, Commitments, and Contingencies

Litigation

Ralls County is not involved in any pending litigations as of December 31, 2010.

Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is not reimbursed for unused vacation and overtime, if applicable. Sick time is paid for at the rate of 50% for any unused sick pay up to 120 hours. These have not been subjected to auditing procedures.

Note 10 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make specific assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Injured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and its reinsured up to the statutory limit through excess insurance.

Note 11 - Prior Period Adjustment

January 1, 2009 beginning cash has been restated to include the operations of the Ralls County, Missouri 911 board.

Note 12 - Change in Reporting Entity

Pursuant to Missouri House Bill 1942, effective August 28, 2010 emergency service boards established under Section 190.339.02 shall be a body corporate and political subdivision of the state. Due to this change in state law the Ralls County, Missouri 911 Board will not be included in the financial statements of Ralls County, Missouri after December 31, 2010.

Schedule of State Findings

During our audit we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The Capital Improvement Fund, PA Tax Fund, CERF Fund, Sheriff's Fund, Domestic Fund, Sheriff's Revolving Fund, Use Tax Fund, Land Surplus Fund, Flood Control Fund, and the 911 Board Fund all had expenses exceeding their budget.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Ralls County, Missouri

We have audited the accompanying financial statements of Ralls County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated July 8, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ralls County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ralls County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Ralls County, Missouri's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Responses that we consider to be significant deficiencies in internal control over financial reporting. FS 10/09-1, FS 10/09-2, and FS 10/09-3. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ralls County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Responses FS 10/09-4.

Ralls County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Ralls County, Missouri's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, County Commission, County Officeholders, others within the entity, and the Missouri State Auditor's Office, and is not intended to be and should not be used by anyone other than these specified parties.

Nichols, Stopp, & VanHoy, LLC

Creve Coeur, Missouri
July 8, 2011

The County of Ralls
New London, Missouri
Schedule of Findings and Responses
December 31, 2010 & 2009

Section 1 - Financial Statement Findings

FS 10/09-01 Condition: During the current year, it was necessary for the auditors of the County to assist with the preparation of the external financial statements and the notes to financial statements.

Effect: If the management of the County does not have the ability to prepare the external financial statements and the notes to the financial statements without the assistance of the auditors, management may be unable to review and take responsibility of the financial statements and notes.

Cause: Management of the County does not possess the technical accounting skills to prepare the external financial statements without the assistance of the auditors.

Recommendation: We recommend the County either provide training to current management, hire additional staff who possess the accounting skills needed to prepare and review the external financial statements, or contract with an outside accountant to prepare and review the external financial statements.

Management's Response: The County will consider alternatives to remedy this Finding.

FS 10/09-02 Condition: Documentation of the County's internal controls has not been prepared.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal control.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will consider studying COSO for better guidance, and make a manual.

FS 10/09-03 Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate audit risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County will consider meeting once a year with all elected officials to perform a risk assessment.

FS 10/09-04 Condition: During our audit, we noted several funds with actual expenditures that exceeded the budgeted expenditures.

Effect: Missouri Statues requires Counties to prepare an annual budget and expenditures are not to exceed the budget. Due to exceeding budget in certain funds the County is in violation of Missouri Revised Statutes.

Cause: Oversight

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The County Clerk as budget officer will keep better track of budgets and amend the ones that go over.

Section 2 - Follow-Up Prior Year Findings

FS 08/07-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under the Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters in an Audit, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Status: Unchanged.

FS 08/07-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit,* which is effective for the period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare financial statements.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Status: Unchanged.

FS 08/07-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate audit risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Status: Unchanged

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Schuyler County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Schuyler County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Nichols, Stopp, & VanHoy, LLC, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-62

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

The County of Schuyler
Lancaster, Missouri
Financial Statements, Independent Auditor's Reports, and Supplementary Information
December 31, 2010 & 2009

The County of Schuyler
Lancaster, Missouri
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Nichols Stopp & VanHoy LLC
Certified Public Accountants

10425 Old Olive Street Road, Suite 101
Creve Coeur, Missouri 63141

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Independent Auditor's Report

To the County Commission and
Officeholders of Schuyler County, Missouri

We have audited the accompanying financial statements of Schuyler County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

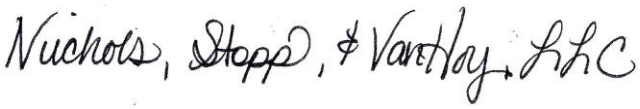
As described more fully in Note 1, Schuyler County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Schuyler County, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Schuyler County, Missouri, as of December 31, 2010 and 2009, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we also have issued our report dated July 8, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain

provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.



Nichols, Stopp, & VanHoy, LLC
July 8, 2011

The County of Schuyler
Lancaster, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
Year Ended December 31, 2010

Fund	Cash and Equivalents January 1, 2010	Receipts 2010	Disbursements 2010	Cash and Equivalents December 31, 2010
General Revenue	$ 116,711.58	$ 522,524.23	$ 455,390.93	$ 183,844.88
Road & Bridge	312,408.16	696,513.86	705,023.85	303,898.17
Assessment	17,338.47	57,072.54	64,313.23	10,097.78
LETF	1,623.40	1,671.60	2,224.72	1,070.28
PA Training	48.01	291.11	305.01	34.11
Law Sales	180.61	279,893.51	277,720.74	2,353.38
Users Fees	14,513.09	1,581.32	1,973.99	14,120.42
CAFO	517.04	14.74	-	531.78
Sales Tax Trust	159,627.42	140,565.00	134,405.61	165,786.81
Bad Check	5,809.80	2,168.27	6,133.49	1,844.58
Civil Service	2,239.10	4,657.89	3,400.32	3,496.67
Co. Clerk 5% Elect.	609.24	1,655.47	1,310.42	954.29
Recorder's	363.38	849.00	10.00	1,202.38
Senior Citizen	8,289.01	19,886.55	18,520.00	9,655.56
Domestic Violence	1,636.00	110.00	-	1,746.00
Collector's Tax	8,085.38	5,176.27	3,871.74	9,389.91
Sheriff Revolving	2,356.30	2,019.84	328.73	4,047.41
Sheriff Salary	230.00	1,811.00	1,831.00	210.00
Homeless Prevention	-	18,352.50	15,261.25	3,091.25
Sheriff Grant	-	2,839.49	798.00	2,041.49
Total	$ 652,585.99	$ 1,759,654.19	$ 1,692,823.03	$ 719,417.15

See Notes to Financial Statements

The County of Schuyler
Lancaster, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
Year Ended December 31, 2009

Fund	Cash and Equivalents January 1, 2009	Receipts 2009	Disbursements 2009	Cash and Equivalents December 31, 2009
General Revenue	$ 68,113.17	$ 486,739.41	$ 438,141.00	$ 116,711.58
Road & Bridge	331,272.71	726,198.90	745,063.45	312,408.16
Assessment	10,959.09	60,405.99	54,026.61	17,338.47
LETF	2,424.28	1,533.46	2,334.34	1,623.40
PA Training	18.82	253.01	223.82	48.01
Law Sales	2,549.79	255,206.04	257,575.22	180.61
Users Fees	14,000.06	1,629.98	1,116.95	14,513.09
CAFO	507.67	9.37	-	517.04
Sales Tax Trust	157,776.15	136,628.97	134,777.70	159,627.42
Bad Check	8,232.00	1,794.82	4,217.02	5,809.80
Civil Service	3,588.11	4,697.41	6,046.42	2,239.10
Co. Clerk 5% Elect.	1,402.60	1,370.14	2,163.50	609.24
Recorder's	2,048.35	823.75	2,508.72	363.38
Senior Citizen	7,233.28	19,565.73	18,510.00	8,289.01
Domestic Violence	1,494.51	141.49	-	1,636.00
Collector's Tax	9,286.60	4,609.59	5,810.81	8,085.38
Sheriff Revolving	2,189.69	522.24	355.63	2,356.30
Sheriff Salary	604.47	1,742.53	2,117.00	230.00
Homeless Prevention	-	-	-	-
Sheriff Grant	-	-	-	-
Total	$ 623,701.35	$ 1,703,872.83	$ 1,674,988.19	$ 652,585.99

See Notes to Financial Statements

The County of Schuyler
Lancaster, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	General Fund			
	2010		2009	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ 121,500.00	$ 120,287.08	$ 126,600.00	$ 113,582.40
Sales Taxes	250,000.00	275,693.61	205,000.00	243,861.80
Intergovernmental	12,700.00	10,859.55	10,111.27	12,945.20
Charges for Services	73,420.00	72,220.08	74,500.00	73,445.68
Interest	2,500.00	4,153.13	3,800.00	2,110.24
Other	6,450.00	5,849.63	9,675.00	5,603.15
Transfers In	58,208.96	33,461.15	63,663.48	35,190.94
Total Receipts	$ 524,778.96	$ 522,524.23	$ 493,349.75	$ 486,739.41
Disbursements				
County Commission	$ 47,866.00	$ 47,335.96	$ 47,859.00	$ 47,577.12
County Clerk	45,925.60	45,532.69	45,925.60	44,429.13
Elections	18,852.50	17,686.74	-	-
Building and Grounds	74,600.00	45,150.40	54,600.00	36,794.98
Employee Fringe Benefits	14,800.00	13,375.95	14,900.00	13,536.27
County Treasurer	23,715.00	23,186.39	23,540.00	23,188.06
Collector	40,896.80	40,536.99	41,096.80	39,621.98
Recorder of Deeds	-	-	-	-
Circuit Clerk	9,224.00	7,350.45	3,950.00	3,512.57
Associate Circuit Court	-	-	3,650.00	2,536.64
Probate Court	750.00	465.10	250.00	309.30
Court Administration	8,545.57	3,900.63	8,545.57	3,864.12
Public Administrator	13,300.00	12,981.93	13,950.00	13,867.44
Health and Welfare	11,839.15	16,786.96	9,500.00	10,433.16
Transfers Out	136,618.32	118,035.25	152,484.73	144,650.90
Emergency Fund	15,698.37	13,229.45	14,800.49	3,113.74
Other	60,950.47	49,836.04	60,619.47	50,705.59
Total Disbursements	$ 523,581.78	$ 455,390.93	$ 495,671.66	$ 438,141.00
Receipts Over (Under) Disbursements	$ 1,197.18	$ 67,133.30	$ (2,321.91)	$ 48,598.41
Cash, January 1	$ 116,711.58	$ 116,711.58	$ 2,985.04	$ 68,113.17
Cash, December 31	$ 117,908.76	$ 183,844.88	$ 663.13	$ 116,711.58

See Notes to Financial Statements

The County of Schuyler
Lancaster, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Road and Bridge Fund			
	2010		2009	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ 273,000.00	$ 277,012.76	$ 267,000.00	$ 273,126.69
Sales Taxes	-	-	-	-
Intergovernmental	750,328.03	377,081.51	795,120.02	380,062.84
Charges for Services	18,000.00	27,994.11	7,500.00	21,495.43
Interest	7,000.00	10,399.44	15,000.00	6,948.09
Other	8,000.00	4,026.04	3,000.00	6,944.26
Transfers In	-	-	37,621.59	37,621.59
Total Receipts	$ 1,056,328.03	$ 696,513.86	$ 1,125,241.61	$ 726,198.90
Disbursements				
Salaries	$ 220,000.00	$ 164,586.19	$ 220,000.00	$ 191,629.73
Employee Fringe Benefits	34,000.00	23,656.37	34,000.00	25,562.16
Supplies	100,000.00	69,087.71	112,000.00	63,684.93
Insurance	16,000.00	15,953.50	16,000.00	15,933.50
Road & Bridge Materials	285,000.00	271,213.10	295,000.00	272,648.03
Equipment Repairs	50,000.00	60,703.66	50,000.00	27,247.00
Rentals	10,000.00	16,636.25	8,000.00	13,907.50
Equipment Purchases	30,000.00	10,500.00	60,000.00	27,539.38
R & B Construction	15,550.71	-	15,550.71	-
Other Expenditures	503,628.49	39,225.92	462,718.89	71,720.28
Transfers Out	58,208.96	33,461.15	63,663.48	35,190.94
Total Disbursements	$ 1,322,388.16	$ 705,023.85	$ 1,336,933.08	$ 745,063.45
Receipts Over (Under) Disbursements	$ (266,060.13)	$ (8,509.99)	$ (211,691.47)	$ (18,864.55)
Cash, January 1	$ 312,408.16	$ 312,408.16	$ 462,843.56	$ 331,272.71
Cash, December 31	$ 46,348.03	$ 303,898.17	$ 251,152.09	$ 312,408.16

See Notes to Financial Statements

The County of Schuyler
Lancaster, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Assessment Fund			
	2010		2009	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-
Intergovernmental	59,311.83	55,557.49	61,783.20	58,994.88
Charges for Services	325.00	285.86	250.00	274.56
Interest	375.00	661.26	650.00	418.56
Other	762.00	567.93	520.00	717.99
Transfers In	-	-	-	-
Total Receipts	$ 60,773.83	$ 57,072.54	$ 63,203.20	$ 60,405.99
Disbursements				
Salaries	$ 37,208.19	$ 38,803.20	$ 36,766.40	$ 39,990.39
Employee Fringe Benefits	3,700.00	4,506.13	3,500.00	3,416.71
Materials and Supplies	5,100.00	3,354.34	4,400.00	3,803.02
Services and Other	8,400.00	2,414.33	7,500.00	2,148.38
Capital Outlay	19,500.00	15,235.23	7,900.00	4,668.11
Transfers Out	-	-	-	-
Total Disbursements	$ 73,908.19	$ 64,313.23	$ 60,066.40	$ 54,026.61
Receipts Over (Under) Disbursements	$ (13,134.36)	$ (7,240.69)	$ 3,136.80	$ 6,379.38
Cash, January 1	$ 17,338.47	$ 17,338.47	$ 10,959.09	$ 10,959.09
Cash, December 31	$ 4,204.11	$ 10,097.78	$ 14,095.89	$ 17,338.47

See Notes to Financial Statements

The County of Schuyler
Lancaster, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Law Enforcement Training Fund				PA Training Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	500.00	500.00	450.00	500.00	-	-	-	-
Charges for Services	1,100.00	1,134.00	750.00	1,006.00	300.00	287.08	300.00	250.65
Interest	25.00	37.60	50.00	27.46	3.00	4.03	5.00	2.36
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	$ 1,625.00	$ 1,671.60	$ 1,250.00	$ 1,533.46	$ 303.00	$ 291.11	$ 305.00	$ 253.01
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	3,000.00	2,224.72	3,000.00	2,334.34	250.00	305.01	300.00	223.82
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 3,000.00	$ 2,224.72	$ 3,000.00	$ 2,334.34	$ 250.00	$ 305.01	$ 300.00	$ 223.82
Receipts Over (Under) Disbursements	$ (1,375.00)	$ (553.12)	$ (1,750.00)	$ (800.88)	$ 53.00	$ (13.90)	$ 5.00	$ 29.19
Cash, January 1	$ 1,623.40	$ 1,623.40	$ 2,424.28	$ 2,424.28	$ 48.01	$ 48.01	$ 18.82	$ 18.82
Cash, December 31	$ 248.40	$ 1,070.28	$ 674.28	$ 1,623.40	$ 101.01	$ 34.11	$ 23.82	$ 48.01

See Notes to Financial Statements

The County of Schuyler
Lancaster, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Law Sales Fund			
	2010		2009	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ -	$ -	$ -	$ -
Sales Taxes	135,000.00	137,891.22	135,000.00	134,155.24
Intergovernmental	1,200.00	430.50	1,500.00	-
Charges for Services	22,550.00	22,221.38	28,600.00	13,676.82
Interest	50.00	-	175.00	43.14
Other	325.00	1,315.16	680.00	301.53
Transfers In	136,618.32	118,035.25	114,863.14	107,029.31
Total Receipts	$ 295,743.32	$ 279,893.51	$ 280,818.14	$ 255,206.04
Disbursements				
Sheriff	$ 138,596.00	$ 128,547.09	$ 129,580.00	$ 126,084.94
Jail	73,930.00	79,236.03	70,000.00	64,096.93
Prosecutor	39,942.93	40,105.82	40,582.93	39,100.21
Juvenile Office	8,775.00	4,238.99	8,525.00	3,072.09
Coroner	14,180.00	6,956.71	14,180.00	6,760.18
Employee Fringe Benefits	20,500.00	18,636.10	20,500.00	18,460.87
Transfers Out	-	-	-	-
Total Disbursements	$ 295,923.93	$ 277,720.74	$ 283,367.93	$ 257,575.22
Receipts Over (Under) Disbursements	$ (180.61)	$ 2,172.77	$ (2,549.79)	$ (2,369.18)
Cash, January 1	$ 180.61	$ 180.61	$ 2,549.79	$ 2,549.79
Cash, December 31	$ 0.00	$ 2,353.38	$ 0.00	$ 180.61

See Notes to Financial Statements

The County of Schuyler
Lancaster, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Sales Tax Trust Fund			
	2010		2009	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ -	$ -	$ -	$ -
Sales Taxes	135,000.00	137,888.83	135,000.00	134,196.35
Intergovernmental	-	-	-	-
Charges for Services	-		-	-
Interest	2,500.00	2,676.17	6,200.00	2,432.62
Other	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	$ 137,500.00	$ 140,565.00	$ 141,200.00	$ 136,628.97
Disbursements				
Salaries	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	134,405.61	134,405.61	134,777.70	134,777.70
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	$ 134,405.61	$ 134,405.61	$ 134,777.70	$ 134,777.70
Receipts Over (Under) Disbursements	$ 3,094.39	$ 6,159.39	$ 6,422.30	$ 1,851.27
Cash, January 1	$ 159,627.42	$ 159,627.42	$ 24,042.24	$ 157,776.15
Cash, December 31	$ 162,721.81	$ 165,786.81	$ 30,464.54	$ 159,627.42

See Notes to Financial Statements

The County of Schuyler
Lancaster, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	User's Fees Fund				CAFO			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,300.00	1,188.00	1,300.00	1,376.00	-	-	-	-
Interest	200.00	393.32	300.00	253.98	10.00	14.74	15.00	9.37
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	$ 1,500.00	$ 1,581.32	$ 1,600.00	$ 1,629.98	$ 10.00	$ 14.74	$ 15.00	$ 9.37
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	2,000.00	1,384.74	-	1,038.31	-	-	-	-
Services and Other	750.00	589.25	750.00	78.64	500.00	-	500.00	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 2,750.00	$ 1,973.99	$ 750.00	$ 1,116.95	$ 500.00	$ -	$ 500.00	$ -
Receipts Over (Under) Disbursements	$ (1,250.00)	$ (392.67)	$ 850.00	$ 513.03	$ (490.00)	$ 14.74	$ (485.00)	$ 9.37
Cash, January 1	$ 14,513.09	$ 14,513.09	$ 14,000.06	$ 14,000.06	$ 517.04	$ 517.04	$ 507.67	$ 507.67
Cash, December 31	$ 13,263.09	$ 14,120.42	$ 14,850.06	$ 14,513.09	$ 27.04	$ 531.78	$ 22.67	$ 517.04

See Notes to Financial Statements

The County of Schuyler
Lancaster, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Bad Check Fund			
	2010		2009	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	2,000.00	2,108.27	4,000.00	1,794.82
Interest	-	-	-	-
Other	-	60.00	-	-
Transfers In	-	-	-	-
Total Receipts	$ 2,000.00	$ 2,168.27	$ 4,000.00	$ 1,794.82
Disbursements				
Salaries	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	5,809.80	6,133.49	8,000.00	3,401.87
Capital Outlay	-	-	-	815.15
Transfers Out	-	-	-	-
Total Disbursements	$ 5,809.80	$ 6,133.49	$ 8,000.00	$ 4,217.02
Receipts Over (Under) Disbursements	$ (3,809.80)	$ (3,965.22)	$ (4,000.00)	$ (2,422.20)
Cash, January 1	$ 5,809.80	$ 5,809.80	$ 8,232.00	$ 8,232.00
Cash, December 31	$ 2,000.00	$ 1,844.58	$ 4,232.00	$ 5,809.80

See Notes to Financial Statements

The County of Schuyler
Lancaster, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Civil Service Fund				County Clerk 5% Election Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	500.00	536.50	-	439.45
Charges for Services	4,900.00	4,657.89	5,500.00	4,697.41	1,000.00	1,093.42	500.00	912.88
Interest	-	-	-	-	20.00	25.55	30.00	17.81
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	$ 4,900.00	$ 4,657.89	$ 5,500.00	$ 4,697.41	$ 1,520.00	$ 1,655.47	$ 530.00	$ 1,370.14
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	625.79	-	968.43
Services and Other	5,925.00	2,825.32	8,370.00	5,058.63	1,600.00	684.63	500.00	344.72
Capital Outlay	1,000.00	575.00	-	987.79	500.00	-	1,000.00	850.35
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 6,925.00	$ 3,400.32	$ 8,370.00	$ 6,046.42	$ 2,100.00	$ 1,310.42	$ 1,500.00	$ 2,163.50
Receipts Over (Under) Disbursements	$ (2,025.00)	$ 1,257.57	$ (2,870.00)	$ (1,349.01)	$ (580.00)	$ 345.05	$ (970.00)	$ (793.36)
Cash, January 1	$ 2,239.10	$ 2,239.10	$ 3,588.11	$ 3,588.11	$ 609.24	$ 609.24	$ 1,402.60	$ 1,402.60
Cash, December 31	$ 214.10	$ 3,496.67	$ 718.11	$ 2,239.10	$ 29.24	$ 954.29	$ 432.60	$ 609.24

See Notes to Financial Statements

The County of Schuyler
Lancaster, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Recorder's Fund				Senior Citizen Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ 19,325.00	$ 19,527.29	$ 19,600.24	$ 19,317.61
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	10.00	2.47	10.00	61.18
Charges for Services	800.00	849.00	950.00	823.75	-	-	-	-
Interest	-	-	-	-	500.00	356.79	360.00	186.94
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	$ 800.00	$ 849.00	$ 950.00	$ 823.75	$ 19,835.00	$ 19,886.55	$ 19,970.24	$ 19,565.73
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,100.00	10.00	2,750.00	2,508.72	18,600.00	18,520.00	18,600.00	18,510.00
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 1,100.00	$ 10.00	$ 2,750.00	$ 2,508.72	$ 18,600.00	$ 18,520.00	$ 18,600.00	$ 18,510.00
Receipts Over (Under) Disbursements	$ (300.00)	$ 839.00	$ (1,800.00)	$ (1,684.97)	$ 1,235.00	$ 1,366.55	$ 1,370.24	$ 1,055.73
Cash, January 1	$ 363.38	$ 363.38	$ 2,048.35	$ 2,048.35	$ 8,289.01	$ 8,289.01	$ 7,233.28	$ 7,233.28
Cash, December 31	$ 63.38	$ 1,202.38	$ 248.35	$ 363.38	$ 9,524.01	$ 9,655.56	$ 8,603.52	$ 8,289.01

See Notes to Financial Statements

The County of Schuyler
Lancaster, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Domestic Violence Fund				Collector's Tax Maintenance Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	150.00	110.00	200.00	141.49	4,500.00	4,890.63	4,500.00	4,412.93
Interest	-	-	-	-	200.00	285.64	300.00	196.66
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	$ 150.00	$ 110.00	$ 200.00	$ 141.49	$ 4,700.00	$ 5,176.27	$ 4,800.00	$ 4,609.59
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ 1,700.00	$ 1,614.75	$ 1,500.00	$ 1,614.75
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,000.00	-	1,000.00	-	8,550.00	2,256.99	9,786.60	2,289.07
Capital Outlay	-	-	-	-	2,500.00	-	2,500.00	1,906.99
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 1,000.00	$ -	$ 1,000.00	$ -	$ 12,750.00	$ 3,871.74	$ 13,786.60	$ 5,810.81
Receipts Over (Under) Disbursements	$ (850.00)	$ 110.00	$ (800.00)	$ 141.49	$ (8,050.00)	$ 1,304.53	$ (8,986.60)	$ (1,201.22)
Cash, January 1	$ 1,636.00	$ 1,636.00	$ 1,494.51	$ 1,494.51	$ 8,085.38	$ 8,085.38	$ 9,286.60	$ 9,286.60
Cash, December 31	$ 786.00	$ 1,746.00	$ 694.51	$ 1,636.00	$ 35.38	$ 9,389.91	$ 300.00	$ 8,085.38

See Notes to Financial Statements

The County of Schuyler
Lancaster, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Sheriff Revolving Fund				Sheriff Salary Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	500.00	1,930.00	500.00	484.00	1,900.00	1,811.00	1,812.00	1,742.53
Interest	40.00	89.84	50.00	38.24	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	$ 540.00	$ 2,019.84	$ 550.00	$ 522.24	$ 1,900.00	$ 1,811.00	$ 1,812.00	$ 1,742.53
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ 2,130.00	$ 1,831.00	$ 2,416.47	$ 2,117.00
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	2,500.00	328.73	2,000.00	355.63	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 2,500.00	$ 328.73	$ 2,000.00	$ 355.63	$ 2,130.00	$ 1,831.00	$ 2,416.47	$ 2,117.00
Receipts Over (Under) Disbursements	$ (1,960.00)	$ 1,691.11	$ (1,450.00)	$ 166.61	$ (230.00)	$ (20.00)	$ (604.47)	$ (374.47)
Cash, January 1	$ 2,356.30	$ 2,356.30	$ 2,189.69	$ 2,189.69	$ 230.00	$ 230.00	$ 604.47	$ 604.47
Cash, December 31	$ 396.30	$ 4,047.41	$ 739.69	$ 2,356.30	$ -	$ 210.00	$ -	$ 230.00

See Notes to Financial Statements

The County of Schuyler
Lancaster, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
Years Ended December 31, 2010 and 2009

	Homeless Prevention & Rapid Housing Fund				Sheriff Grant Fund			
	2010		2009		2010		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	18,352.50	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	2,839.49	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	$ -	$ 18,352.50	$ -	$ -	$ -	$ 2,839.49	$ -	$ -
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	15,261.25	-	-	-	798.00	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ -	$ 15,261.25	$ -	$ -	$ -	$ 798.00	$ -	$ -
Receipts Over (Under) Disbursements	$ -	$ 3,091.25	$ -	$ -	$ -	$ 2,041.49	$ -	$ -
Cash, January 1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cash, December 31	$ -	$ 3,091.25	$ -	$ -	$ -	$ 2,041.49	$ -	$ -

See Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies

Organized in 1845, the county of Schuyler was named after Phillip Schuyler, a Revolutionary War general. Schuyler County is a county-organized, third-class county and is part of the First Judicial Circuit. The county seat is Lancaster. Schuyler County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, an ex officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Schuyler County, Missouri.

Schuyler County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Schuyler County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered by the Missouri State Auditor's Office to comprise Schuyler County's legal entity.

Certain elected County officials, such as the County Collector, Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Schuyler County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under control of the County Commission or an elected county official. The General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonable determinable, are presumed to be material.

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and certain assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If Schuyler County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Schuyler County adopts a budget for each governmental fund.

On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures. During our audit we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The PA Training Fund, User's Fees Fund, Bad Check Fund, County Clerk 5% Election Fund, Law Library Fund, Associate Court Interest Fund, Homeless Prevention & Rapid Housing Fund, and the Sheriff Grant Fund all had expenses exceeding their budget.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the Schuyler County's boundaries for the calendar year 2010 and 2009, for the purposes of taxation was:

	2010	2009
Real Estate	$ 23,434,920	$ 22,800,770
Personal Property	11,031,558	10,953,366
Railroad and Utilities	5,164,254	5,156,955
	$ 39,630,732	$ 38,911,091

The tax levy per $100 of the assessed valuation of tangible taxable property for the calendar years 2010 and 2009 for the purpose of County taxation was as follows:

	2010	2009
General Revenue Fund	$ 0.3225	$ 0.3176
Special Road & Bridge Fund	0.2600	0.2600
Common Road & Bridge Fund	0.4765	0.4765

The County also receives sales tax collected by the State and remitted based on the County’s sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Schuyler County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions (continued)

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Schuyler County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents."

Deposits - Missouri statues require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amount of Schuyler County's deposits was $721,300.24 and $654,358.51, and the bank balance was $739,307.26 and $671,316.75, respectively. At December 31, 2010 & 2009, 100% of Schuyler County's deposits and investments were covered by the Federal Deposit Insurance Company (FDIC) or were collateralized.

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2010, as follows:

Deposits	$ 378,409.60
Investments	341,007.55
Restricted Cash	-
Total Deposits & Investments as of December 31, 2010	$ 719,417.15

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2009, as follows:

Deposits	$ 316,487.17
Investments	336,098.82
Restricted Cash	-
Total Deposits & Investments as of December 31, 2009	$ 652,585.99

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Schuyler County's investment policy does not include custodial credit risk requirements. Schuyler County's deposits were not exposed to custodial credit risk for the years ended December 31, 2010, and 2009.

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Schuyler County or its agent but not in the government's name. Schuyler County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the Schuyler County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Schuyler County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by Schuyler County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Schuyler County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. Schuyler County's deposits were not exposed to concentration of investment credit risk for the years ended in December 31, 2010 and 2009.

Note 3 - Interfund Transfers

Transfers between funds for the years ended December 31, 2010 and 2009 are as follows:

	2010		2009	
Major Funds:	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	$ 33,461.15	$ 118,035.25	$ 35,190.94	$ 144,650.90
Road & Bridge	-	33,461.15	37,621.59	35,190.94
Law Sales	118,035.25	-	107,029.31	-
Total	$ 151,496.40	$ 151,496.40	$ 179,841.84	$ 179,841.84

Note 4 - County Employees Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

Note 4 - County Employees Retirement Fund (CERF) (continued)

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Section 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar amount, targeted replacement ratio formula, and the prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death. Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for the police department, all other departments in the county the age is sixty. Any member with less than eight years creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employee's Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P. O. Box 2271, Jefferson City, MO, 65102-2271, or by calling 1-573-632-9203.

Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2010 and 2009, the County collected and remitted to CERF employee contributions of approximately $36,092.83 and $33,619.17, respectively, for the years then ended.

Note 5 - Prosecuting Attorney Retirement Fund

In accordance with state statue Chapter 56.807 RSMo, Schuyler County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The Schuyler County has contributed $2244 and $2244, respectively, for the years ended December 31, 2010 and 2009.

Note 6 - Post-Employment Benefits

Schuyler County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by County.

Note 7 - Claims, Commitments and Contingencies

Litigation

Schuyler County is not involved in any pending litigations as of December 31, 2010.

Compensated Absences

The County provides employees with up to two weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation and overtime, if applicable. This has not been subjected to auditing procedures.

Note 8 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member of the Missouri Association of Counties Self-Injured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and its reinsured up to the statutory limit through excess insurance.

The County of Schuyler
Lancaster, Missouri
Schedule of State Findings
December 31, 2010 & 2009

Schedule of State Findings

During our audit we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The PA Training Fund, User's Fees Fund, Bad Check Fund, County Clerk 5% Election Fund, Law Library Fund, Associate Court Interest Fund, Homeless Prevention & Rapid Housing Fund, and the Sheriff Grant Fund all had expenses exceeding their budget.

Nichols Stopp & VanHoy LLC
Certified Public Accountants

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Schuyler County, Missouri

We have audited the accompanying financial statements of Schuyler County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated July 8, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Schuyler County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Schuyler County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Schuyler County, Missouri's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Responses that we consider to be significant deficiencies in internal control over financial reporting: FS 10/09-1, FS 10/09-2, and FS 10/09-3. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Schuyler County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Responses FS 10/09-4.

Schuyler County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Schuyler County, Missouri's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, County Commission, County Officeholders, others within the entity, and the Missouri State Auditor's Office, and is not intended to be and should not be used by anyone other than these specified parties.

Nichols, Stopp, & VanHoy, LLC

Creve Coeur, Missouri
July 8, 2011

The County of Schuyler
Lancaster, Missouri
Schedule of Findings and Responses
December 31, 2010 & 2009

Section 1 - Financial Statement Findings

FS 10/09-01 Condition: During the current year, it was necessary for the auditors of the County to assist with the preparation of the external financial statements and the notes to financial statements.

Effect: If the management of the County does not have the ability to prepare the external financial statements and the notes to the financial statements without the assistance of the auditors, management may be unable to review and take responsibility of the financial statement and notes.

Cause: Management of the County does not possess the technical accounting skills to prepare the external financial statements without the assistance of the auditors.

Recommendation: We recommend the County either provide training to current management, hire additional staff who possess the accounting skills needed to prepare and review the external financial statements, or contract with an outside accountant to prepare and review the external financial statements.

Management's Response: Schuyler County will take the recommendation under advisement, and try to remedy this finding as funds become available.

FS 10/09-02 Condition: Documentation of the County's internal controls has not been prepared.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal control.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: Schuyler County will take the recommendation under advisement.

FS 10/09-03 Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate audit risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: Schuyler County will take the recommendation under advisement.

FS 10/09-04 Condition: During our audit, we noted several funds with actual expenditures that exceeded the budgeted expenditures.

Effect: Missouri Statutes requires Counties to prepare an annual budget and expenditures are not to exceed the budget. Due to exceeding budget in certain funds the County is in violation of Missouri Revised Statutes.

Cause: Oversight

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The County Clerk as budget officer will track budgets and amend them as necessary.

Section 2 - Follow-Up Prior Year Findings

There are no prior audit findings that Government Auditing Standards requires to have follow up action taken by Schuyler County, Missouri for the years ended December 31, 2008 and 2007.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Texas County, Missouri

The Office of the State Auditor, in cooperation with Texas County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-61

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THE COUNTY OF TEXAS
HOUSTON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2010 & 2009

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
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FINANCIAL SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Texas, Missouri

We have audited the accompanying financial statements of the County of Texas ("County"), Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note I, these financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County of Texas, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of the County of Texas, Missouri, as of December 31, 2010 and 2009, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note I.

As described in Note XI, the County of Texas has converted from a modified cash (GASB 34) basis of accounting to the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2010 and December 31, 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

August 18, 2011

FINANCIAL STATEMENTS

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2010

FUND	CASH AND INVESTMENTS JANUARY 1, 2010	RECEIPTS 2010	DISBURSEMENTS 2010	CASH AND INVESTMENTS DECEMBER 31, 2010
General Revenue Fund	$ 242,502.91	$ 3,155,913.11	$ 3,093,174.66	$ 305,241.36
Special Road & Bridge Fund	84,990.00	914,566.49	908,874.75	90,681.74
Assessment Fund	43,211.86	173,260.12	192,923.97	23,548.01
Election Services Fund	3,555.23	10,662.32	14,067.75	149.80
Law Enforcement Training Fund	3,579.36	8,693.47	6,064.61	6,208.22
Prosecutor's Training Fund	215.86	1,476.42	1,231.81	460.47
Emergency Management Fund	74.37	3.30	-	77.67
Law Enforcement Operation Fund	61,377.64	19,754.49	19,405.27	61,726.86
Wri-Tex 911 Operations Fund	240,183.16	374,495.38	415,940.37	198,738.17
Wri-Tex 911 Depreciation Fund	45,612.53	1,154.59	23,972.06	22,795.06
Recorder User Fee Fund	42,110.52	15,147.13	15,363.70	41,893.95
Prosecutor's Bad Check Fund	10,474.08	16,510.70	20,967.34	6,017.44
L.E.P.C. Fund	14,121.39	3,335.10	2,099.77	15,356.72
Defense Deductible Fund	66.29	3,365.97	-	3,432.26
Concealed Firearms Permit Fund	24,317.09	9,200.93	16,520.02	16,998.00
Jury Script Fund	-	11,713.59	11,713.59	-
Domestic Violence Victim Fund	10,805.01	26,851.42	26,109.05	11,547.38
Texas County Museum Operation Fund	11,093.80	554.64	216.00	11,432.44
Museum Endowment Fund	755.18	30.83	65.97	720.04
Bridge Replacement Fund	17,993.68	91,211.64	44,940.79	64,264.53
Law Enforcement Restitution Fund	22,081.68	29,085.01	21,961.11	29,205.58
Prosecutor's Delinquent Tax Fund	435.95	846.87	-	1,282.82
Law Enforcement Memorial Fund	583.00	19.26	602.26	-
Special Sales Tax Fund	2,303,843.55	1,027,687.15	1,355,483.28	1,976,047.42
Capital Improvement Bond Fund	34,536.45	1,101,790.21	1,044,798.59	91,528.07
Emergency Management Conference Fund	1,108.96	49.14	-	1,158.10
Capital Improvement Project Fund	-	226,985.25	226,985.25	-
Inmate Security Fund	10,240.99	6,374.76	74.00	16,541.75
Deputy Sheriff Salary Fund	-	7,728.93	7,728.93	-
Special Election Fund	-	97,698.72	97,698.72	-
Transfer Funds	94,318.55	565,207.66	531,285.05	128,241.16
Collector's Tax Maintenance Fund	27,199.56	23,502.15	30,931.60	19,770.11
Garner Covert Memorial Fund	3,299.12	623.80	900.00	3,022.92
SB 40 Fund	99,766.27	189,725.59	175,191.24	114,300.62
F.B.O.M. Certificate Payment Fund	2.41	1,044,797.64	1,044,798.59	1.46
F.B.O.M. Reserve Fund	1,499,578.12	33,571.02	33,649.14	1,499,500.00
F.B.O.M. Project Fund	239,305.79	33,431.51	217,072.37	55,664.93
TOTAL	$ 5,193,340.36	$ 9,227,026.31	$ 9,602,811.61	$ 4,817,555.06

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

FUND	CASH AND INVESTMENTS JANUARY 1, 2009	RECEIPTS 2009	DISBURSEMENTS 2009	CASH AND INVESTMENTS DECEMBER 31, 2009
General Revenue Fund	$ 244,276.15	$ 2,794,308.90	$ 2,796,082.14	$ 242,502.91
Special Road & Bridge Fund	78,970.63	877,592.21	871,572.84	84,990.00
Assessment Fund	8,578.79	232,217.69	197,584.62	43,211.86
Election Services Fund	10,285.46	12,857.95	19,588.18	3,555.23
Law Enforcement Training Fund	1,646.29	8,289.37	6,356.30	3,579.36
Prosecutor's Training Fund	0.67	2,827.67	2,612.48	215.86
Emergency Management Fund	21.28	53.09	-	74.37
Law Enforcement Operation Fund	52,673.81	18,574.54	9,870.71	61,377.64
Wri-Tex 911 Operations Fund	279,924.56	356,085.96	395,827.36	240,183.16
Wri-Tex 911 Depreciation Fund	47,198.62	20,232.68	21,818.77	45,612.53
Recorder User Fee Fund	36,281.91	16,904.86	11,076.25	42,110.52
Prosecutor's Bad Check Fund	-	32,313.64	21,839.56	10,474.08
L.E.P.C. Fund	16,959.35	5,287.34	8,125.30	14,121.39
Defense Deductible Fund	26,294.83	74,643.60	100,872.14	66.29
Concealed Firearms Permit Fund	13,073.60	11,301.11	57.62	24,317.09
Jury Script Fund	-	10,242.80	10,242.80	-
Domestic Violence Victim Fund	9,146.53	26,902.57	25,244.09	10,805.01
Texas County Museum Operation Fund	12,874.57	9,183.18	10,963.95	11,093.80
Museum Endowment Fund	723.76	31.42	-	755.18
Bridge Replacement Fund	87,814.82	3,769.26	73,590.40	17,993.68
Law Enforcement Restitution Fund	15,279.97	21,235.81	14,434.10	22,081.68
Prosecutor's Delinquent Tax Fund	391.64	134.11	89.80	435.95
Law Enforcement Memorial Fund	558.74	24.26	-	583.00
Special Sales Tax Fund	2,019,697.87	1,014,144.41	729,998.73	2,303,843.55
Capital Improvement Bond Fund	112,338.20	982,933.19	1,060,734.94	34,536.45
Emergency Management Conference Fund	956.43	293.01	140.48	1,108.96
Capital Improvement Project Fund	-	1,134,211.92	1,134,211.92	-
Inmate Security Fund	7,057.45	6,037.26	2,853.72	10,240.99
Deputy Sheriff Salary Fund	381.17	7,229.63	7,610.80	-
Special Election Fund	693.00	66,682.02	67,375.02	-
Transfer Funds	113,826.59	544,381.69	563,889.73	94,318.55
Collector's Tax Maintenance Fund	23,242.65	21,730.61	17,773.70	27,199.56
Garner Covert Memorial Fund	3,910.23	763.89	1,375.00	3,299.12
SB 40 Fund	61,058.08	208,334.07	169,625.88	99,766.27
F.B.O.M. Certificate Payment Fund	3,238.59	1,011,741.36	1,014,977.54	2.41
F.B.O.M. Reserve Fund	1,499,340.00	19,759.47	19,521.35	1,499,578.12
F.B.O.M. Project Fund	1,352,600.46	20,916.79	1,134,211.46	239,305.79
TOTAL	$ 6,141,316.70	$ 9,574,173.34	$ 10,522,149.68	$ 5,193,340.36

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	GENERAL REVENUE FUND			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 4,000.00	$ 4,619.80	$ 5,200.00	$ 4,672.48
Sales Taxes	893,000.00	931,215.87	935,000.00	919,755.72
Intergovernmental	427,735.00	366,933.66	305,280.00	430,908.07
Charges for Services	427,000.00	441,608.57	413,300.00	439,557.17
Interest	10,000.00	15,960.06	10,000.00	16,655.72
Other	59,000.00	1,302,919.34	65,544.92	836,649.93
Transfers In	1,441,003.00	92,655.81	1,093,676.35	146,109.81
TOTAL RECEIPTS	3,261,738.00	3,155,913.11	2,828,001.27	2,794,308.90
DISBURSEMENTS				
County Commission	87,400.00	87,195.00	87,400.00	86,128.92
County Clerk	144,646.00	138,929.56	144,655.00	136,498.21
Elections	114,000.00	96,961.63	35,000.00	19,966.57
Buildings and Grounds	89,200.00	54,757.72	99,040.00	75,977.26
Employee Fringe Benefits	634,800.00	529,873.11	566,372.00	452,710.42
County Treasurer	117,240.00	107,949.82	117,240.00	112,300.28
Collector	-	-	-	-
Recorder of Deeds	44,860.00	43,848.90	44,860.00	44,201.69
Circuit Clerk	13,425.00	12,843.68	6,725.00	6,293.81
Associate Circuit Court	-	11,713.59	6,700.00	6,140.42
Court Administration	380,000.00	346,464.12	78,216.00	317,198.34
Public Administrator	42,800.00	42,760.67	42,800.00	42,787.66
Sheriff	287,790.00	272,283.47	300,318.00	282,017.78
Jail	769,343.00	692,665.93	955,005.00	639,194.65
Prosecuting Attorney	205,626.00	203,054.75	196,606.00	196,535.67
Juvenile Officer	68,020.00	65,000.04	64,923.05	61,920.00
Coroner	22,200.00	25,377.65	22,200.00	22,471.30
Other	332,750.00	284,750.10	160,700.00	191,323.51
Health and Welfare	-	-	-	-
Transfers Out	15,000.00	26,744.92	52,000.00	82,341.01
Emergency Fund	80,000.00	50,000.00	85,000.00	20,074.64
TOTAL DISBURSEMENTS	3,449,100.00	3,093,174.66	3,065,760.05	2,796,082.14
RECEIPTS OVER (UNDER) DISBURSEMENTS	(187,362.00)	62,738.45	(237,758.78)	(1,773.24)
CASH AND INVESTMENT BALANCES, JANUARY 1	242,502.91	242,502.91	244,276.15	244,276.15
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 55,140.91	$ 305,241.36	$ 6,517.37	$ 242,502.91

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	SPECIAL ROAD & BRIDGE FUND			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 888,552.00	$ -	$ -	$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	912,704.95	928,000.00	874,074.91
Charges for Services	200.00	-	200.00	-
Interest	4,000.00	1,861.54	4,000.00	3,517.30
Other	-	-	100.00	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	892,752.00	914,566.49	932,300.00	877,592.21
DISBURSEMENTS				
Salaries	14,500.00	14,554.28	12,935.00	14,554.28
Employee Fringe Benefits	2,050.00	782.10	1,950.00	782.56
Supplies	7,350.00	29.75	7,350.00	80.43
Insurance	2,000.00	2,000.00	2,000.00	1,500.00
Road & Bridge Materials	6,000.00	3,535.01	6,000.00	3,323.54
Equipment Repairs	-	-	-	-
Equipment Purchases	-	-	-	-
R&B Construction	-	-	-	-
Other Expenditures	804,766.13	835,000.07	881,600.00	807,810.65
Debt Service	-	-	50,338.00	-
Transfers Out	51,885.87	52,973.54	-	43,521.38
TOTAL DISBURSEMENTS	888,552.00	908,874.75	962,173.00	871,572.84
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,200.00	5,691.74	(29,873.00)	6,019.37
CASH AND INVESTMENT BALANCES, JANUARY 1	84,990.00	84,990.00	78,970.63	78,970.63
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 89,190.00	$ 90,681.74	$ 49,097.63	$ 84,990.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
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BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	ASSESSMENT FUND				ELECTION SERVICES FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 194,500.00	$ 163,222.13	$ 205,476.00	$ 222,078.97	$ 25,904.00	$ 5,545.08	$ 3,550.00	$ 8,082.14
Charges for Services	-	-	-	-	4,900.00	4,250.26	2,700.00	4,183.81
Interest	3,300.00	3,311.84	2,000.00	3,243.69	100.00	151.98	500.00	592.00
Other	7,000.00	6,726.15	7,500.00	6,895.03	-	715.00	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	204,800.00	173,260.12	214,976.00	232,217.69	30,904.00	10,662.32	6,750.00	12,857.95
DISBURSEMENTS								
Assesor	241,140.00	192,923.97	223,510.00	197,584.62	-	-	-	-
HAVA- Compliance	-	-	-	-	4,112.00	2,996.09	-	4,532.14
HAVA- Compliance- Cont.	-	-	-	-	21,792.00	3,501.99	-	-
Election Operations	-	-	-	-	8,500.00	7,569.67	17,000.00	15,056.04
TOTAL DISBURSEMENTS	241,140.00	192,923.97	223,510.00	197,584.62	34,404.00	14,067.75	17,000.00	19,588.18
RECEIPTS OVER (UNDER) DISBURSEMENTS	(36,340.00)	(19,663.85)	(8,534.00)	34,633.07	(3,500.00)	(3,405.43)	(10,250.00)	(6,730.23)
CASH AND INVESTMENT BALANCES, JANUARY 1	43,211.86	43,211.86	8,578.79	8,578.79	3,555.23	3,555.23	10,285.46	10,285.46
BALANCES, DECEMBER 31	$ 6,871.86	$ 23,548.01	$ 44.79	$ 43,211.86	$ 55.23	$ 149.80	$ 35.46	$ 3,555.23

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THE COUNTY OF TEXAS
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	LAW ENFORCEMENT TRAINING FUND				PROSECUTOR'S TRAINING FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 2,500.00	$ 2,649.84	$ -	$ 2,459.22	$ -	$ 1,460.37	$ -	$ -
Charges for Services	6,000.00	5,831.50	6,000.00	5,728.00	1,440.00	-	1,300.00	1,434.01
Interest	100.00	212.13	200.00	102.15	10.00	16.05	50.00	4.96
Other	-	-	-	-	-	-	-	1,388.70
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,600.00	8,693.47	6,200.00	8,289.37	1,450.00	1,476.42	1,350.00	2,827.67
DISBURSEMENTS								
Public Safety	11,600.00	6,064.61	7,600.00	6,356.30	1,665.00	1,231.81	1,350.00	2,612.48
TOTAL DISBURSEMENTS	11,600.00	6,064.61	7,600.00	6,356.30	1,665.00	1,231.81	1,350.00	2,612.48
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,000.00)	2,628.86	(1,400.00)	1,933.07	(215.00)	244.61	-	215.19
CASH AND INVESTMENT BALANCES, JANUARY 1	3,579.36	3,579.36	1,646.29	1,646.29	215.86	215.86	0.67	0.67
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 579.36	$ 6,208.22	$ 246.29	$ 3,579.36	$ 0.86	$ 460.47	$ 0.67	$ 215.86

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THE COUNTY OF TEXAS
HOUSTON, MISSOURI
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YEARS ENDED DECEMBER 31, 2010 AND 2009

	EMERGENCY MANAGEMENT FUND				LAW ENFORCEMENT OPERATION FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	-	17,000.00	17,034.50	18,000.00	15,874.00
Interest	2.00	3.30	50.00	3.09	2,000.00	2,629.99	2,000.00	2,408.04
Other	100.00	-	8,500.00	50.00	1,000.00	90.00	-	292.50
Transfers In	-	-	-	-	-	-	1,200.00	-
TOTAL RECEIPTS	102.00	3.30	8,550.00	53.09	20,000.00	19,754.49	21,200.00	18,574.54
DISBURSEMENTS								
Emergency Management Expenses	175.00	-	8,570.00	-	-	-	-	-
Federal Forfeitures	-	-	-	-	5,825.91	-	11,512.91	8,095.04
Fundraiser	-	-	-	-	12,300.00	482.38	12,500.00	218.99
Special Civil Sheriff Fee Expense	-	-	-	-	60,100.00	18,922.89	49,500.00	1,556.68
TOTAL DISBURSEMENTS	175.00	-	8,570.00	-	78,225.91	19,405.27	73,512.91	9,870.71
RECEIPTS OVER (UNDER) DISBURSEMENTS	(73.00)	3.30	(20.00)	53.09	(58,225.91)	349.22	(52,312.91)	8,703.83
CASH AND INVESTMENT BALANCES, JANUARY 1	74.37	74.37	21.28	21.28	61,377.64	61,377.64	52,673.81	52,673.81
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 1.37	$ 77.67	$ 1.28	$ 74.37	$ 3,151.73	$ 61,726.86	$ 360.90	$61,377.64

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THE COUNTY OF TEXAS
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COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	TEXAS COUNTY MUSEUM FUND				WRI - TEX 911 OPERATIONS FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ 363,979.13	$ -	$ -
Charges for Services	565.97	65.97	134.55	8,646.00	344,000.00	-	343,000.00	344,242.53
Interest	500.00	488.67	650.00	-	8,500.00	10,314.98	14,000.00	11,670.01
Other	565.97	65.97	134.55	9,183.18	500.00	201.27	5,500.00	173.42
TOTAL RECEIPTS	1,065.97	554.64	784.55	9,183.18	353,000.00	374,495.38	362,500.00	356,085.96
DISBURSEMENTS								
Salaries	-	-	-	-	236,842.00	213,009.77	227,812.00	212,501.39
Fringe Benefits	-	-	-	-	95,620.00	84,466.52	83,900.00	76,780.17
Mileage & Training	-	-	-	-	6,000.00	4,322.49	10,000.00	3,322.64
Office Expense	-	-	-	-	14,000.00	16,912.46	16,000.00	10,854.44
Administrative Fee	-	-	-	-	20,000.00	20,393.22	20,000.00	20,247.42
Operations Expense	-	-	-	-	9,000.00	6,229.65	8,000.00	5,187.96
Legal	-	-	-	-	2,000.00	516.00	2,000.00	-
Depreciation	-	-	-	-	10,000.00	70,090.26	10,000.00	-
Phone	-	-	-	-	70,000.00	-	75,000.00	66,933.34
Museum Operations	12,151.05	216.00	13,615.00	10,963.95	-	-	-	-
TOTAL DISBURSEMENTS	12,151.05	216.00	13,615.00	10,963.95	463,462.00	415,940.37	452,712.00	395,827.36
RECEIPTS OVER (UNDER) DISBURSEMENTS	(11,085.08)	338.64	(12,830.45)	(1,780.77)	(110,462.00)	(41,444.99)	(90,212.00)	(39,741.40)
CASH AND INVESTMENT BALANCES, JANUARY 1	11,093.80	11,093.80	12,874.57	12,874.57	240,183.16	240,183.16	279,924.56	279,924.56
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 8.72	$ 11,432.44	$ 44.12	$ 11,093.80	$ 129,721.16	$ 198,738.17	$ 189,712.56	$ 240,183.16

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
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BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	WRI - TEX 911 DEPRECIATION FUND				RECORDER USER FEE FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	-	18,500.00	13,249.25	15,000.00	15,158.75
Interest	1,000.00	1,154.59	3,300.00	2,732.68	1,000.00	1,897.88	1,500.00	1,746.11
Other	-	-	18,000.00	17,500.00	-	-	-	-
Transfers In	10,000.00	-	10,000.00	-	-	-	-	-
TOTAL RECEIPTS	11,000.00	1,154.59	31,300.00	20,232.68	19,500.00	15,147.13	16,500.00	16,904.86
DISBURSEMENTS								
Expenses	56,000.00	23,972.06	70,000.00	21,818.77	-	-	-	-
Recorder's Expense	-	-	-	-	52,500.00	15,363.70	52,500.00	11,076.25
TOTAL DISBURSEMENTS	56,000.00	23,972.06	70,000.00	21,818.77	52,500.00	15,363.70	52,500.00	11,076.25
RECEIPTS OVER (UNDER) DISBURSEMENTS	(45,000.00)	(22,817.47)	(38,700.00)	(1,586.09)	(33,000.00)	(216.57)	(36,000.00)	5,828.61
CASH AND INVESTMENT BALANCES, JANUARY 1	45,612.53	45,612.53	47,198.62	47,198.62	42,110.52	42,110.52	36,281.91	36,281.91
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 612.53	$ 22,795.06	$ 8,498.62	$ 45,612.53	$ 9,110.52	$ 41,893.95	$ 281.91	$ 42,110.52

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THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
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	PROSECUTOR'S BAD CHECK FUND				L.E.P.C. FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,700.00	$ -
Charges for Services	20,000.00	15,798.35	30,000.00	19,787.65	4,700.00	2,718.94	-	4,653.80
Interest	100.00	712.35	200.00	78.35	300.00	616.16	-	633.54
Other	-	-	-	12,447.64	-	-	400.00	-
TOTAL RECEIPTS	20,100.00	16,510.70	30,200.00	32,313.64	5,000.00	3,335.10	4,100.00	5,287.34
DISBURSEMENTS								
Office Operations	-	-	3,500.00	4,883.31	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Witness- Contract Labor	-	-	655.00	10,171.29	-	-	-	-
Other	21,000.00	20,967.34	26,044.92	6,784.96	-	-	-	-
LEPC Expenses	-	-	-	-	18,700.00	2,099.77	20,659.35	8,125.30
TOTAL DISBURSEMENTS	21,000.00	20,967.34	30,199.92	21,839.56	18,700.00	2,099.77	20,659.35	8,125.30
RECEIPTS OVER (UNDER) DISBURSEMENTS	(900.00)	(4,456.64)	0.08	10,474.08	(13,700.00)	1,235.33	(16,559.35)	(2,837.96)
CASH AND INVESTMENT BALANCES, JANUARY 1	10,474.08	10,474.08	-	-	14,121.39	14,121.39	16,959.35	16,959.35
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 9,574.08	$ 6,017.44	$ 0.08	$ 10,474.08	$ 421.39	$ 15,356.72	$ 400.00	$ 14,121.39

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	DEFENSE DEDUCTIBLE FUND				CONCEALED FIREARMS PERMIT FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	10.00	50.97	2,000.00	568.96	500.00	810.13	300.00	851.11
Other	-	3,315.00	40,000.00	40,733.63	11,000.00	8,390.80	5,600.00	10,450.00
Transfers In	-	-	-	33,341.01	-	-	-	-
TOTAL RECEIPTS	10.00	3,365.97	42,000.00	74,643.60	11,500.00	9,200.93	5,900.00	11,301.11
DISBURSEMENTS								
Expenses	-	-	68,000.00	100,872.14	-	-	-	-
Miscellaneous Expense	-	-	-	-	30,000.00	16,520.02	18,000.00	57.62
Fringe Benefits	-	-	-	-	-	-	-	-
Equip/Auto Expense	-	-	-	-	-	-	-	-
Other - Sheriff	-	-	-	-	-	-	-	-
Other - Jail	-	-	-	-	-	-	-	-
Debt Service / Equip	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	68,000.00	100,872.14	30,000.00	16,520.02	18,000.00	57.62
RECEIPTS OVER (UNDER) DISBURSEMENTS	10.00	3,365.97	(26,000.00)	(26,228.54)	(18,500.00)	(7,319.09)	(12,100.00)	11,243.49
CASH AND INVESTMENT BALANCES, JANUARY 1	66.29	66.29	26,294.83	26,294.83	24,317.09	24,317.09	13,073.60	13,073.60
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 76.29	$ 3,432.26	$ 294.83	$ 66.29	$ 5,817.09	$ 16,998.00	$ 973.60	$ 24,317.09

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	JURY SCRIPT FUND				DOMESTIC VIOLENCE VICTIM FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	12,301.91	18,054.05	12,104.55	18,258.09
Charges for Services	-	-	-	-	8,100.00	8,279.18	7,300.00	8,026.00
Interest	-	-	-	-	500.00	518.19	400.00	618.48
Other	15,000.00	11,713.59	12,000.00	10,242.80	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	15,000.00	11,713.59	12,000.00	10,242.80	20,901.91	26,851.42	19,804.55	26,902.57
DISBURSEMENTS								
Jury Expense	15,000.00	11,713.59	12,000.00	10,242.80	-	-	-	-
Other	-	-	-	-	31,301.91	26,109.05	28,804.55	25,244.09
TOTAL DISBURSEMENTS	15,000.00	11,713.59	12,000.00	10,242.80	31,301.91	26,109.05	28,804.55	25,244.09
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	(10,400.00)	742.37	(9,000.00)	1,658.48
CASH AND INVESTMENT BALANCES, JANUARY 1	-	-	-	-	10,805.01	10,805.01	9,146.53	9,146.53
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ -	$ -	$ -	$ -	$ 405.01	$ 11,547.38	$ 146.53	$ 10,805.01

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	MUSEUM ENDOWMENT FUND				BRIDGE REPLACEMENT FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ 21,408.90	$ -	$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	30.00	-	50.00	31.42	500.00	2,359.65	4,200.00	3,769.26
Other	-	30.83	250.00	-	-	59,987.22	-	-
Transfers In	-	-	-	-	7,455.87	7,455.87	3,938.00	-
TOTAL RECEIPTS	30.00	30.83	300.00	31.42	7,955.87	91,211.64	8,138.00	3,769.26
DISBURSEMENTS								
Expenses	-	-	-	-	25,949.55	44,940.79	95,000.00	73,590.40
Museum Endowment	65.97	65.97	34.37	-	-	-	-	-
TOTAL DISBURSEMENTS	65.97	65.97	34.37	-	25,949.55	44,940.79	95,000.00	73,590.40
RECEIPTS OVER (UNDER) DISBURSEMENTS	(35.97)	(35.14)	265.63	31.42	(17,993.68)	46,270.85	(86,862.00)	(69,821.14)
CASH AND INVESTMENT BALANCES, JANUARY 1	755.18	755.18	723.76	723.76	17,993.68	17,993.68	87,814.82	87,814.82
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 719.21	$ 720.04	$ 989.39	$ 755.18	$ -	$ 64,264.53	$ 952.82	$ 17,993.68

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	LAW ENFORCEMENT RESTITUTION FUND				PROSECUTOR'S DELINQUENT TAX FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for Services	22,000.00	28,066.09	14,000.00	20,608.50	-	811.08	-	120.00
Interest	500.00	1,018.92	700.00	587.08	-	35.79	10.00	14.11
Other	-	-	-	40.23	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	22,500.00	29,085.01	14,700.00	21,235.81	-	846.87	10.00	134.11
DISBURSEMENTS								
Law Enforcement Restitution	22,004.21	21,961.11	15,279.97	14,434.10	-	-	-	-
Prosecuting Attorney Expense	-	-	-	-	435.00	-	400.00	89.80
TOTAL DISBURSEMENTS	22,004.21	21,961.11	15,279.97	14,434.10	435.00	-	400.00	89.80
RECEIPTS OVER (UNDER) DISBURSEMENTS	495.79	7,123.90	(579.97)	6,801.71	(435.00)	846.87	(390.00)	44.31
CASH AND INVESTMENT BALANCES, JANUARY 1	22,081.68	22,081.68	15,279.97	15,279.97	435.95	435.95	391.64	391.64
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 22,577.47	$ 29,205.58	$ 14,700.00	$ 22,081.68	$ 0.95	$ 1,282.82	$ 1.64	$ 435.95

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	LAW ENFORCEMENT MEMORIAL FUND				SPECIAL SALES TAX FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Tax Revenues	$ -	$ -	$ -	$ -	$ 893,000.00	$ 930,301.95	$ 936,000.00	$ 918,911.72
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	10.00	19.26	20.00	24.26	90,000.00	97,385.20	60,000.00	95,232.69
Other	-	-	5,000.00	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	10.00	19.26	5,020.00	24.26	983,000.00	1,027,687.15	996,000.00	1,014,144.41
DISBURSEMENTS								
Memorial Expenses	593.00	602.26	5,500.00	-	-	-	-	-
Special Maintenance Expense	-	-	-	-	1,716,573.00	1,355,483.28	1,247,276.35	729,998.73
TOTAL DISBURSEMENTS	593.00	602.26	5,500.00	-	1,716,573.00	1,355,483.28	1,247,276.35	729,998.73
RECEIPTS OVER (UNDER) DISBURSEMENTS	(583.00)	(583.00)	(480.00)	24.26	(733,573.00)	(327,796.13)	(251,276.35)	284,145.68
CASH AND INVESTMENT BALANCES, JANUARY 1	583.00	583.00	558.74	558.74	2,303,843.55	2,303,843.55	2,019,697.87	2,019,697.87
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ -	$ -	$ 78.74	$ 583.00	$ 1,570,270.55	$ 1,976,047.42	$ 1,768,421.52	$ 2,303,843.55

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	CAPITAL IMPROVEMENT BOND FUND				EMERGENCY MANAGEMENT CONFERENCE FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ 893,000.00	$ 1,089,661.60	$ 936,000.00	$ 918,909.34	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	49,000.00	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	10,000.00	12,128.61	15,000.00	15,023.85	50.00	49.14	50.00	43.01
Other	-	-	-	-	1,200.00	-	1,200.00	250.00
Transfers In	110,000.00	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,013,000.00	1,101,790.21	951,000.00	982,933.19	1,250.00	49.14	1,250.00	293.01
DISBURSEMENTS								
Conference Expenses	-	-	-	-	2,200.00	-	2,200.00	140.48
Bond Repayment	1,044,950.00	1,044,798.59	1,011,950.00	1,011,734.94	-	-	-	-
Capital Improvement Expenses	-		-	49,000.00	-	-	-	-
TOTAL DISBURSEMENTS	1,044,950.00	1,044,798.59	1,011,950.00	1,060,734.94	2,200.00	-	2,200.00	140.48
RECEIPTS OVER (UNDER) DISBURSEMENTS	(31,950.00)	56,991.62	(60,950.00)	(77,801.75)	(950.00)	49.14	(950.00)	152.53
CASH AND INVESTMENT BALANCES, JANUARY 1	34,536.45	34,536.45	112,338.20	112,338.20	1,108.96	1,108.96	956.43	956.43
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 2,586.45	$ 91,528.07	$ 51,388.20	$ 34,536.45	$ 158.96	$ 1,158.10	$ 6.43	$ 1,108.96

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	CAPITAL IMPROVEMENT PROJECT FUND				INMATE SECURITY FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 239,305.33	$ 226,985.25	$ 1,352,600.46	$ 1,134,211.92	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	-	6,100.00	5,788.00	6,000.00	5,646.00
Interest	-	-	-	-	200.00	586.76	200.00	391.26
TOTAL RECEIPTS	239,305.33	226,985.25	1,352,600.46	1,134,211.92	6,300.00	6,374.76	6,200.00	6,037.26
DISBURSEMENTS								
Identification System Expense	-	-	-	-	16,000.00	74.00	13,000.00	2,853.72
Capital Improvement	195,467.08	226,985.25	1,329,682.46	1,134,211.92	-	-	-	-
Intergovernmental	22,918.00	-	22,918.00	-	-	-	-	-
TOTAL DISBURSEMENTS	218,385.08	226,985.25	1,352,600.46	1,134,211.92	16,000.00	74.00	13,000.00	2,853.72
RECEIPTS OVER (UNDER) DISBURSEMENTS	20,920.25	-	-	-	(9,700.00)	6,300.76	(6,800.00)	3,183.54
CASH AND INVESTMENT BALANCES, JANUARY 1	-	-	-	-	10,240.99	10,240.99	7,057.45	7,057.45
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 20,920.25	$ -	$ -	$ -	$ 540.99	$ 16,541.75	$ 257.45	$ 10,240.99

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	DEPUTY SHERIFF SALARY FUND				SPECIAL ELECTION FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	97,698.72	-	66,682.02
Charges for Services	8,000.00	7,725.00	5,100.00	7,126.00	-	-	-	-
Interest	100.00	3.93	-	103.63	-		-	-
Other	-	-	50.00	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,100.00	7,728.93	5,150.00	7,229.63	-	97,698.72	-	66,682.02
DISBURSEMENTS								
Distribution to State Fund	8,100.00	7,728.93	5,531.17	7,610.80	-	-	-	-
Special Election Cost	-	-	-	-	-	97,698.72	693.00	34,034.01
Equipment	-	-	-	-	-	-	-	-
Programs	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	33,341.01
TOTAL DISBURSEMENTS	8,100.00	7,728.93	5,531.17	7,610.80	-	97,698.72	693.00	67,375.02
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	(381.17)	(381.17)	-	-	(693.00)	(693.00)
CASH AND INVESTMENT BALANCES, JANUARY 1	-	-	381.17	381.17	-	-	693.00	693.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	TRANSFER FUNDS				COLLECTOR'S TAX MAINTENANCE FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	565,207.66	-	544,381.69	-	-	-	-
Charges for Services	-	-	-	-	20,000.00	22,277.49	15,000.00	20,261.69
Interest	-	-	-	-	1,000.00	1,194.66	1,000.00	1,468.92
Other	-	-	-	-	1,000.00	30.00	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	565,207.66	-	544,381.69	22,000.00	23,502.15	16,000.00	21,730.61
DISBURSEMENTS								
Distributions	94,318.55	531,285.05	113,826.59	563,889.73	-	-	-	-
Collector's Operations	-	-	-	-	41,000.00	30,931.60	39,000.00	17,773.70
Equipment	-	-	-	-	-	-	-	-
Programs	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	94,318.55	531,285.05	113,826.59	563,889.73	41,000.00	30,931.60	39,000.00	17,773.70
RECEIPTS OVER (UNDER) DISBURSEMENTS	(94,318.55)	33,922.61	(113,826.59)	(19,508.04)	(19,000.00)	(7,429.45)	(23,000.00)	3,956.91
CASH AND INVESTMENT BALANCES, JANUARY 1	94,318.55	94,318.55	113,826.59	113,826.59	27,199.56	27,199.56	23,242.65	23,242.65
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ -	$ 128,241.16	$ -	$ 94,318.55	$ 8,199.56	$ 19,770.11	$ 242.65	$ 27,199.56

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	GARNER COVERT MEMORIAL FUND				SB40 FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$185,000.00	$187,686.95	$168,800.00	$207,067.38
Sales Taxes	-	-	-	-	1,250.00	-	-	1,266.69
Interest	300.00	223.80	600.00	363.89	-	681.85	1,000.00	-
Other	-	400.00	-	400.00	-	1,356.79	200.00	-
TOTAL RECEIPTS	300.00	623.80	600.00	763.89	186,250.00	189,725.59	170,000.00	208,334.07
DISBURSEMENTS								
Distribution Report	3,500.00	900.00	4,500.00	1,375.00	-	-	-	-
Opportunity Sheltered Ind.	-	-	-	-	172,000.00	172,000.00	167,000.00	167,000.00
General Expense	-	-	-	-	3,800.00	3,191.24	3,000.00	2,625.88
TOTAL DISBURSEMENTS	3,500.00	900.00	4,500.00	1,375.00	175,800.00	175,191.24	170,000.00	169,625.88
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,200.00)	(276.20)	(3,900.00)	(611.11)	10,450.00	14,534.35	-	38,708.19
CASH AND INVESTMENT BALANCES, JANUARY 1	3,299.12	3,299.12	3,910.23	3,910.23	99,766.27	99,766.27	61,058.08	61,058.08
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 99.12	$ 3,022.92	$ 10.23	$ 3,299.12	$110,216.27	$114,300.62	$ 61,058.08	$ 99,766.27

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	F.B.O.M. CERTIFICATE OF PAYMENT FUND				F.B.O.M. RESERVE FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	$ 1,044,950.00	$ 1,044,798.59	$ 1,011,950.00	$ 1,011,734.94	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Interest Income		(0.95)	-	6.42	-	33,571.02	60,000.00	19,759.47
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,044,950.00	1,044,797.64	1,011,950.00	1,011,741.36	-	33,571.02	60,000.00	19,759.47
DISBURSEMENTS								
Bond Repayment	1,044,950.00	1,044,798.59	1,011,950.00	1,014,977.54	-	-	-	-
Distribution Expense	-	-	-	-	-	225.66	60,000.00	19,521.35
Transfers Out	-	-	-	-	-	33,423.48	-	-
TOTAL DISBURSEMENTS	1,044,950.00	1,044,798.59	1,011,950.00	1,014,977.54	-	33,649.14	60,000.00	19,521.35
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(0.95)	-	(3,236.18)	-	(78.12)	-	238.12
CASH AND INVESTMENT BALANCES, JANUARY 1	2.41	2.41	3,238.59	3,238.59	1,499,578.12	1,499,578.12	1,499,340.00	1,499,340.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 2.41	$ 1.46	$ 3,238.59	$ 2.41	$ 1,499,578.12	$ 1,499,500.00	$ 1,499,340.00	$ 1,499,578.12

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	F.B.O.M. PROJECT FUND			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Tax	$ -	$ -	$ -	$ -
Sales Tax	-	-	-	-
Interest Income	-	8.03	74,400.00	20,916.79
Transfers In	-	33,423.48	-	-
TOTAL RECEIPTS	-	33,431.51	74,400.00	20,916.79
DISBURSEMENTS				
Arbitrage Taxes	-	-	22,918.00	-
Distribution Expense	239,305.79	217,072.37	1,329,682.46	1,134,211.46
TOTAL DISBURSEMENTS	239,305.79	217,072.37	1,352,600.46	1,134,211.46
RECEIPTS OVER (UNDER) DISBURSEMENTS	(239,305.79)	(183,640.86)	(1,278,200.46)	(1,113,294.67)
CASH AND INVESTMENT BALANCES, JANUARY 1	239,305.79	239,305.79	1,352,600.46	1,352,600.46
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ -	$ 55,664.93	$ 74,400.00	$ 239,305.79

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2010

	2010					
	Collector Funds	**Clerk Funds**	**Recorder of Deeds Funds**	**Sheriff Funds**	**Sheriff Land**	**Prosecuting Attorney Funds**
ASSETS						
Cash and Cash Equivalents	$ 4,525,440.41	$ 0.52	$ 14,379.82	$ 6,297.98	$ 10.33	$ 14,402.56
Investments	-	-	-	-	-	-
Total Assets	4,525,440.41	0.52	14,379.82	6,297.98	10.33	14,402.56
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	4,525,440.41	0.52	14,379.82	6,297.98	10.33	14,402.56
TOTAL LIABILITIES AND FUND BALANCES	$ 4,525,440.41	$ 0.52	$ 14,379.82	$ 6,297.98	$ 10.33	$ 14,402.56

	Hutcheson Cemetary Funds	**Garner Covert Memorial Funds**	**CERF**	**Criminal Costs**	**Unclaimed Fees**	**Total Fiduciary Funds**
ASSETS						
Cash and Cash Equivalents	$ -	$ -	$ -	$ -	$ -	$ 4,560,531.62
Investments	7,318.74	12,000.00	-	-	-	19,318.74
Total Assets	7,318.74	12,000.00	-	-	-	4,579,850.36
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	7,318.74	12,000.00	-	-	-	4,579,850.36
TOTAL LIABILITIES AND FUND BALANCES	$ 7,318.74	$ 12,000.00	$ -	$ -	$ -	$ 4,579,850.36

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2009

	2009					
	Collector Funds	**Clerk Funds**	**Recorder of Deeds Funds**	**Sheriff Funds**	**Sheriff Land**	**Prosecuting Attorney Funds**
ASSETS						
Cash and Cash Equivalents	$ 4,605,335.00	$ 1,653.86	$ 14,357.63	$ 6,922.87	$ 10.33	$ 10,700.72
Investments	-	-	-	-	-	-
Total Assets	4,605,335.00	1,653.86	14,357.63	6,922.87	10.33	10,700.72
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	4,605,335.00	1,653.86	14,357.63	6,922.87	10.33	10,700.72
TOTAL LIABILITIES AND FUND BALANCES	$ 4,605,335.00	$ 1,653.86	$ 14,357.63	$ 6,922.87	$ 10.33	$ 10,700.72

	Huthceson Cemetary Funds	**Garner Covert Memorial Funds**	**CERF**	**Criminal Costs**	**Unclaimed Fees**	**Total Fiduciary Funds**
ASSETS						
Cash and Cash Equivalents	$ -	$ -	$ -	$ -	$ -	$ 4,638,980.41
Investments	7,318.74	12,000.00	-	-	-	19,318.74
Total Assets	7,318.74	12,000.00	-	-	-	4,658,299.15
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES - OVERDRAFT	-	-	-	-	-	-
UNRESERVED FUND BALANCES	7,318.74	12,000.00	-	-	-	4,658,299.15
TOTAL LIABILITIES AND FUND BALANCES	$ 7,318.74	$ 12,000.00	$ -	$ -	$ -	$ 4,658,299.15

The accompanying notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Texas, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1845 by an Act of the Missouri Territory. In addition to the three Commissioners, there are eight elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk and ex officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the county of Texas County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

   Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

   State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2010 and 2009, for purposes of taxation was:

	2010	2009
Real Estate	$ 134,955,740	$ 132,972,960
Personal Property	46,213,159	45,402,880
Railroad and Utilities	8,927,869	9,091,268
	$ 190,096,768	$ 187,467,108

During 2010 and 2009, the County Commission did not approve a tax levy per $100 of assessed valuation of tangible taxable property for the calendar year 2008 and 2007.

F. Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund are readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

II. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash and Equivalents" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amount of the County's deposits was $4,817,555.06 and $5,193,340.36, and the bank balance was $9,472,381.26 and $9,684,946.36, respectively. As of December 31, 2010 and 2009, 100% of the County's investments were guaranteed by the U.S. Government.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2010, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances -		
Deposits	$	4,817,555.06
Investments		-
Total Deposits & Investments as of December 31, 2010	$	4,817,555.06

The carrying values of deposits and investments at December 31, 2009, are as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances -		
Deposits	$	5,193,340.36
Investments		-
Total Deposits & Investments as of December 31, 2009	$	5,193,340.36

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2010 and 2009.

II. CASH AND INVESTMENTS (concluded)

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2010 and 2009.

III. LONG-TERM DEBT

The county has $14,995,000 Texas County, Missouri Certificates of Participation (Texas County Justice Center Project) Series 2006 dated September 1, 2006. Serial certificates of $9,430,000 mature on December 1, 2021, and term certificates of $5,565,000 mature on December 1, 2025. Principal and interest payments are due annually on December 1, with a variable annual interest rate from 4.00% to 4.60%. First Bank is the paying agent of this bond.

SERIES 2006 COP AMORTIZATION FOR 2009

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2010	$ 450,000.00	$ 593,350.00	$ 1,043,350.00
2011	475,000.00	574,225.00	1,049,225.00
2012	525,000.00	555,225.00	1,080,225.00
2013	550,000.00	532,912.50	1,082,912.50
2014	605,000.00	509,537.50	1,114,537.50
2015-2019	3,725,000.00	2,122,425.00	5,847,425.00
2020-2024	4,740,000.00	1,237,562.50	5,977,562.50
2025	2,600,000.00	117,000.00	2,717,000.00
	$ 13,670,000.00	$ 6,242,237.50	$ 19,912,237.50

III. LONG-TERM DEBT (concluded)

Balance – December 31, 2008	$ 14,070,000.00
Additions	-
Payments	(400,000.00)
Balance – December 31, 2009	$ 13,670,000.00

SERIES 2006 COP AMORTIZATION FOR 2010

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2011	$ 475,000.00	$ 574,225.00	$ 1,049,225.00
2012	525,000.00	555,225.00	1,080,225.00
2013	550,000.00	532,912.50	1,082,912.50
2014	605,000.00	509,537.50	1,114,537.50
2015	650,000.00	483,825.00	1,133,825.00
2016-2020	3,950,000.00	1,964,912.50	5,914,912.50
2021-2025	6,465,000.00	1,028,250.00	7,493,250.00
	$ 13,220,000.00	$ 5,648,887.50	$ 18,868,887.50

Balance – December 31, 2009	$ 13,670,000.00
Additions	-
Payments	(450,000.00)
Balance – December 31, 2010	$ 13,220,000.00

IV. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2010 and 2009 are as follows:

	2010		2009	
	Transfers In	Transfers Out	Transfers In	Transfers Out
MAJOR FUNDS				
General Revenue	$ 92,655.81	$ 26,744.92	$ 146,109.81	$ 82,341.01
Special Road and Bridge	-	52,973.54	-	43,521.38
Bridge Replacement	7,455.87	-	-	-
Wri-Tex 911 Operations	-	20,393.22	-	20,247.42
Special Election	-	-	-	33,341.01
F.B.O.M. Project	33,423.48	-	-	-
F.B.O.M. Reserve	-	33,423.48	-	-
Defense & Deductible	-	-	33,341.01	-
TOTAL	$ 133,535.16	$ 133,535.16	$ 179,450.82	$ 179,450.82

IV. INTERFUND TRANSFERS (concluded)

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2010 and 2009, the County collected and remitted to CERF, employee contributions of approximately for $83,555.79 and $81,565.57, respectively, for the years then ended.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Texas County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMO. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly.

The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

Texas County's full time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rates for 2010 are 11.2% (general) and 10.1% (police), for 2009 they are 10.2% (general) and 9.7% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO)

For 2010, the political subdivision's annual pension cost of $162,653 was greater than actual contributions by $7,970, leaving a net pension obligation of that amount at the end of the year. The annual required contribution (ARC) was determined as part of the February 29, 2008 and February 28, 2009 annual actuarial valuations using the entry age actuarial cost method. The actuarial valuation using the entry age actuarial cost method. For 2009, the political subdivision's annual pension cost of $129,238 was equal to the required and actual contributions. The required contribution was determined as part of February 28, 2007 and

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (concluded)

February 29, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5 percent per year, compounded annually, (b) projected salary increases of 4.0 percent per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0 percent to 6.0 percent per year, depending on age, attributable to seniority/merit, (d) pre-retirement mortality based on RP 2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality Table for males projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of 2/29/08 was 15 years for the General division and 15 years for the Police division. The amortization period as of 2/28/09 was 30 years for the General division and 8 years for the Police division.

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
6/30/2008	$ 117,793	100%	$ 0
6/30/2009	121,914	100%	0
6/30/2010	162,653	95.1%	7,970

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/29/2008	$1,820,856	$ 1,732,652	$ (88,204)	105%	$ 1,104,121	0%
2/28/2009	1,574,278	1,820,602	246,324	86%	1,080,455	23%
2/28/2010	1,830,809	2,096,828	266,019	87%	1,446,970	18%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed $31,008 and $0, respectively, for the years ended December 31, 2010 and 2009.

VIII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

IX. CLAIMS, COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in pending litigation at December 31, 2010.

B. Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. Vacation days do not carry forward if they are unused. Upon termination, an employee will not be reimbursed for any unused vacation days. Employees earn one-half day of sick leave per month. The County allows employees to carry forward six days a year and cannot be accrued beyond six days total. An employee will not be reimbursed for unused sick leave. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XI. ACCOUNTING CHANGE

For the years ended December 31, 2010 and December 31, 2009, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements.

The Senate Bill 40 fund is now included as a fund in the financial statements. In previous years, it was audited separately from the County.

XII. SUBSEQUENT EVENTS

There are no subsequent events to report up to the date of the audit report.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

SCHEDULE OF STATE FINDINGS

A. For the year ended December 31, 2009, expenditures exceeded those budgeted for the following: election services fund, prosecutor's training fund, defense deductible fund, capital improvement bond fund, deputy sheriff salary fund, special election fund, transfers funds, and F.B.O.M. certificate of payment fund.

B. For the year ended December 31, 2010, expenditures exceeded those budgeted for the following: special road & bridge fund, bridge replacement fund, law enforcement memorial fund, capital improvement project fund, special election fund, transfer funds, and F.B.O.M. reserve fund.

FEDERAL COMPLIANCE SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Texas, Missouri

We have audited the financial statements of the County of Texas ("County"), Missouri, as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated August 18, 2011. The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting. (FS 09/10-01, FS 09/10-02 and FS 09/10-03) A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated August 18, 2011.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, the Federal awarding agencies and pass-through entities and is not to be and should not be used by anyone other than those specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

August 18, 2011

I. FINANCIAL STATEMENT FINDINGS

FS 09/10-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement.

FS 09/10-02

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

I. FINANCIAL STATEMENT FINDINGS (concluded)

FS 09/10-02 Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls.

FS 09/10-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEARS ENDED DECEMBER 31, 2010 AND 2009

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters in an Audit, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The County was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

Status: It appears no corrective action plan has been implemented. Therefore, this finding has been re-issued in the current year as FS 09/10-01.

FS 07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (concluded)

FS 07/08-02 Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The County was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

Status: It appears no corrective action plan has been implemented. Therefore, this finding has been re-issued in the current year as FS 09/10-02.

FS 07/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

Status: It appears no corrective action plan has been implemented. Therefore, this finding has been re-issued in the current year as FS 09/10-03.

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

To the County Commissioners
Texas County, Missouri

In planning and performing our audit of the financial statements of the County of Texas ("County") as of and for the years ended December 31, 2010 and 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the County's internal control listed below to be significant deficiencies.

Our comments concerning internal control and other significant matters are presented as follows:

I. Deficiencies Considered to be Significant
II. Changes Impacting Governmental Organizations
III. Information Required by Professional Standards

Texas County's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, County Commissioners, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants

August 18, 2011

I. FINANCIAL STATEMENT FINDINGS

FS 09/10-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement.

FS 09/10-02

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

I. FINANCIAL STATEMENT FINDINGS (concluded)

FS 09/10-02 Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls.

FS 09/10-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

a. SAS 115, *Communicating Internal Control Related Matters Identified in an Audit*, is effective for periods ending on or after December 15, 2009 and supersedes SAS No. 112. This standard defines the terms *deficiency in internal control, significant deficiency*, and *material weakness*. It provides guidance on evaluating the severity of deficiencies in internal control identified in an audit of financial statements.

b. SAS 117, *Compliance Audits*, which supersedes SAS No. 74, is effective for compliance audits for periods ending on or after June 15, 2010. This SAS identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits and used in the SAS, and identifies the elements to be included in an auditor's report on a compliance audit. It reflects changes in the compliance audit environment and incorporates the risk assessment standards.

c. SAS 118, *Other Information in Documents Containing Audited Financial Statements*, is effective for audits of financial statements for periods beginning on or after December 15, 2010. This section addresses the auditor's responsibility in relation to other information in documents containing audited financial statements and the auditor's report thereon.

d. SAS 119, *Supplementary Information in Relation to the Financial Statements as a Whole*, is effective for audits of financial statements for periods beginning on or after December 15, 2010. This section addresses the auditor's responsibility when engaged to report on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *OMB Circular A-133*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 18, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. The County adopted the regulatory basis of accounting to report its financial statements for the years ended December 31, 2010 and 2009. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 18, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During the course of our audit, we noted that the Recorder's office account and the Prosecuting Attorney's petty cash account were not reconciled.

Thomas A. Schweich

Missouri State Auditor

PUBLIC SAFETY

Missouri State Water Patrol

September 2011

Report No. 2011-60

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Public Safety, Missouri State Water Patrol

Background	On January 1, 2011, the Missouri State Water Patrol (MSWP) was eliminated, and its powers and duties were transferred to the Water Patrol Division, within the Missouri State Highway Patrol (MSHP). This audit primarily focuses upon the 30 months preceding the transfer.
Missing Funds	The MSWP failed to transfer boater education fees of over $3,000 to the General Revenue Fund, and the money was missing. The audit staff discovered discrepancies between recorded cash receipts and deposit records and requested the MSHP investigate the matter further. In April 2011, a former MSWP clerk was charged with felony stealing. Weaknesses in the MSWP internal controls allowed this theft to go undetected.
Excess Boat Inventory	Twenty-eight boats worth a total of $250,000 remain unused in a warehouse with no clear plans for their future use or disposal. These boats should have been disposed of as surplus property, but we were told a miscommunication prevented them from being prepared/scheduled for surplus .
Fiscal Impact of Merger	Although press releases issued by the Department of Public Safety and the Governor's office indicated the transfer would save the state approximately $3 million, it appears it will actually cost the state an extra $900,000 each year. Although the state will save some money from cutting support staff, not filling vacancies, and terminating a lease, the merger will cost the state nearly $1.8 million more in increased retirement and health care costs each year. Also, the savings estimates claimed the state would save $2.4 million by reassigning water patrol officers, but the state will still have to pay these officers; it will just pay the $2.4 million out of some other state funds.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The Department of Public Safety, Missouri State Water Patrol did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

Missouri State Water Patrol
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
John M. Britt, Director
Department of Public Safety
and
Colonel Ron K. Replogle, Superintendent
Missouri State Highway Patrol
Jefferson City, Missouri

We have audited certain operations of the Department of Public Safety, Missouri State Water Patrol, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the 6 months ended December 31, 2010, and the years ended June 30, 2010, and 2009. The objectives of our audit were to:

1. Evaluate the agency's internal controls over significant management and financial functions.

2. Evaluate the agency's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the agency, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. Because this agency became part of the Missouri State Highway Patrol (MSHP) effective January 1, 2011, this information was obtained from the MSHP's management and was not subjected to the procedures applied in our audit of the agency.

For the areas audited, we identified (1) deficiencies in internal controls, (2) significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Public Safety, Missouri State Water Patrol.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Gregory A. Slinkard, CPA, CIA
In-Charge Auditor:	Gayle A. Garrison
Audit Staff:	Richard Mosha, MBA
	Wayne Kauffman, MBA

1. Missing Funds

Over $3,000 in boater education fees received by the Missouri State Water Patrol (MSWP) were not properly transmitted to the state General Revenue Fund and are missing. Weaknesses in the controls over cash receipts allowed this situation to occur and remain undetected until the audit.

Sections 306.127 and .128, RSMo, require boaters born after January 1, 1984, and persons convicted of serious boating violations to pass a written examination and carry a boater safety identification card when operating boats and other watercraft on Missouri waterways. Prior to the issuance of cards to individuals, the MSWP collected a fee of $15 for each original boater safety identification card and $10 for temporary, replacement, or duplicate cards. The MSWP deposited these fees into the state General Revenue Fund.

1.1 Missing receipts

A review of boater education fees collected by the MSWP disclosed some monies received were not properly remitted to the state treasury for deposit and are missing.

A detailed comparison of the MSWP receipts register to deposit records disclosed numerous instances where recorded receipts could not be traced to deposits. Most of these missing receipts were recorded as cash. Another comparison of receipts recorded on the MSWP receipts register to boater education revenues reported as received by the state accounting system[1] for the period from July 2008 through December 2010, determined undeposited receipts totaled over $3,000. We also determined the discrepancies ended by early calendar year 2010, approximately a year before the agency became a division of the Missouri State Highway Patrol (MSHP).

In March 2011, we requested the MSHP investigate this matter further. The MSHP subsequently performed an investigation and reported the results to the Cole County Prosecuting Attorney. On April 8, 2011, a former MSWP clerk was charged with felony stealing. According to information filed with the felony complaint, the MSHP determined cash receipts totaling $3,195 were not deposited between January 4, 2008, and December 15, 2009.

1.2 Controls over collections

Weaknesses in MSWP controls over boater education receipts allowed this situation to occur and not be detected.

During the period under review, one clerk received monies and recorded the receipts on a register. The monies were then forwarded to another clerk who prepared the deposit records. However, the MSWP did not perform an independent review to ensure recorded receipts agreed to the monies remitted to the state treasury for deposit. In addition, receipts were not

[1] Statewide Advantage for Missouri (SAM II)

always deposited in a timely manner. For example, we noted some boater education fees totaling $1,495 received in April 2008 were not deposited until July 2008.

While timely depositing was implemented by the time the MSWP merged with the MSHP, as of March 2011, an independent review of recorded receipts to amounts deposited was still not being performed.

To help ensure monies are handled properly, an independent reconciliation of recorded receipts to amounts deposited should be performed.

Recommendations

The Missouri State Highway Patrol:

1.1 Continue to work with the prosecutor related to the prosecution of this matter and the recovery of the missing funds.

1.2 Perform an independent reconciliation of recorded receipts to monies remitted to the state treasury.

Auditee's Response

1.1 When the State Auditor's Office discovered this situation and brought it to the Highway Patrol's attention, the Highway Patrol was able to make a criminal case within a week. The Highway Patrol will continue to work with the prosecuting attorney to prosecute and recover funds to the fullest extent of the law.

1.2 With the merger now in place, the Highway Patrol has worked with the newly created Water Patrol Division to develop proper procedures for handling boater education fees. Even prior to the merger, the Water Patrol was instructed to no longer accept cash, and since the merger, the Water Patrol Division has had a new process established for receiving and depositing revenue. One employee opens the mail and records the receipt, a second employee deposits the fee into the state treasury, a third employee issues the boater safety identification card to the requesting individual, and a supervisor independently reconciles the process on a regular basis. This has been implemented and will continue to be monitored.

2. Excess Boat Inventory

MSWP management of its boat inventory was in need to improvement, and that agency had a significant number of boats in storage which should have been sold or surplused. The current estimated market value of these excess boats totaled over $250,000 (based on average NADA[2] retail values).

In March 2011, we discovered 28 boats were stored in a Jefferson City warehouse with no clear plans for future use. These boats were 11 to 17 years old (based on model year) and the MSHP considered the boats to be serviceable. Three of these boats had been in storage 4 to 5 years and 12 boats had been in storage for at least a year, with 7 more boats put in storage for most, if not all, of the previous boating season (April through September 2010).

Former MSWP officials (who currently work at the MSHP Water Patrol Division) told us these boats had reached an age/usage level where they would begin to require significant repair and should have been disposed of through the State Agency for Surplus Property (SASP); however, we were told a miscommunication apparently occurred regarding which boats should be prepared/scheduled for surplus. At the time of our review only three boats had been designated for disposal with the SASP.

Even though these unassigned boats are not currently used by the Water Patrol Division, they still have value. To ensure the boat inventory of the Water Patrol Division is properly managed, the MSHP should ensure any excess or surplus boats are identified and disposed of in a timely manner.

A similar condition was noted in a previous report.

Recommendation

The Missouri State Highway Patrol ensure the boat inventory of the Water Patrol Division is properly managed and dispose of any boats not needed in a timely manner.

Auditee's Response

Of the 28 boats addressed in this finding, the Highway Patrol has initially identified 20 that are not needed, and is in the process of removing equipment from them and preparing them for disposal. To avoid flooding the market and potentially lowering the sale price, these 20 boats will be sent to Surplus Property at the rate of three or four per month. A schedule has been worked out with Surplus Property, and it will take approximately six months to complete the process, with the final few boats being sent to Surplus Property by approximately December 2011. After that, the Patrol will evaluate the remaining 8 boats and determine the best course of action. Some of those boats are not high value, and may be useful in emergency

[2] The National Automobile Dealers Association (NADA) prepares guides annually with pricing and information on new and used cars, motorcycles, boats, and other items.

situations (e.g., floods, rescues, etc). This could mean that 8 of the 28 may be needed, or some portion of them, and that determination should be made by early 2012. The Highway Patrol will continue to monitor the Water Patrol Division's boat inventory on an ongoing basis.

3. Fiscal Impact of Merger

Press releases issued by the DPS in January 2011, and by the Governor's office when legislation to merge the MSWP with the MSHP was signed in June 2010, indicated the merger should save the state about $3 million. However, our analysis indicates the merger will actually cost the state about $900,000 annually. The press releases presented cost savings associated with the General Revenue Fund, but the cost savings amount did not include some costs the General Revenue Fund would incur, and did not include increased costs that other state funds would incur.

In addition, legislative testimony presented by DPS officials focused on increased efficiency and cost savings related to the General Revenue Fund, but did not provide information concerning increased costs of other affected state funds. Department of Public Safety (DPS), Office of Director personnel testified before the House of Representatives' Public Safety Committee on April 7, 2010, regarding pending legislation (House Bill 1868) to merge the MSWP into the MSHP. That testimony indicated, over time, through attrition, the state General Revenue Fund would save between $2 million and $3 million dollars.

Information in the fiscal note associated with House Bill 1868, estimated savings to the state General Revenue Fund to be between $2.9 million and $3.74 million annually for state fiscal years 2011, 2012, and 2013. Included in the fiscal note cost estimates is a savings of about $500,000 to the General Revenue Fund by eliminating ten support staff positions. Also potential savings to the General Revenue Fund ranging from $0 to $840,000 was included in the fiscal note. These savings would result from possibly vacating a leased building ($0 to $180,000), and potential reductions to the Water Patrol command structure ($0 to $660,000) through future attrition.

Funding shift

Included in the savings estimate for the General Revenue Fund was $2.4 million that resulted from reassigning water patrol officers to other duties and paying them from other state funds during their off season. As a result, the state will not save the $2.4 million but will simply pay those costs from other funds.

MSHP officials testified before the legislature in April 2010 they anticipated reassigning water patrol officers to primarily highway related activities during the off season. MSHP officials indicated it is still their intent for the upcoming boating off season. Therefore, it appears the State Highway and Transportation Fund will bear most of the costs due to the funding shift.

Staffing savings

MSHP officials indicated, as of July 1, 2011, 10 positions were eliminated from the Water Patrol Division budget and that the persons employed in these positions had been terminated from the MSWP staff on or before the January 1, 2011, merge date. As a result, it appears the state saved approximately $403,000 annually due to the elimination of support staff positions.

As of July 1, 2011, two high ranking water patrol officers have left state employment. The MSHP has not promoted remaining officers to these positions but is realigning the rank and duties performed to be consistent with the MSHP rank structure. As a result, the duties formerly performed by the high ranking MSWP officers are now performed by lower ranking MSHP individuals. Annual cost savings for payroll and fringe benefits related to the reduction of the water patrol command structure currently totals $250,000. The MSHP anticipates further savings resulting from additional retirement of former MSWP highly ranked officers within the next few years.

Rent savings

The MSWP terminated the lease of the building it formerly occupied on June 30, 2010, eliminating annual lease payments totaling $144,000. Additional cost savings will occur through reduced utility costs for the leased building which were the responsibility of the state. Total estimated annual savings of $250,000 are anticipated by the DPS as a result of terminating the lease and reduced utility payments.

Increased retirement costs

The fiscal impact due to employees electing to transfer between retirement plans was not included in the fiscal note prepared by the Committee on Legislative Research Oversight Division. The enabling legislation allowed former MSWP employees the option of transferring to other state employee retirement and health care systems. The narrative contained in the fiscal note indicated estimated annual cost increases totaling as much as $2.1 million could occur if all eligible MSWP employees elected to transfer from the Missouri State Employees' Retirement System (MOSERS) to the Missouri Department of Transportation and Patrol Employees Retirement System (MPERS) because the required state contribution rate to the MPERS is higher than MOSERS. MSWP employees were not required to make the election until April 1, 2011. However, the Oversight Division indicated it did not include a cost estimate of the fiscal impact in the calculation total of the fiscal note because it had no way of knowing how many employees would transfer to the MPERS. Current annual estimated retirement system contribution cost increases for former MSWP employees who elected the transfer to the MPERS benefit system total approximately $1.7 million.

Increased health care costs

The fiscal note did not consider the difference in cost to the state for the employees that elected to transfer from the Missouri Consolidated Health Care Plan (MCHCP) to the Missouri Department of Transportation and

Missouri State Highway Patrol Medical and Life Insurance Plan (MHPML). Due to the varying levels of coverage as of June 2011, the state's monthly contribution amounts for active employees under the MCHCP plan were $688 per employee while the contribution amounts under the MHPML plan ranged from $383 to $1,008 per employee. In total, the annual contributions made for former MSWP employees increased approximately $65,000 annually.

Estimated net cost of merger

Based on the information above, it appears savings realized due to the reduction of command and support staff and the elimination of rental costs total approximately $900,000. However, additional costs due to increased contributions for retirement and health care contributions totaled about $1.8 million. As a result, the MSWP merger with the MSHP has actually increased costs to the state by about $900,000 rather than generating a $3 million savings.

To help ensure the legislature makes well-informed decisions concerning pending legislation, it is imperative for state agencies to provide complete and accurate information concerning the fiscal impact to the Committee on Legislative Research Oversight Division. Every effort should be made to ensure information provided to state officials presents a sufficiently comprehensive analysis and fully discloses all information that should be considered by those state officials.

Recommendation

The DPS work with the Committee on Legislative Research Oversight Division to ensure future fiscal notes as well as other information or testimony provided to state officials and the public is as comprehensive, complete, and accurate as possible.

Auditee's Response

Since the MSWP and MSHP were consolidated in January 2011, the two agencies have been focused on realigning their workforce to better respond to Missouri citizens. Because of the timing of the audit, insufficient time has passed since the consolidation to fully realize all of the anticipated savings and efficiencies. Nonetheless, efficiencies have already been realized by having a single agency positioned to respond to public safety needs and deploy officers when and where they are needed. While acknowledging some of the cost savings realized by the consolidation, the audit does not address the positive impact the consolidation has had on the combined agencies' ability to serve the public.

One of the initial positive impacts realized from the consolidation has been the combined response to the unprecedented disasters that have occurred in Missouri during the last eight months. Beginning with the snowstorm in February 2011, the agency was able to assign water patrol officers, along with their four-wheel drive vehicles, to augment road patrols along snowbound highways. This resulted in an additional force of 41 officers

able to respond to impacted motorists during the historic closure of I-70. During the flooding along the Mississippi and Missouri Rivers, the agency was able to assign highway patrol officers alongside water patrol officers conducting boat patrols. This allowed the agency to double the number of boat patrols in the flooded areas. In Joplin, troopers from the combined agency responded to one of the worst disasters in Missouri history. A total of 24 MSWP officers were assigned alongside other troopers to handle security, body recoveries, identifications, and death notifications, as well as investigating the reports of missing persons. This massive task was accomplished through one command structure with the combined resources and assets of the two agencies. Overall, the ability to more efficiently and fluidly assign officers to impacted areas has been a significant benefit to disaster response and recovery.

Going forward, the ability to deploy water patrol officers to other law enforcement duties during the winter months will result in better utilization of these highly skilled and trained personnel and increase the protection afforded to the public. Prior to the consolidation, water patrol officers accrued significant regular-duty overtime during the months of May through September. That overtime was then expended by taking mandatory leave during the winter months. If the officer left employment, the overtime resulted in a liability that the state was required to payout upon their departure. The audit fails to include the anticipated reductions to regular-duty overtime and the benefits that will be realized from those reductions.

During the winter months, water patrol officers can now be assigned to other law enforcement duties as public safety needs dictate. While it is not known exactly how many water patrol officers will be assigned to a particular law enforcement duty during the winter months, the public clearly benefits from officers performing law enforcement duties instead of expending their overtime by taking mandatory leave.

To that end, information provided to the legislature was clear that the law enforcement duties associated with winter assignments would be paid out of other funds. Both testimonial and written information provided to the legislative committees explained that allocating water patrol officers to other assignments during the winter months, such as gaming or highway enforcement, would allow the state to use non-general revenue funds to support officers' salaries when they are assigned to those functions.

Although the consolidation has been in effect less than a year, other efficiencies have been gained by consolidating facilities and equipment. The elimination of the water patrol headquarters has already resulted in the cost savings noted in the auditor's report. Further facility consolidations are underway to combine remote offices in four other locations. These are small remote offices, but will allow for joint use of telephone and data services.

The MSHP is also analyzing functions that has been performed by the MSWP that were similar to the MSHP. The MSWP operated a statewide special weapons and tactics team (SWAT). Those members have been merged into the MSHP regional teams, reducing duplicate training and improving joint response capabilities.

With regard to the cost savings, the auditor's report correctly acknowledges that many of the long-term cost savings predicted have already occurred. Reducing redundant administrative staff has resulted in cost savings of approximately $403,000. Elimination of the headquarters facility has resulted in savings of approximately $250,000. And, through attrition, salaries to high-ranking water patrol officers have already been reduced by approximately $250,000. It is anticipated that further cost savings will be realized as additional high-ranking officers are replaced with lower ranking officers through attrition.

The Department of Public Safety and the MSHP are committed to continuing the core mission of boating safety through its Water Patrol Division. The transition is still underway and the unified agency continues to identify efficiencies and realign assignments during the winter months. While many of these efficiencies may not be able to be quantified initially, a unity of command model is the nationally recognized approach to major disasters and terrorist attacks and has proven particularly successful during the catastrophic events impacting Missouri in 2011. The combined efforts of the MSHP and Water Patrol Division have better served the public and can be expected to create continued benefits.

Missouri State Water Patrol
Organization and Statistical Information

In 1959, the 70th General Assembly enacted legislation for the regulation of boating in Missouri. The resulting agency was called the Missouri Boat Commission, and its purpose was to provide boating safety for the state through registration, inspection, education, and law enforcement. The Omnibus State Reorganization Act of 1974 transferred the Missouri Boat Commission to the Department of Public Safety, and the agency was renamed the Division of Water Safety. In 1989, the Division of Water Safety was renamed the Missouri State Water Patrol (MSWP). During the 2010 legislative session, the General Assembly passed House Bill 1868 which transferred, effective January 1, 2011, the powers and duties of the MSWP to a newly-established division within the Missouri State Highway Patrol (MSHP). The new Water Patrol Division was assigned to MSHP's Field Operations Bureau.

The purpose of the MSWP was to make the waters of the state safe for boating and other water-related activities through law enforcement, registration, inspection, and educational programs. The MSWP was a statewide law enforcement agency that operated in a quasi-military fashion with authority being delegated by rank. For control purposes, the state was divided into six districts with a captain or lieutenant in charge of each district. As of December 31, 2010, the agency had a total of 104 employees. The superintendent of the MSHP now determines policy for the Water Patrol Division, and the division is currently commanded by a major located at the MSHP General Headquarters in Jefferson City. Currently the division is divided into four geographic districts with a captain in charge of each district, with those officials being responsible for supervision of all patrol officers and related field activities in the respective districts. Through attrition, the districts will eventually be commanded by lieutenants. As of January 1, 2011, 83 water patrol officers and 3 civilian employees transferred into the Water Patrol Division. In addition, 6 former water patrol officers and 11 civilian employees transferred to other divisions within the MSHP.

Colonel Radnell Talburt served as Commissioner of the Missouri State Water Patrol until his retirement on April 30, 2009. Lieutenant Colonel Michael Smith served as Acting Commissioner until his retirement on November 1, 2010. Major Tommy Roam then served as Acting Commissioner through December 31, 2010, and was subsequently appointed Commander of the Water Patrol Division.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The MSWP did not receive or spend any American Recovery and Reinvestment Act of 2009 monies during the period from July 1, 2008, through December 31, 2010.

Financial information follows.

Appendix A

Missouri State Water Patrol
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments - Missouri State Water Patrol Fund

		6 Months Ended December 31, 2010	Year Ended June 30, 2010	Year Ended June 30, 2009
RECEIPTS				
Motorboat registration fees	$	574,150	509,252	2,309,982
Disaster assistance		0	18,679	51,149
Interest		5,350	30,648	56,549
Total Receipts		579,500	558,579	2,417,680
DISBURSEMENTS				
Personal service		296,819	1,664,336	1,527,257
Employee fringe benefits		122,324	652,392	562,400
Expense and equipment		15,227	38,878	211,941
Cost allocation		14,514	22,089	9,671
Total Disbursements		448,884	2,377,695	2,311,269
RECEIPTS OVER (UNDER) DISBURSEMENTS		130,616	(1,819,116)	106,411
TRANSFERS				
Transfers from:				
General Revenue Fund		0	0	959,762
Total Transfers		0	0	959,762
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS		130,616	(1,819,116)	1,066,173
CASH AND INVESTMENTS, BEGINNING BALANCE		1,224,830	3,043,946	1,977,773
CASH AND INVESTMENTS, ENDING BALANCE	$	1,355,446	1,224,830	3,043,946

Appendix B

Missouri State Water Patrol
Comparative Statement of Receipts

	6 Months Ended December 31, 2010	Year Ended June 30, 2010	Year Ended June 30, 2009
GENERAL REVENUE FUND			
Boater education fees	$ 90,430	168,497	153,030
Disaster assistance	0	8,088	128,097
Vendor refunds - state	5,332	0	0
Miscellaneous	2,362	4,465	7,453
Total General Revenue Fund	$ 98,124	181,050	288,580
DEPARTMENT OF PUBLIC SAFETY FUND			
Federal grants	$ 2,166,662	2,402,702	2,358,962
Fuel tax refunds	2,843	24,225	21,682
Disaster assistance	0	20,926	0
Miscellaneous	3,204	2,921	6,490
Total Department of Public Safety Fund	$ 2,172,709	2,450,774	2,387,134
FEDERAL DRUG SEIZURE FUND			
Federal grants	$ 4,740	6,279	0

Appendix C-1

Missouri State Water Patrol
Statement of Appropriations and Expenditures
6 Months Ended December 31, 2010

	Appropriation Authority	Expenditures	Encumbrances	Uncommitted Appropriations
GENERAL REVENUE FUND				
Personal Service	$ 5,435,620	2,508,670	0	2,926,950
Expense and Equipment	257,081	21,548	104,975	130,558
Total General Revenue Fund	5,692,701	2,530,218	104,975	3,057,508
DEPARTMENT OF PUBLIC SAFETY FUND				
Personal Service	555,725	279,579	0	276,146
Expense and Equipment	2,304,504	975,706	470,417	858,381
Total Department of Public Safety Fund	2,860,229	1,255,285	470,417	1,134,527
FEDERAL DRUG SEIZURE FUND				
Expense and Equipment	20,000	11,012	0	8,988
Total Federal Drug Seizure Fund	20,000	11,012	0	8,988
MISSOURI STATE WATER PATROL FUND				
Personal Service	1,665,244	296,819	0	1,368,425
Expense and Equipment	600,000	0	0	600,000
Total Missouri State Water Patrol Fund	2,265,244	296,819	0	1,968,425
Total All Funds	$ 10,838,174	4,093,334	575,392	6,169,448

Appendix C-2

Missouri State Water Patrol
Statement of Appropriations and Expenditures
Year Ended June 30, 2010

	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND			
Personal Service	$ 5,053,644	4,472,507	581,137
Expense and Equipment	421,246	258,426	162,820
Total General Revenue Fund	5,474,890	4,730,933	743,957
DEPARTMENT OF PUBLIC SAFETY FUND			
Personal Service	555,725	528,140	27,585
Expense and Equipment	2,304,504	1,877,145	427,359
Total Department of Public Safety Fund	2,860,229	2,405,285	454,944
FEDERAL DRUG SEIZURE FUND			
Expense and Equipment	20,000	1,689	18,311
Total Federal Drug Seizure Fund	20,000	1,689	18,311
MISSOURI STATE WATER PATROL FUND			
Personal Service	1,665,244	1,664,336	908
Expense and Equipment	600,000	0	600,000
Total Missouri State Water Patrol Fund	2,265,244	1,664,336	600,908
Total All Funds	$ 10,620,363	8,802,243	1,818,120

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30, 2010
General Revenue Fund	
State Water Patrol - Personal Service	$ 573,928
State Water Patrol - Expense and Equipment	162,819
Total General Revenue Fund	$ 736,747

Appendix C-3

Missouri State Water Patrol
Statement of Appropriations and Expenditures
Year Ended June 30, 2009

	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND			
Personal Service	$ 5,221,644	4,805,040	416,604
Expense and Equipment	918,619	918,619	0
Total General Revenue Fund	6,140,263	5,723,659	416,604
DEPARTMENT OF PUBLIC SAFETY FUND			
Personal Service	483,725	482,574	1,151
Expense and Equipment	2,304,504	1,918,182	386,322
Total Department of Public Safety Fund	2,788,229	2,400,756	387,473
FEDERAL DRUG SEIZURE FUND			
Expense and Equipment	20,000	17,553	2,447
Total Federal Drug Seizure Fund	20,000	17,553	2,447
MISSOURI STATE WATER PATROL FUND			
Personal Service	1,665,244	1,526,622	138,622
Expense and Equipment	600,000	181,646	418,354
Total Missouri State Water Patrol Fund	2,265,244	1,708,268	556,976
Total All Funds	$ 11,213,736	9,850,236	1,363,500

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30, 2009
General Revenue Fund	
State Water Patrol - Personal Service	$ 409,899
Total General Revenue Fund	$ 409,899

Appendix D

Missouri State Water Patrol
Comparative Statement of Expenditures (From Appropriations)

	6 Months Ended December 31, 2010	Year Ended June 30, 2010	Year Ended June 30, 2009	Year Ended June 30, 2008	Year Ended June 30, 2007
Salaries and wages	$ 3,085,068	6,664,983	6,814,236	6,546,069	5,356,697
Travel, in-state	18,577	26,978	64,735	80,420	89,127
Travel, out-of-state	552	15,351	31,635	31,474	21,853
Fuel and utilities	12,936	25,677	25,107	22,620	22,971
Supplies	463,797	835,299	1,140,129	1,023,668	898,657
Professional development	12,235	25,187	50,942	62,595	38,559
Communication services and supplies	36,751	120,552	106,349	62,889	86,488
Services:					
Professional	21,106	114,434	59,636	80,542	96,243
Housekeeping and janitorial	4,661	5,939	7,783	3,490	6,436
Maintenance and repair	55,167	186,221	171,672	148,274	191,974
Equipment:					
Computer	698	0	4,935	0	726
Boats and motors	168,519	372,073	524,328	134,577	900,877
Vehicles	0	108,414	462,980	404,865	465,729
Office	0	0	5,004	16,013	13,674
Other	62,643	69,747	122,822	96,056	180,508
Real property rentals and leases	149,860	229,692	256,925	237,354	236,737
Equipment rental and leases	512	989	935	1,589	1,255
Miscellaneous	252	707	83	248	2,720
Total Expenditures	$ 4,093,334	8,802,243	9,850,236	8,952,743	8,611,231

Appendix E

Missouri State Water Patrol
Statement of Changes in General Capital Assets

GENERAL CAPITAL ASSETS		Motor Vehicles	Boats and Motors	Office and Other Equipment	Radio Towers and Related Infrastructure	Total
Balance, July 1, 2008	$	3,151,354	5,066,535	3,583,725	365,291	12,166,905
Additions		478,926	592,913	333,632	0	1,405,471
Dispositions		(798,106)	(56,739)	(215,312)	0	(1,070,157)
Balance, June 30, 2009		2,832,174	5,602,709	3,702,045	365,291	12,502,219
Additions		233,154	362,083	156,055	0	751,292
Dispositions		(176,161)	(106,655)	(370,961)	0	(653,777)
Balance, June 30, 2010		2,889,167	5,858,137	3,487,139	365,291	12,599,734
Additions		0	231,763	32,479	0	264,242
Dispositions		(212,619)	0	(38,708)	0	(251,327)
Balance, December 31, 2010	$	2,676,548	6,089,900	3,480,910	365,291	12,612,649

Thomas A. Schweich

Missouri State Auditor

ECONOMIC DEVELOPMENT

Division of Tourism

September 2011

Report No. 2011-59

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Economic Development, Division of Tourism

Conflicts of Interest

The Tourism Commission has not established a conflict of interest policy for its members, and three commission members took part in funding decisions benefiting entities with which they were associated. While a member of the Commission, the Lieutenant Governor took part in approving funding for Tour of Missouri, Inc. Although it was not disclosed on his 2008 or 2009 Personal Financial Disclosure Statements filed with the Missouri Ethics Commission, the Lieutenant Governor was Chairman of this non-profit entity at the time. Also, the current Chairman and a former member of the Commission participated in discussions and program funding decisions which benefited local tourism agencies they represented.

Fund Management

The Commission and the division budgeted to spend more than available in fiscal years 2010 and 2011. The division paid $4 million of fiscal year 2010 expenditures out of its fiscal year 2011 appropriation and expects to pay $4 million of its fiscal year 2011 expenditures from its fiscal year 2012 appropriation. Planning to spend more than you expect to have available in a year does not make financial sense, especially when additional budget cuts could occur.

Transparency of Expenditures

Rather than paying some vendors directly, the division paid its advertising agency a total of $2.2 million in fiscal years 2009 and 2010 which was passed through to other vendors, reducing the transparency of who actually received the funds. Of this $2.2 million, $1.54 million was passed through to Tour of Missouri, Inc.; $480,645 was passed through to subcontractors for website services; and $141,340 was passed through to vendors for conferences, research and other services. The advertising agency had no involvement in most of these services, so it is unclear why it was used to pass monies through to these other vendors. The division also paid the advertising agency an additional $586,056 for website development services, which were not within the scope of the original bid, without soliciting bids or showing the rates were competitively established.

Oversight

The Commission needs to improve its oversight of division budgeting and expenditure activities. Division budgets were not approved or adjusted promptly, and the division unnecessarily paid $66,000 in administrative fees to its advertising agency because the fees were based on the original fiscal year 2010 marketing budget. The budget lacks detail for payroll expenditures, making it difficult for the Commission to exercise appropriate oversight.

In fiscal year 2009, the division paid $709,794 to Tour of Missouri, Inc., $114,209 to its advertising agency for marketing at the Major League Baseball All-Star Game, and $50,000 to a second-tier subcontractor for marketing various athletic events without specific Commission approval. In addition, the division exceeded the fiscal year 2009 budgeted amount for office furniture by $22,167 and exceeded the budgeted amount for travel by $5,400 in fiscal year 2009 and $12,700 in fiscal year 2010.

Division contracts do not allow for adequate oversight of funds, and the division has not enforced contract terms. In a 2-year period, the division paid over $3.21 million to Tour of Missouri, Inc. without defining what costs were allowable, requiring a list or documentation of actual expenses, or providing for penalties if Tour of Missouri, Inc. did not follow the contract terms. Also, the division has not required its advertising agency to provide annual reports or weekly status reports as is mandated by its contract.

Performance Measurement

The Commission and division have not established formal performance goals and do not fully utilize performance data to measure whether or not chosen strategies are effective. The Commission and division made funding decisions related to its advertising agency, the Cooperative Marketing Program, Tour of Missouri, and Welcome Centers without conducting analyses or studies or measuring how these endeavors helped meet division goals. Having defined goals and measuring progress toward meeting them could help the Commission determine how best to use the division's resources.

Payment of Flight Costs of the Governor's Office

The division paid a total of over $3,000 in fiscal years 2009 and 2010 for travel relating to the Governor's Office. In one instance, there was not adequate documentation of the purpose of the flight or who was aboard. We determined the division paid $842 for a flight to St. Louis to promote the 2009 Major League Baseball All-Star game which included no division officials; $1,130 for a flight related to the 50th Anniversary of Silver Dollar City which included no division officials; and $1,100 for a flight to Branson to honor soldiers which appeared to include the Division Director. It appears these flights were primarily related to functions of the Governor's Office rather than tourism, and, therefore, should be paid out of the Governor's Office appropriations so as not to distort the operating costs of the division and the Governor's Office or interfere with the General Assembly's appropriation process.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

During the fiscal year ended June 30, 2010, the division used $3.1 million from the Federal Budget Stabilization-Medicaid Reimbursement Fund to fund general operations.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Department of Economic Development
Division of Tourism
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THOMAS A. SCHWEICH
Missouri State Auditor

HARRY J. OTTO, CPA
DEPUTY STATE AUDITOR

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Tourism Commission
and
David Kerr, Director
Department of Economic Development
and
Kathleen Steele Danner, Director
Division of Tourism
Jefferson City, Missouri

To avoid the appearance of a conflict of interest, the State Auditor has recused himself from participation in this audit and has directed the Deputy State Auditor to oversee procedures performed by the State Auditor's professional audit staff. We have audited certain operations of the Department of Economic Development, Division of Tourism, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2010 and 2009. The objectives of our audit were to:

1. Evaluate the division's internal controls over significant management and financial functions.

2. Evaluate the division's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

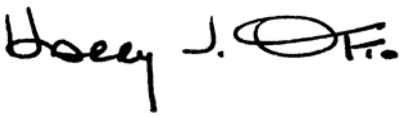
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures.

The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Economic Development, Division of Tourism.



Harry J. Otto, CPA
Deputy State Auditor

The following auditors participated in the preparation of this report:

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	Erica Joannes

Department of Economic Development
Division of Tourism
Management Advisory Report -State Auditor's Findings

1. Conflicts of Interest

The Tourism Commission has not established a conflict of interest policy for its members. Several instances were noted where commission members took part in funding decisions that benefited entities with which they were associated.

Tour of Missouri

While serving as the Chairman of the Tourism Commission, the Lieutenant Governor also served simultaneously as the Chairman of the Board for Tour of Missouri, Inc., the non-profit entity receiving funding from the Division of Tourism to administer the Tour of Missouri bicycle race in September 2008 and 2009.

The commission minutes do not indicate whether the Lieutenant Governor notified the commission and the division about his role with Tour of Missouri, Inc., and the possibility of a conflict of interest. Based on our review, at least some of the commission members did not appear to be aware of the Lieutenant Governor's role with the non-profit. The Tour of Missouri, Inc. business filings at the Secretary of State's office did not disclose the Lieutenant Governor's role until August 2009. The Lieutenant Governor also did not disclose his role with the non-profit entity per the 'Personal Financial Disclosure Statement' filed with the Missouri Ethics Commission for calendar years 2008 and 2009. This statement requires the disclosure of any non-profit entity in which the individual served as officer, director, employee, or trustee, whether or not there is a financial interest in the non-profit entity.

The Lieutenant Governor, in his role as the Chairman of the Tourism Commission, took part in discussions regarding the funding of the Tour of Missouri and did not abstain from voting to approve commission budgets, which included direct line items for the Tour of Missouri of $1 million and $1.5 million in fiscal years 2009 and 2010, respectively. The Lieutenant Governor was replaced as the Chairman of the commission in November 2009 and business filings with the Secretary of State's Office as of October 2010 show the Lieutenant Governor is no longer an officer with Tour of Missouri, Inc.

Cooperative Marketing Program and First-time Marketing Events Program

Two commission members[1] did not recuse themselves from budget decisions related to the Cooperative Marketing Program and the First-time Marketing Events Program[2] despite representing local tourism agencies which received funding from these programs. The commission approved budgets that included statewide totals of $8.2 million for the Cooperative

[1] Marcia Bennett-Hazelrigg and James Divincen.

[2] Events marketed for the first-time, such as the Pony Express Sesquicentennial in Buchanan County, holiday lights at the Lake of the Ozarks, the return of the Kansas City Chiefs Training Camp to St. Joseph, etc.

Marketing Program and $175,000 for the First-time Marketing Events Program during fiscal years 2009 and 2010. We also identified similar situations in fiscal year 2011. Since division staff allocate budgeted Cooperative Marketing Program funds to local agencies, the commission members did not directly approve division funding for their local agencies' projects. However, one of the members in question served as the Chair of the commission's Budget Committee and the other served on the Budget Committee which makes budget recommendations to the commission as a whole.

The local tourism agencies of the commission members in question received Cooperative Marketing Program funds totaling $687,649 for the periods in which the members served in fiscal years 2009 and 2010. One organization received First-time Marketing Events Program funds totaling $45,000 for the 2 years ended June 30, 2010, according to division documentation. The other agency did not receive direct funds from the division for the First-time Marketing Events Program, but division documentation indicates the agency benefited from $16,102 in funded events during fiscal year 2009 (the period which the member served).

Conflict of interest policy

The commission has not established a conflict of interest policy for commission members.

We identified the commission had not (1) required commission members to disclose all actual and potential conflicts of interest or situations which could present the appearance of a conflict of interest in writing to the commission or the division; (2) established policies for how to handle actual conflicts of interest or the appearance of conflicts of interest; and (3) required commission members to recuse themselves from decision making or actions relevant to the parties involved in the potential conflict.

State law allows up to five members of the commission to be engaged in the tourism industry. While this arrangement allows the commission to benefit from such members' experience in the industry, it also provides opportunity for conflicts of interest when making funding decisions. Without a policy requiring the full disclosure of actual conflicts of interest or situations which could present the appearance of a conflict of interest, transactions may not be performed in a transparent, objective, or ethical manner.

Recommendation

The commission establish a conflict of interest policy that requires commissioners to disclose, in writing, relationships or situations which could result in an actual or appearance of conflict of interest. The policy should identify how to handle conflict of interest situations. In addition, commissioners should abstain from voting on matters when an actual or appearance of conflict of interest has been identified.

Auditee's Response

The Commission Chairman and the division provided the following written response:

We agree that a conflict of interest policy should be established and maintained for commission members.

2. Fund Management

The commission and the division budgeted expenditures in excess of funds available for fiscal years 2010 and 2011, and paid approximately $4 million of fiscal year 2010 expenditures out of the division's fiscal year 2011 appropriation of $13.42 million. The division is also expected to pay approximately $4 million in fiscal year 2011 expenditures from fiscal year 2012 appropriations.

The General Assembly appropriates and authorizes the transfer of monies from the General Revenue Fund to the Division of Tourism Supplemental Revenue Fund, which retains access to remaining cash balances at year end. Due to recent economic pressures, state budget cuts and withholdings have reduced the funds available to the division. Prior to fiscal year 2010 the fund had a sufficient balance to enable the payment of prior year expenditures from expected current year funds available. However, in fiscal years 2010 and 2011, the division budgeted expenditures which exceeded funds available.

	Fiscal Year		
	2009	2010	2011
Beginning cash balance $	5.69	4.49	0.00
Actual cash receipts	20.96	13.27	13.05
Total cash available	26.65	17.76	13.05
Prior year expenses paid in current year	4.37	4.56	3.96
Current year expenses paid in current year	17.79	13.20	9.02
Current year expenses paid in following year	4.56	3.96	4.00[1]
Total obligations	26.72	21.72	16.98
Amount of current year funds (over)/under obligated	(.07)	(3.96)	(3.93)[1]

[1] Estimated from division data

Source: division data, presented in millions

According to an Office of Administration Accounting official, while state law does not specifically disallow the practice of consistently creating excessive liabilities, the practice is not recommended. Significantly obligating funds in excess of appropriated amounts does not appear to align with the intent of the appropriation process established by the General

Assembly. By continuing to obligate significant expenditures to future periods, division officials are potentially limiting the division's ability to operate in the event further budget cuts reduce future appropriations.

Recommendation

The commission and the division should establish policies and procedures to ensure the division's budget is aligned with the total funds appropriated and available for the current fiscal year.

Auditee's Response

The Commission Chairman and the division provided the following written response:

The division was directed by the Office of Administration, Division of Budget and Planning to change from an accrual to a cash basis of accounting in fiscal year 2011. Division staff was told the recommendation was made to be consistent with other state agencies. At the commission meeting on October 1, 2009, the commission voted in favor of making this change.

Although the commission and division management staff changed from an accrual basis to a cash basis of accounting, we continue to monitor expenditures using both methods. We are reimbursing expenditures that have been previously approved, but not reimbursed. Both methods of accounting are used because the approval and reimbursement cycle may cross fiscal years. Division staff tracks costs that are applied to the line items in any approved budget year to make certain that expenditures do not exceed the budgeted amounts from July 1 – June 30 of that fiscal year. Staff monitors expenditures before processing the reimbursement of advertising and/or marketing vendors. The spending activity is charged to the available amount correlating to the applicable approved budgets. Expenditures may be accounted for in one year's cash basis budget and in the previous year's accrual basis budget; however expenditures for any budget year do not exceed the budgeted amount.

3. Transparency of Expenditures

The division paid approximately $2.2 million in fiscal years 2009 and 2010 to its contracted advertising agency which was subsequently passed through to other vendors for services, rather than paying the vendors directly. Passing large payments through a contractor results in reduced transparency of division expenditures. In addition, this pass-through process obscures the identity of the ultimate recipient of the payments and the need for competitive procurement.

The specific transactions noted include the following:

Tour of Missouri

The division paid $1.54 million in fiscal year 2010 to the non-profit entity responsible for the Tour of Missouri bicycle race. However, instead of contracting and directly paying the non-profit entity for the division's

sponsorship of the race, the division paid the funds to its advertising agency and instructed the agency to pay the non-profit entity. The advertising agency provided no additional administrative support or oversight of the funds. An Office of Administration, Division of Purchasing and Materials Management (DPMM) official said the contract with the advertising agency allowed for these types of expenditures to be paid through the contract. However, the use of the funds did not appear consistent with the purpose of the advertising agency contract and did not allow for appropriate transparency or accountability of the expenditure.

Website development, management, and maintenance

The division paid $480,645 to the advertising agency in fiscal years 2009 and 2010 which was passed through to subcontractors for website development, management, and maintenance services without bidding for the services. An additional $586,056 was paid directly to the advertising agency for website development services without being bid. While the original advertising agency contract was bid, these additional services were not included in the scope of that bid and there was no documentation supporting the billing rates were competitively established. The manner in which these expenditures were processed reduced the overall transparency of the transactions and allowed the division to bypass the Office of Administration's procurement process.

In addition, website services do not appear to be an allowable cost per the contract with the division's advertising agency. The contract states "the contractor shall not be required to perform internet site development, management, or hosting of the VisitMO website." We obtained documented discussions from officials at the DPMM notifying division officials that some of these website costs did not appear allowable through the advertising agency contract. However, according to DPMM officials, the division subsequently entered into the agreements without notifying the DPMM, or ensuring appropriate measures were taken to comply with the contract terms.

Other expenditures

The division paid at least $141,340 for conferences, research, and other services through their advertising agency for fiscal years 2009 and 2010. The advertising agency was not involved in the decision making process or the administration of these services, but simply passed funds through to vendors at the direction of the division. The division indicated a DPMM official said the contract with the advertising agency allowed for these types of expenditures to be paid through the contract. However, the use of the funds did not appear consistent with the purpose of the advertising agency contract and did not allow for appropriate transparency or accountability of the expenditures.

Recommendation

The division establish procedures to ensure future expenditures are conducted in an open, transparent, and accountable manner. In addition, the

division should ensure purchases are competitively bid and authorized in accordance with Office of Administration guidelines.

Auditee's Response

The Commission Chairman and the division provided the following written response:

The advertising contract includes language that allows the division to direct the advertising agency of record to perform additional duties:

2.5.2 "Other Additional Programs – If required by the state agency, the contractor shall perform other additional programs as part of the total advertising campaign effort of the state agency. Examples of such additional programs may include, but not necessarily be limited to promotions of the Civil War in Missouri, State Parks, Governor's Conference on Tourism, and any other promotions or programs that might arise. The state agency shall specify the type of and requirements of any other additional programs at the time of identification of the need for the additional program.

2.5.3 The contractor shall understand and agree that there shall be no additional fee for the performance of any additional programs. "

We agree that all division expenditures should be conducted in an open, transparent, and accountable manner. The division accepts the recommendation and has already implemented procedures to ensure that competitive bids are authorized in accordance with Office of Administration guidelines. Division staff has been reorganized with new management assignments and responsibilities establishing a more cohesive management team with open book and transparent budgeting and expenditures in all departments. In addition, successful bidding procedures have been followed including contracts for research, advertising, strategic planning, search engine optimization/search engine marketing, and (still in the RFP process as of this writing) web development.

4. Oversight

The commission's oversight of division activities should be improved. In addition, the division has not fully ensured compliance with contractual requirements or ensured contracts provide the division adequate oversight of the allocated funds.

4.1 Oversight by the Tourism Commission

The commission has not established procedures to ensure adequate oversight of division budgeting and expenditure activities. Section 620.455, RSMo has charged the commission with determining all matters related to policy and the administration of tourism promotion.

Budget

The commission's oversight of the division's budget needs improvement. Division budgets are not approved or adjusted in a timely manner. For

example, in April 2009, the commission met and approved a fiscal year 2010 budget of $23.7 million. In July 2009, the commission meeting minutes identify the commission became aware of appropriation reductions that reduced the division's budget to $20.6 million; however, the commission did not approve the reduced budget until October 2009. The final budget approved by the commission in November 2009 totaled $19 million. However, additional reductions in funding of approximately $1 million occurred and were acknowledged by the commission's Budget Committee without any action taken by the commission to reduce the budget or to formally direct which budget line items should be reduced.

In addition, the commission's lack of oversight allowed various payments to be made without formal approval from the commission.

- The division paid $709,794 to the non-profit entity responsible for the Tour of Missouri without approval by the commission in fiscal year 2009. In June 2008, the commission approved the fiscal year 2009 budget, which included a generic budget line item for the Governor's Reserve. In August 2008, division records indicate the Governor's office released these funds and directed them to be used for the Tour of Missouri. However, the commission did not specifically approve these funds be used for the Tour of Missouri.

- The division paid $114,209 to its advertising agency in fiscal year 2009 for marketing at the Major League Baseball All-Star Game in St. Louis. The Governor had requested division funds be used for marketing of the All-Star Game and the commission was aware of this request. However, the commission did not specifically approve funding for this transaction.

- The division paid $50,000 to a subcontractor of the division's advertising agency for marketing various athletic events. However, the commission did not vote to approve funds for this transaction.

- The division paid $27,167 in fiscal year 2009 for office furniture and other equipment at Welcome Centers; however, the commission did not approve funds for these transactions. The commission had only approved $5,000 in the budget for Office Equipment.

- The division paid approximately $5,400 in fiscal year 2009 and $12,700 in fiscal year 2010 in excess of the amount budgeted to vendors responsible for domestic and international travel. The commission had approved specific budgets for these vendors.

Periodic reviews of expenditures and timely approval of the division's budget would help ensure all transactions are accounted for properly, adequately supported, and for reasonable and appropriate uses.

Advertising agency administrative fee

The delays in the commission's approval of the fiscal year 2010 budget, discussed above, resulted in unnecessary administrative fees being paid to the division's advertising agency. The advertising agency contract stipulates the administrative fee be paid based on the initial marketing budget, using fee thresholds specified in the contract. Although the division and the commission were made aware of significant withholdings in July 2009, the commission failed to adopt the adjusted budget until October 2009. As a result, the division's administrative fee to the advertising agency was set at $159,900 per month rather than $148,900 per month that would have been due had the division's revised budget been approved on a timely basis. Although the advertising agency eventually agreed to reduce the fee to $148,900 in January 2010, the division paid a total of $66,000 in unnecessary administrative fees as a result of the delay in approving the annual budget.

Payroll expenditures

The budget approved by the commission does not include sufficient detail to monitor the allocation of payroll expenditures. A payroll expenditure amount is approved in total without any breakdown by program or purpose. For fiscal year 2010, the total approved was approximately $1.4 million, with an additional $200,000 for part-time contractors. Our review noted the following examples where additional oversight of the payroll budget would be beneficial:

- The division paid personnel costs totaling at least $87,000 for an individual to perform coordination duties for the Tour of Missouri. Commission minutes from November 2009 indicate not all members of the commission were aware these costs were being incurred. Since the commission had separately approved funding to a non-profit entity to administer the Tour of Missouri, some commissioners believed the division's support of the race was limited to the payment made to the non-profit entity. A review of payroll costs by the commission could have identified the additional personnel costs.

- The division paid personnel costs for Welcome Center staff totaling $1,152,883l (or 41 percent of the division's personnel costs) in fiscal years 2009 and 2010, of which $968,671 related to state employees and $184,212 related to contracted personnel. However, the budget approved by the commission does not include any mention of the Welcome Centers.

Having more detailed information regarding the allocation of personnel costs will allow the commission to have a better understanding of where and how personnel dollars are being expended and allow the commission to make more informed decisions.

4.2 Contractual oversight by the division

The division has not fully ensured compliance with contractual requirements. In addition, certain contracts did not provide the division adequate oversight of the allocated funds.

Tour of Missouri

The division did not receive financial reports in accordance with the contracts with the non-profit entity responsible for the Tour of Missouri in fiscal years 2009 and 2010. During those years, the division paid a total of $3.21 million[3] to fund the race and did not ensure the contract allowed for adequate oversight of the funds. The contract did not:

- Require division funds be paid on a reimbursement basis. Large payments were made in advance without requiring documentation of expenditures.
- Require a line-by-line budget be established prior to payment of funds to the non-profit.
- Stipulate the types of costs that were considered allowable or unallowable.
- Require a detailed list of actual expenditures by budget line item be provided on a regular basis.
- Include any repercussions in the event the non-profit entity did not comply with contract terms.

At the direction of the Governor, the Office of Administration contracted for a third-party review of the expenses of the fiscal year 2009 race. The review identified various concerns, including some similar to those listed above regarding the contract and documentation as well as the lack of a fiscal policy and procedure manual. Without the above stipulations in the contract, the division is unable to determine if state funds were expended properly and appropriately.

Advertising agency

The division does not ensure compliance with contractual requirements related to the division's advertising agency.

- The contract requires the advertising agency provide the division an annual report that includes, but is not necessarily limited to: (1) budget and media breakdown by market, type, and campaign, (2) documentation measuring the results of current projects, (3) an assessment of the year's programs, and (4) an evaluation of potential future opportunities. A division official said a formal report has not been required or received from the advertising agency for fiscal years

[3] The division made payments of $1 million, and $709,794 during fiscal year 2009 to the Tour of Missouri, Inc., and three payments of $500,000 each during fiscal year 2010 to Tour of Missouri, Inc. via the advertising agency. The Missouri Wine and Grape Board also paid $40,000 to the division for the Tour of Missouri, who then paid the Tour of Missouri, Inc. through the advertising agency during fiscal year 2010.

2009 or 2010. This official said the division has informally received the information satisfactory to meet these requirements. However, the division could not provide formal documentation from the advertising agency to support how these requirements were met.

- The contract requires the advertising agency provide weekly status reports of the accomplishments achieved, projects completed, and status of future projects. However, the division has not received weekly status reports. A division official said the division informally agreed to receive monthly status reports from the division's advertising agency; however, the contract terms were not adjusted nor was there any formal agreement maintained to support this change.

Contract monitoring and documentation of compliance with contractual requirements are necessary to ensure division funds are used for necessary, reasonable, and appropriate purposes, and to ensure the contractor complied with contract terms.

Recommendations

4.1 The commission establish procedures to improve oversight of the division's operations. These procedures should ensure the division's budget is approved in a timely manner, all changes in allocated funding are reflected in the budget, and additional detail is presented regarding the allocation and purpose of personal service expenditures.

4.2 The division establish procedures and require documentation to allow adequate monitoring and oversight of contract requirements and expenditures, and ensure monitoring efforts are adequately documented.

Auditee's Response

The Commission Chairman and the division provided the following written response:

The division accepts the recommendation and has already implemented procedures to provide timely and detailed divisional expenditures and to ensure that all contracts are based on the status of contract deliverables.

5. Performance Measurement

The commission and the division have not fully established performance goals and measures to guide the direction of the division. In addition, the commission and the division have not fully integrated performance data into its resource allocation process for tourism investments.

5.1 Performance goals

The commission has not established formal performance goals or measures to guide the direction of the division. Division officials said the division established a 5-year strategic plan for fiscal years 2008 to 2012 which included performance measures. However, the commission did not formally

approve these measures for fiscal years 2009 or 2010 and there is limited evidence the commission considered performance goals or measures in the funding decision process.

The performance measures included in the Annual Report prepared by the division do not include specific targets or goals. Without pre-established targets, the division is less able to measure the effectiveness of the strategies in place or identify deficiencies. For example, if an agency's goal is to simply increase overnight stays, any incremental increase could be considered a success, but by setting a realistic, specific goal, the division and commission can more easily determine the effectiveness of strategies.

Establishing and measuring performance goals on a periodic basis can assist in determining whether pre-determined targets are achieved or if deficiencies exist. A system of monitoring and measuring performance also increases accountability by assisting decision makers in the resource allocation process.

5.2 Performance evaluation

The commission and the division do not appear to fully utilize performance data to evaluate the effectiveness of individual programs. As a result, the effectiveness of individual programs is not adequately considered during the resource allocation process. Our review of the commission minutes for fiscal years 2009 and 2010 did not show performance data was used to evaluate specific strategies. Our review of available performance data, including return on investment data, identified issues with the following programs:

Advertising agency

The commission and the division did not establish specific performance goals or measures for the funding allocated to the division's advertising agency. The division paid $19.4 million to the advertising agency for services provided or subcontracted for fiscal years 2009 and 2010, according to division records.

Division officials said annual statewide economic impact studies conducted by a third party provide input on the contractor's performance. Division officials said they consider the contractor's performance to have met the division's needs and also noted the contractor won awards for their campaign. However, without pre-established goals for the advertising agency, it is difficult to measure how effective the performance was or to hold the contractor accountable in the event the performance does not meet desired expectations.

Cooperative marketing program

The commission and the division have not established overall performance measures or targets for the Cooperative Marketing Program or used performance results data as a basis for funding, or denying funding, for specific projects. In addition, each local non-profit entity awarded funding

for increasing tourism to local tourist destinations is not held accountable for its performance estimates. Some projects provided information regarding the return on investment while other funded projects did not. As a result, evaluating cooperative marketing projects against one another is difficult, and the division cannot be assured the most effective projects are selected. The division paid a total of $7.94 million for cooperative marketing projects in fiscal years 2009 and 2010, according to division records.

Tour of Missouri

The commission and the division did not establish performance goals or measures for the funding allocated to the Tour of Missouri. In addition, the commission and the division did not determine the economic impact to the state or the return on investment generated from the Tour of Missouri prior to funding the Tour of Missouri in fiscal years 2009 and 2010 or denying funding for the Tour of Missouri in fiscal year 2011. Although the non-profit entity in charge of promoting the race had obtained an economic benefit study, division officials said they did not rely on the study and did not perform an independent economic impact analysis. According to a division news release, the Tour of Missouri was not funded in 2011 because the division's other priorities produced a higher return on investment. However, it does not appear the division had adequate documentation to support how the economic impact from the Tour of Missouri compared to other tourism projects. The division paid a total of $3.3 million to fund the Tour of Missouri in fiscal years 2009 and 2010.

Welcome Centers

The commission and the division are unable to fully support funding decisions for the Welcome Centers. While state law[4] requires the division to maintain travel offices at major entry points in the state, the division's level of financial support for the centers is at the commission's discretion. The division paid $704,000 and $641,000 for its seven Welcome Centers in fiscal years 2009 and 2010, respectively, according to division records. The fiscal year 2011 budget approved by the commission does not specify the Welcome Center budget, but costs are expected to be consistent with prior years.

The division's economic impact data identified the division's return on investment from the Welcome Centers was substantially less than other division programs. However, no significant cuts to Welcome Center funds were made during fiscal years 2009 through 2011.

Integrating performance data in the resource allocation process requires management to be more accountable for their decisions. Linking the budget and strategic planning processes is a key component in ensuring

[4] Section 620.465, RSMo

accountability because it allows management to evaluate performance and allocate limited department resources in the most effective manner.

Recommendations

The commission and the division:

5.1 Establish formal performance goals and measures to guide the division's overall direction and periodically monitor the results against the pre-established goals.

5.2 Establish procedures to use performance data in the resource allocation process for individual tourism programs.

Auditee's Response

The Commission Chairman and the division provided the following written response:

The division agrees that performance goals and measures are helpful to guide direction, to monitor results, and to determine resource allocation decisions. As such, the division develops statistical and analytical information and conducts special research on Missouri's visitor industry that helps aid state marketing and product development efforts, industry planning and tourism policy-making. Its research publications further enable and empower stakeholders to make informed decisions in support of our tourism economy.

In the fall of 2010, division staff participated in a series of strategic planning sessions to review the current position of the tourism industry in Missouri and to set the direction for the tourism marketing outreach efforts going forward. Current and former commission members were involved in those sessions. The annual marketing plan that outlines how the division will execute these goals was presented to the Missouri General Assembly during the annual joint presentation to the members of the appropriate committees and the members of the commission on February 14, 2011.

Further, the division has established a 3-year strategic plan (2011-2013), which outlines measurable goals and objectives for the division. The strategic plan addresses challenges and assets both internally and externally that impact the success of the division. The plan serves as a road map and barometer, measuring the activities of the division and providing metered benchmarks for performance.

The fiscal year 2011 overall budget for the division is $13,422,576. Of that, the division is expending $10,199,853, or 78.3 percent on marketing the state, and using $2,820,046 or 21.7 percent for operating expenses, including staffing the seven welcome centers at key entry points to the state. Division staff work for new and creative, research supported marketing efforts that allow us to take full advantage of Missouri's natural beauty,

four-season outdoor opportunities, world-class meeting and convention sites and a myriad of sports, entertainment and family friendly options.

Auditor's Comment

Our review of the 3-year strategic plan referenced in the division's above response shows the plan does contain goals and objectives, but does not clearly indicate how those goals and objectives can, or will be, measured. For example, one of the stated goals is to 'enhance the effectiveness' of the division, without designating a measurable criteria or how the goal will be measured.

6. Payment of Flight Costs of the Governor's Office

In fiscal years 2010 and 2009, the division paid flight costs totaling $3,072 relating to travel of the Governor's office, thus circumventing the appropriation process established by the General Assembly. For one flight, totaling $842, the division did not receive documentation supporting the purpose of the flight or who was on the flight. We determined the flight was for travel to St. Louis to promote the 2009 Major League Baseball All-Star game and included no division officials. A second flight, totaling $1,130, related to the 50th Anniversary of Silver Dollar City, a private entity in Branson, and no division officials were on the flight. Documentation for a third flight, totaling $1,100, shows it was to Branson and included the Division Director. However, the trip did not appear to be related to tourism, but was for honoring soldiers.

While some of these flights may have related to tourism, it appears the primary purposes of these flights were for functions associated with the Governor's office. It does not appear appropriate for state agencies to bear the cost of such flights that provide no clear benefit to the applicable agencies. These funding practices distort the actual costs of operating the division and the Governor's office.

Recommendation

The division work with the Governor's office to discontinue the practice of using division appropriations to pay flight costs of the Governor's office.

Auditee's Response

The Commission Chairman and the division provided the following written response:

The Office of Administration, Division of Budget and Planning determines the allocation of expenses incurred by the Governor's office by providing services to state departments. The Division of Budget and Planning informed the division of its share of those expenses. Travel expenses benefitting state departments and their constituents are allocated to the departments. The division believes the costs are an appropriate expense.

Department of Economic Development
Division of Tourism
Organization and Statistical Information

The Missouri Tourism Commission is responsible for determining all matters relating to policy and the administration of tourism promotion, according to state law.[5] The Department of Economic Development, Division of Tourism is the administrative arm of the commission.

The division is responsible for the promotion of tourism in Missouri. The division's primary goal is to draw new and repeat visitors year-after-year, thus increasing tourism expenditures in the state. State law[6] grants the division the following powers: (1) developing a program for the promotion of tourism in Missouri, (2) cooperating with entities in encouraging educational tourism and developing programs, (3) publishing tourist promotional material such as brochures and booklets, (4) promoting tourism in Missouri through articles, advertisements, or promotional exhibits, (5) establishing and maintaining travel offices at major entries of the state, (6) accepting funds for the promotion of tourism in Missouri, and (7) other duties necessary in carrying out the purposes of the division.

The division is administered by a director who is appointed by the commission. Kathleen Steele Danner has served as director of the division since November 2009 (she also previously served as Interim Director and Deputy Director of the Department of Economic Development). Previously, Robert Smith served as Interim Director for the division from March 2008 to November 2009, following the departure of the prior director, Blaine Luetkemeyer. At June 30, 2010, the division had 33 full time employees, 29 of whom were under the State Merit System. At June 30, 2009, the division had 33 full time employees and 16 part-time employees.

The commission consists of ten members appointed for four-year terms without compensation. The members consist of (1) the Lieutenant Governor, (2) two members of the Senate of different political parties appointed by the President Pro Tem of the Senate, (3) two members of the House of Representatives of different political parties appointed by the Speaker of the House of Representatives, and (4) five other persons appointed by the Governor, including persons engaged in the tourism industry.

[5] Section 620.455, RSMo
[6] Section 620.465, RSMo

The members of the commission as of June 30, 2010 were:

Appointed Members	Term Expires
Marcia Bennett-Hazelrigg, Chairman	January 2011
Scott Hovis, Vice Chairman	January 2013
Lieutenant Governor Peter Kinder	No Term*
Senator Jack Goodman	No Term**
Senator Ryan McKenna	No Term**
Representative Maynard Wallace	No Term**
Representative Regina Walsh	No Term**
John Joslyn	January 2014
Kelly Swanson	January 2011
Eric Rhone	January 2012

* Lieutenant Governor is automatically a member of the commission.
** Appointed by the Speaker of the House or the President Pro Tem of the Senate at the beginning of each new session.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The division spent American Recovery and Reinvestment Act of 2009 monies of $3.1 million during the year ended June 30, 2010. These monies were appropriated to the Division of Tourism Supplemental Revenue Fund from the Federal Budget Stabilization - Medicaid Reimbursement Fund and were used to fund the general operations of the division.

A summary of the division's financial activity is presented in the following appendixes.

Appendix A

Department of Economic Development
Division of Tourism
Comparative Statements of Receipts, Disbursements, and Changes in Cash and Investments
2 Years Ended June 30, 2010

	Year Ended June 30,			
	2010		2009	
	Division of Tourism Supplemental Revenue Fund	Tourism Marketing Fund	Division of Tourism Supplemental Revenue Fund	Tourism Marketing Fund
RECEIPTS				
Appropriated transfers in	$ 13,220,720	0	20,963,621	0
Other payments	43	11,389	170	6,573
Miscellaneous	41,895	0	740	0
Total Receipts	13,262,658	11,389	20,964,531	6,573
DISBURSEMENTS				
Personal service	1,260,264	0	1,343,804	0
Employee fringe benefits	858,169	42	745,012	71
Travel, in-state	34,857	0	48,193	0
Travel, out-of-state	15,273	0	22,965	0
Fuel and utilities	170	0	19,835	0
Supplies	117,426	0	122,959	0
Professional development	24,143	0	41,189	0
Communication service and supplies	32,202	0	30,880	0
Professional services	10,648,405	15,000	14,319,504	15,000
Housekeeping and janitorial services	5,359	0	9,838	0
Maintenance and repair services	6,036	0	9,119	0
Computer equipment	5,367	0	11,951	0
Motorized equipment	1,022	0	21,065	0
Office equipment	1,615	0	27,167	0
Other equipment	1,284	0	3,914	0
Real property rentals and leases	153,616	0	113,852	0
Miscellaneous expenses	2,484	0	25,951	0
Program distributions	4,589,127	0	5,239,269	0
Total Disbursements	17,756,819	15,042	22,156,467	15,071
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,494,161)	(3,653)	(1,191,936)	(8,498)
CASH AND INVESTMENTS, JULY 1	4,494,161	4,450	5,686,097	12,948
CASH AND INVESTMENTS, JUNE 30	$ 0	797	4,494,161	4,450

Appendix B

Department of Economic Development
Division of Tourism
Comparative Statement of Appropriations and Expenditures
2 Years Ended June 30, 2010

	Year Ended June 30,					
	2010			2009		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
DIVISION OF TOURISM SUPPLEMENTAL REVENUE FUND						
Personal Service	$ 1,614,386	1,260,264	354,122	1,614,386	1,343,804	270,582
IT Consolidation - Expense and Equipment	55,704	10,929	44,775	55,704	19,730	35,974
Leasing	13,251	13,115	136	44,378	13,967	30,411
Expense and Equipment	21,530,580	14,489,615	7,040,846	21,552,580	18,948,620	2,603,960
DED State Owned	126,822	124,716	2,106	84,575	82,754	1,821
Tour of Missouri	1,000,000	1,000,000	0	1,000,000	1,000,000	0
Unemployment Benefits	3,804	11	3,793	3,804	2,580	1,224
Total Division of Tourism Supplemental Revenue Fund	24,344,547	16,898,650	7,445,778	24,355,427	21,411,455	2,943,972
TOURISM MARKETING FUND						
Expense and Equipment	15,000	15,000	0	15,000	15,000	0
Total Tourism Marketing Fund	15,000	15,000	0	15,000	15,000	0
Total All Funds	$ 24,359,547	16,913,650	7,445,778	24,370,427	21,426,455	2,943,972

The lapsed balances include the following restrictions made at the Governor's request:

	Year Ended June 30,	
	2010	2009
Personal Service	$ 129,151	0
Expense and Equipment	1,604,278	2,603,959
Total Division of Tourism Supplemental Revenue Fund	$ 1,733,429	2,603,959

Appendix C

Department of Economic Development
Division of Tourism
Comparative Statement of Expenditures (From Appropriations)
5 Years Ended June 30, 2010

	Year Ended June 30,				
	2010	2009	2008	2007	2006
Salaries and wages	$ 1,260,264	1,343,804	1,377,283	1,384,756	1,328,655
Travel, in-state	34,857	48,193	44,971	48,477	34,114
Travel, out-of-state	15,273	22,965	32,854	41,189	27,703
Fuel and utilities	170	19,835	21,613	21,549	22,422
Supplies	117,426	122,959	169,754	255,466	198,511
Professional development	24,143	41,189	48,324	40,684	43,816
Communication services and supplies	32,202	30,880	33,106	29,599	28,710
Services:					
Professional Services	10,663,405	14,334,504	13,537,722	8,933,901	8,509,711
Janitorial	5,359	9,838	11,679	19,658	17,854
Maintenance and repair	6,036	9,119	8,574	11,538	7,179
Equipment:					
Computer	5,367	11,951	15,734	24,969	0
Motorized	1,022	21,065		17,419	0
Office	1,615	27,167	65,769	7,939	20,255
Other	1,284	3,914	5,709	2,492	8,272
Real property rentals and leases	153,616	113,852	104,013	86,175	11,638
Miscellaneous expenses	2,484	25,951	37,363	29,415	24,967
Rebillable expenses	0	0	5,000	0	0
Program distributions	4,589,127	5,239,269	3,893,839	3,539,656	3,292,738
Total Expenditures	$ 16,913,650	21,426,455	19,413,307	14,494,882	13,576,545

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Phelps County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Phelps County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-58

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

THE COUNTY OF PHELPS
ROLLA, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2010 & 2009

THE COUNTY OF PHELPS
ROLLA, MISSOURI
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FINANCIAL SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Phelps, Missouri

We have audited the accompanying financial statements of the County of Phelps ("County"), Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note I, these financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County of Phelps, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of the County of Phelps, Missouri, as of December 31, 2010 and 2009, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note I.

As described in Note XI, the County of Phelps has converted from a modified cash (GASB 34) basis of accounting to the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2010 and December 31, 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note I.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

June 15, 2011

FINANCIAL STATEMENTS

THE COUNTY OF PHELPS
ROLLA, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2010

FUND	CASH AND INVESTMENTS JANUARY 1, 2010	RECEIPTS 2010	DISBURSEMENTS 2010	CASH AND INVESTMENTS DECEMBER 31, 2010
General Revenue	$ 881,726.45	$ 4,899,775.47	$ 4,823,226.00	$ 958,275.92
Special Road & Bridge	468,999.01	2,849,328.01	3,021,465.00	296,862.02
Assessment	38,256.09	590,947.00	534,921.11	94,281.98
Road & Bridge Debt Service	104,150.43	52,654.70	-	156,805.13
Unemployment Fund	222,192.35	69,930.40	34,676.00	257,446.75
Use Tax Fund	189,659.33	276,040.00	156,777.76	308,921.57
Health Department Fund	233,063.66	1,153,648.00	1,187,952.01	198,759.65
Community Care Clinic	21,223.43	110,688.00	124,821.06	7,090.37
25th Juvenile FPS Fund	1,071.02	922.00	901.00	1,092.02
Crisis Intervention Fund	811.83	2,306.00	2,651.11	466.72
Election Services Fund	50,302.95	20,887.00	20,877.08	50,312.87
Sheriff's Training Fund	10,381.91	17,660.12	19,071.00	8,971.03
Sheriff's Drug Enforcement Fund	527,303.58	244,781.16	306,745.00	465,339.74
Sheriff's Civil Fee Fund	2,787.81	85,090.34	63,375.00	24,503.15
Sheriff's Revolving Fund	48,678.41	27,776.19	8,526.00	67,928.60
Law Enforcement Sales Tax Fund	2,752.42	4,207,116.36	4,143,933.00	65,935.78
Sheriff's Inmate Security Fund	6,069.22	10,850.03	4,335.00	12,584.25
Law Enforcement Bldg Maint Fund	120,449.08	2,570.94	-	123,020.02
Law Enforcement Restitution Fund	116,794.42	89,623.00	124,645.82	81,771.60
PA Drug Enforcement Fund	130,097.80	112,682.00	165,044.17	77,735.63
PA Training Fund	518.97	2,728.00	2,669.15	577.82
PA Delinquent Tax Fund	10,273.16	4,242.25	-	14,515.41
PA Bad Check Fund	90,451.91	46,806.47	27,527.00	109,731.38
Shelter Fund	5,453.03	16,036.31	16,732.00	4,757.34
Recorder User Fee Fund	9,651.26	22,716.00	32,112.49	254.77
Collector Tax Maintenance Fund	50,209.71	68,139.75	49,333.00	69,016.46
Public Facilities Authority Fund	1,038,458.69	21,794.60	38,460.00	1,021,793.29
Jay White Estate Fund	222,289.34	4,653.16	8,272.00	218,670.50
E911 Fund	349,172.37	541,377.00	871,320.68	19,228.69
Developmentally Disabled Fund	338,479.05	468,966.00	531,433.08	276,011.97
Senior Companions Fund	-	354,009.00	354,009.00	-
RSVP Program Fund	-	41,422.00	41,422.00	-
SB40	-	273,043.64	202,130.28	70,913.36
TOTAL	$ 5,291,728.69	$ 16,691,210.90	$ 16,919,363.80	$ 5,063,575.79

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS
ROLLA, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

FUND	CASH AND INVESTMENTS JANUARY 1, 2009	RECEIPTS 2009	DISBURSEMENTS 2009	CASH AND INVESTMENTS DECEMBER 31, 2009
General Revenue	$ 716,490.67	$ 4,623,412.78	$ 4,458,177.00	$ 881,726.45
Special Road & Bridge	48,554.74	3,109,065.27	2,688,621.00	468,999.01
Assessment	87,866.54	516,235.00	565,845.45	38,256.09
Road & Bridge Debt Service	51,770.84	52,379.59	-	104,150.43
Unemployment Fund	190,623.43	87,288.92	55,720.00	222,192.35
Use Tax Fund	313,860.24	270,481.09	394,682.00	189,659.33
Health Department Fund	380,894.11	1,261,644.00	1,409,474.45	233,063.66
Community Care Clinic	26,995.76	114,268.00	120,040.33	21,223.43
25th Juvenile FPS Fund	1,092.02	-	21.00	1,071.02
Crisis Intervention Fund	1,078.72	866.11	1,133.00	811.83
Election Services Fund	37,932.20	36,208.00	23,837.25	50,302.95
Sheriff's Training Fund	1,674.94	16,221.00	7,514.03	10,381.91
Sheriff's Drug Enforcement Fund	206,697.23	621,723.00	301,116.65	527,303.58
Sheriff's Civil Fee Fund	4,633.29	80,067.00	81,912.48	2,787.81
Sheriff's Revolving Fund	38,150.32	29,169.09	18,641.00	48,678.41
Law Enforcement Sales Tax Fund	49,593.06	3,981,589.36	4,028,430.00	2,752.42
Sheriff's Inmate Security Fund	3,764.33	11,175.00	8,870.11	6,069.22
Law Enforcement Bldg Maint Fund	106,381.06	14,068.02	-	120,449.08
Law Enforcement Restitution Fund	99,405.01	71,933.41	54,544.00	116,794.42
PA Drug Enforcement Fund	121,543.43	168,663.00	160,108.63	130,097.80
PA Training Fund	662.13	2,805.00	2,948.16	518.97
PA Delinquent Tax Fund	5,974.04	6,721.12	2,422.00	10,273.16
PA Bad Check Fund	78,152.49	43,041.00	30,741.58	90,451.91
Shelter Fund	6,709.27	15,999.00	17,255.24	5,453.03
Recorder User Fee Fund	18,376.90	24,636.36	33,362.00	9,651.26
Collector Tax Maintenance Fund	43,486.47	63,812.00	57,088.76	50,209.71
Public Facilities Authority Fund	1,051,012.23	38,459.46	51,013.00	1,038,458.69
Jay White Estate Fund	226,940.81	8,272.53	12,924.00	222,289.34
E911 Fund	479,980.76	472,070.61	602,879.00	349,172.37
Developmentally Disabled Fund	294,153.66	397,709.00	353,383.61	338,479.05
Senior Companions Fund	-	348,777.00	348,777.00	-
RSVP Program Fund	-	40,216.00	40,216.00	-
SB40	-	-	-	-
TOTAL	$ 4,694,450.70	$ 16,528,976.72	$ 15,931,698.73	$ 5,291,728.69

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS
ROLLA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	GENERAL REVENUE FUND			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 835,500.00	$ 830,006.00	$ 799,688.00	$ 790,468.00
Sales Taxes	1,590,000.00	1,585,765.00	1,544,741.00	1,542,664.00
Intergovernmental	1,716,720.00	1,386,716.00	1,089,423.00	1,121,693.00
Charges for Services	706,298.00	707,115.00	716,300.00	738,223.00
Interest	93,934.00	85,718.00	148,468.00	128,569.00
Other	275,983.00	294,455.47	474,051.00	291,795.78
Transfers In	57,936.00	10,000.00	10,000.00	10,000.00
TOTAL RECEIPTS	5,276,371.00	4,899,775.47	4,782,671.00	4,623,412.78
DISBURSEMENTS				
County Commission	173,819.00	165,511.00	178,404.00	163,964.00
County Clerk	250,124.00	197,976.00	250,124.00	200,863.00
Elections	263,500.00	194,176.00	79,900.00	58,327.00
Buildings and Grounds	505,817.00	484,079.00	504,150.00	469,259.00
Employee Fringe Benefits	484,600.00	469,720.00	470,000.00	469,704.00
County Treasurer	65,245.00	62,190.00	65,245.00	61,845.00
Collector	192,284.00	183,803.00	190,581.00	184,673.00
Recorder of Deeds	128,668.00	126,950.00	129,898.00	126,699.00
Circuit Clerk	102,945.00	95,902.00	96,055.00	89,189.00
Associate Circuit Court	20,000.00	17,878.00	27,350.00	16,839.00
Court Administration	33,000.00	25,484.00	33,000.00	18,160.00
Public Administrator	112,139.00	107,365.00	97,089.00	93,876.00
Prosecuting Attorney	549,631.00	473,638.00	520,981.00	465,379.00
Juvenile Officer	464,472.00	418,475.00	536,272.00	477,007.00
Coroner	36,378.00	35,571.00	34,153.00	34,150.00
Other	1,283,500.00	945,908.00	787,946.00	703,602.00
Health and Welfare	88,425.00	87,883.00	88,425.00	88,505.00
Transfers Out	730,717.00	730,717.00	793,795.00	736,136.00
Emergency Fund	140,900.00	-	138,488.00	-
TOTAL DISBURSEMENTS	5,626,164.00	4,823,226.00	5,021,856.00	4,458,177.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(349,793.00)	76,549.47	(239,185.00)	165,235.78
CASH AND INVESTMENT BALANCES, JANUARY 1	881,726.45	881,726.45	716,490.67	716,490.67
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 531,933.45	$ 958,275.92	$ 477,305.67	$ 881,726.45

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS
ROLLA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	SPECIAL ROAD & BRIDGE FUND			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 550,500.00	$ 541,298.00	$ 538,483.00	$ 513,977.00
Sales Taxes	850,000.00	847,136.00	825,221.00	824,111.00
Intergovernmental	1,697,782.00	1,398,130.00	1,773,522.00	1,517,429.00
Charges for Services	-	-	80,000.00	11,238.00
Interest	19,000.00	16,651.00	15,000.00	13,425.00
Other	45,250.00	46,113.01	95,980.00	91,885.27
Transfers In	-	-	137,000.00	137,000.00
TOTAL RECEIPTS	3,162,532.00	2,849,328.01	3,465,206.00	3,109,065.27
DISBURSEMENTS				
Salaries	661,506.00	580,088.00	661,506.00	576,693.00
Employee Fringe Benefits	200,710.00	196,725.00	232,179.00	207,511.00
Supplies	28,700.00	22,645.00	30,200.00	21,516.00
Insurance	40,000.00	36,051.00	46,000.00	37,942.00
Road & Bridge Materials	1,580,500.00	1,530,529.00	1,432,500.00	1,318,230.00
Equipment Repairs	78,000.00	77,805.00	80,000.00	76,639.00
Equipment Purchases	276,000.00	272,104.00	4,000.00	842.00
R&B Construction	250,500.00	2,011.00	11,500.00	3,421.00
Other Expenditures	203,412.00	179,703.00	208,212.00	183,515.00
Debt Service	74,000.00	73,804.00	85,000.00	75,312.00
Transfers Out	50,000.00	50,000.00	190,000.00	187,000.00
TOTAL DISBURSEMENTS	3,443,328.00	3,021,465.00	2,981,097.00	2,688,621.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(280,796.00)	(172,136.99)	484,109.00	420,444.27
CASH AND INVESTMENT BALANCES, JANUARY 1	468,999.01	468,999.01	48,554.74	48,554.74
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 188,203.01	$ 296,862.02	$ 532,663.74	$ 468,999.01

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS
ROLLA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	ASSESSMENT FUND				ROAD & BRIDGE DEBT SERVICE			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 429,959.00	$ 422,620.00	$ 425,961.00	$ 376,636.00	$ -	$ -	$ -	$ -
Charges for Services	50,000.00	49,347.00	15,800.00	16,037.00	-	-	-	-
Interest	2,700.00	3,385.00	9,000.00	6,238.00	2,000.00	2,654.70	1,500.00	2,379.59
Other	40,634.00	40,595.00	35,657.00	42,324.00	-	-	-	-
Transfers In	75,000.00	75,000.00	75,000.00	75,000.00	50,000.00	50,000.00	50,000.00	50,000.00
TOTAL RECEIPTS	598,293.00	590,947.00	561,418.00	516,235.00	52,000.00	52,654.70	51,500.00	52,379.59
DISBURSEMENTS								
Assesor	567,139.00	534,921.11	635,288.00	565,845.45	-	-	-	-
TOTAL DISBURSEMENTS	567,139.00	534,921.11	635,288.00	565,845.45	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	31,154.00	56,025.89	(73,870.00)	(49,610.45)	52,000.00	52,654.70	51,500.00	52,379.59
CASH AND INVESTMENT BALANCES, JANUARY 1	38,256.09	38,256.09	87,866.54	87,866.54	104,150.43	104,150.43	51,770.84	51,770.84
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 69,410.09	$ 94,281.98	$ 13,996.54	$ 38,256.09	$ 156,150.43	$ 156,805.13	$ 103,270.84	$ 104,150.43

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS
ROLLA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	UNEMPLOYMENT FUND				USE TAX FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Interest	$ -	$ -	$ -	$ -	$ 5,500.00	$ 7,682.00	$ 15,000.00	$ 6,078.00
Other	78,500.00	69,930.40	90,000.00	87,288.92	-	-	-	0.09
Use tax receiepts	-	-	-	-	-	268,358.00	-	264,403.00
Transfers In	-	-	-	-	270,000.00	-	379,000.00	-
TOTAL RECEIPTS	78,500.00	69,930.40	90,000.00	87,288.92	275,500.00	276,040.00	394,000.00	270,481.09
DISBURSEMENTS								
State Unemployment	55,000.00	24,676.00	48,400.00	45,720.00	-	-	-	-
Loan Repayments	-	-	-	-	151,000.00	150,700.76	379,000.00	379,000.00
Reimbursements	-	-	-	-	6,078.00	6,077.00	15,682.00	15,682.00
Transfers Out	10,000.00	10,000.00	10,000.00	10,000.00	-	-	-	-
TOTAL DISBURSEMENTS	65,000.00	34,676.00	58,400.00	55,720.00	157,078.00	156,777.76	394,682.00	394,682.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	13,500.00	35,254.40	31,600.00	31,568.92	118,422.00	119,262.24	(682.00)	(124,200.91)
CASH AND INVESTMENT BALANCES, JANUARY 1	222,192.35	222,192.35	190,623.43	190,623.43	189,659.33	189,659.33	313,860.24	313,860.24
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 235,692.35	$ 257,446.75	$ 222,223.43	$ 222,192.35	$ 308,081.33	$ 308,921.57	$ 313,178.24	$ 189,659.33

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS
ROLLA, MISSOURI
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YEARS ENDED DECEMBER 31, 2010 AND 2009

	HEALTH DEPARTMENT FUND				COMMUNITY CARE CLINIC			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 832,560.00	$ 740,885.00	$ 581,155.00	$ 662,537.00	$ -	$ -	$ -	$ -
Charges for Services	179,400.00	151,132.00	192,650.00	181,095.00	-	-	-	-
Interest	6,300.00	5,272.00	23,000.00	13,271.00	700.00	173.00	5,000.00	715.00
Reimbursements	74,000.00	73,715.00	75,000.00	68,549.00				
Other	165,995.00	87,572.00	420,200.00	235,701.00	113,735.00	110,515.00	120,350.00	113,553.00
Transfers In	95,072.00	95,072.00	158,150.00	100,491.00	-	-	-	-
TOTAL RECEIPTS	1,353,327.00	1,153,648.00	1,450,155.00	1,261,644.00	114,435.00	110,688.00	125,350.00	114,268.00
DISBURSEMENTS								
Salaries	778,513.00	760,543.00	778,513.00	778,651.00	-	-	-	-
Employee Fringe Benefits	212,407.00	205,438.00	206,912.00	210,145.00	-	-	-	-
Expenses	262,610.00	192,256.01	419,649.00	362,788.45	-	-	-	-
Core Public Health	58,610.00	29,144.00	60,000.00	57,790.00	-	-	-	-
Equipment	200.00	571.00	101.00	100.00	-	-	-	-
MO Fnd Health Grant Opr Exp	-	-	-	-	-	-	68,000.00	64,044.33
MO Fnd Health In-Kind	-	-	-	-	-	-	15,600.00	14,664.00
South Central Ozark Exp	-	-	-	-	110,600.00	110,009.06	43,000.00	41,332.00
South Central Ozark In-Kind	-	-	-	-	15,520.00	14,812.00		
TOTAL DISBURSEMENTS	1,312,340.00	1,187,952.01	1,465,175.00	1,409,474.45	126,120.00	124,821.06	126,600.00	120,040.33
RECEIPTS OVER (UNDER) DISBURSEMENTS	40,987.00	(34,304.01)	(15,020.00)	(147,830.45)	(11,685.00)	(14,133.06)	(1,250.00)	(5,772.33)
CASH AND INVESTMENT BALANCES, JANUARY 1	233,063.66	233,063.66	380,894.11	380,894.11	21,223.43	21,223.43	26,995.76	26,995.76
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 274,050.66	$ 198,759.65	$ 365,874.11	$ 233,063.66	$ 9,538.43	$ 7,090.37	$ 25,745.76	$21,223.43

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS
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	25TH JUVENILE FPS FUND				CRISIS INTERVENTION FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 1,500.00	$ 922.00	$ 1,500.00	$ -	$ 5,000.00	$ 2,306.00	$ 4,500.00	$ 866.11
TOTAL RECEIPTS	1,500.00	922.00	1,500.00	-	5,000.00	2,306.00	4,500.00	866.11
DISBURSEMENTS								
Expenses	1,500.00	901.00	1,500.00	21.00	5,000.00	2,651.11	5,500.00	1,133.00
TOTAL DISBURSEMENTS	1,500.00	901.00	1,500.00	21.00	5,000.00	2,651.11	5,500.00	1,133.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	21.00	-	(21.00)	-	(345.11)	(1,000.00)	(266.89)
CASH AND INVESTMENT BALANCES, JANUARY 1	1,071.02	1,071.02	1,092.02	1,092.02	811.83	811.83	1,078.72	1,078.72
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 1,071.02	$ 1,092.02	$ 1,092.02	$ 1,071.02	$ 811.83	$ 466.72	$ 78.72	$ 811.83

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS
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	ELECTION SERVICES FUND				SHERIFF'S TRAINING FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 45,610.00	$ 19,552.00	$ 34,708.00	$ 34,310.00	$ 7,000.00	$ 5,906.00	$ 4,363.00	$ 4,728.00
Charges for Services	-	-	-	-	11,000.00	10,767.00	9,229.00	11,104.00
Interest	1,500.00	1,140.00	2,100.00	1,519.00	-	-	-	-
Other	-	195.00	500.00	379.00	1,200.00	987.12	-	389.00
TOTAL RECEIPTS	47,110.00	20,887.00	37,308.00	36,208.00	19,200.00	17,660.12	13,592.00	16,221.00
DISBURSEMENTS								
Expenses	50,610.00	11,896.08	44,400.00	23,837.25	19,200.00	19,071.00	13,592.00	7,514.03
Reimbursements	9,000.00	8,981.00						
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	59,610.00	20,877.08	44,400.00	23,837.25	19,200.00	19,071.00	13,592.00	7,514.03
RECEIPTS OVER (UNDER) DISBURSEMENTS	(12,500.00)	9.92	(7,092.00)	12,370.75	-	(1,410.88)	-	8,706.97
CASH AND INVESTMENT BALANCES, JANUARY 1	50,302.95	50,302.95	37,932.20	37,932.20	10,381.91	10,381.91	1,674.94	1,674.94
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 37,802.95	$ 50,312.87	$ 30,840.20	$ 50,302.95	$ 10,381.91	$ 8,971.03	$ 1,674.94	$ 10,381.91

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS
ROLLA, MISSOURI
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	SHERIFF'S DRUG ENFORCEMENT FUND				SHERIFF'S CIVIL FEE FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 581,320.00	$ 234,766.00	$ 624,000.00	$ 611,262.00	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	-	53,000.00	51,553.00	55,000.00	49,684.00
Interest	10,000.00	10,015.00	10,000.00	10,461.00	600.00	373.00	2,096.00	591.00
Other	-	0.16	-	-	42,000.00	33,164.34	36,000.00	29,792.00
TOTAL RECEIPTS	591,320.00	244,781.16	634,000.00	621,723.00	95,600.00	85,090.34	93,096.00	80,067.00
DISBURSEMENTS								
Expenses	309,000.00	306,745.00	327,000.00	301,116.65	86,284.00	63,375.00	92,000.00	81,912.48
TOTAL DISBURSEMENTS	309,000.00	306,745.00	327,000.00	301,116.65	86,284.00	63,375.00	92,000.00	81,912.48
RECEIPTS OVER (UNDER) DISBURSEMENTS	282,320.00	(61,963.84)	307,000.00	320,606.35	9,316.00	21,715.34	1,096.00	(1,845.48)
CASH AND INVESTMENT BALANCES, JANUARY 1	527,303.58	527,303.58	206,697.23	206,697.23	2,787.81	2,787.81	4,633.29	4,633.29
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 809,623.58	$ 465,339.74	$ 513,697.23	$ 527,303.58	$ 12,103.81	$ 24,503.15	$ 5,729.29	$ 2,787.81

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS
ROLLA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
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	SHERIFF'S REVOLVING FUND				LAW ENFORCEMENT SALES TAX FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ -	$ -	$ -	$ -	$ 1,825,000.00	$ 1,824,535.00	$ 1,777,487.00	$ 1,775,049.00
Intergovernmental	-	-	-	-	1,438,938.00	1,414,025.00	1,095,000.00	1,030,631.00
Charges for Services	30,000.00	26,565.00	30,000.00	27,690.00	1,983.00	2,340.00	800.00	783.00
Interest	1,500.00	1,211.00	2,500.00	1,479.00	4,000.00	1,977.00	6,000.00	3,055.00
Reimbursements	-	-	-	-	151,084.00	209,562.00	116,000.00	353,030.00
Other	-	0.19	-	0.09	249,000.00	194,032.36	275,000.00	258,396.36
Transfers In	-	-	-	-	711,345.00	560,645.00	802,645.00	560,645.00
TOTAL RECEIPTS	31,500.00	27,776.19	32,500.00	29,169.09	4,381,350.00	4,207,116.36	4,072,932.00	3,981,589.36
DISBURSEMENTS								
Expenses	23,000.00	8,526.00	21,900.00	18,641.00	480,600.00	412,862.00	505,600.00	501,794.00
Salaries	-	-	-	-	1,971,660.00	1,971,165.00	2,131,964.00	2,102,115.00
Fringe Benefits	-	-	-	-	590,500.00	587,379.00	602,600.00	599,293.00
Equip/Auto Expense	-	-	-	-	136,100.00	133,365.00	141,800.00	141,570.00
Other - Sheriff	-	-	-	-	325,600.00	322,180.00	38,368.00	38,234.00
Other - Jail	-	-	-	-	458,810.00	442,426.00	442,010.00	438,278.00
Transfers Out	-	-	-	-	-	-	60,000.00	10,000.00
Debt Service / Equip	-	-	-	-	296,300.00	274,556.00	148,300.00	197,146.00
TOTAL DISBURSEMENTS	23,000.00	8,526.00	21,900.00	18,641.00	4,259,570.00	4,143,933.00	4,070,642.00	4,028,430.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	8,500.00	19,250.19	10,600.00	10,528.09	121,780.00	63,183.36	2,290.00	(46,840.64)
CASH AND INVESTMENT BALANCES, JANUARY 1	48,678.41	48,678.41	38,150.32	38,150.32	2,752.42	2,752.42	49,593.06	49,593.06
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 57,178.41	$ 67,928.60	$ 48,750.32	$ 48,678.41	$ 124,532.42	$ 65,935.78	$ 51,883.06	$ 2,752.42

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS
ROLLA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
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	SHERIFF'S INMATE SECURITY FUND				LAW ENFORCEMENT BUILDING MAINT FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	$ 10,000.00	$ 10,674.00	$ 14,000.00	$ 11,038.00	$ -	$ -	$ -	$ -
Interest	100.00	176.03	600.00	137.00	4,000.00	2,570.94	2,500.00	4,068.02
Transfers In	-	-	-	-	-	-	60,000.00	10,000.00
TOTAL RECEIPTS	10,100.00	10,850.03	14,600.00	11,175.00	4,000.00	2,570.94	62,500.00	14,068.02
DISBURSEMENTS								
Expense	9,000.00	4,335.00	9,000.00	8,870.11	-	-	-	-
TOTAL DISBURSEMENTS	9,000.00	4,335.00	9,000.00	8,870.11	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,100.00	6,515.03	5,600.00	2,304.89	4,000.00	2,570.94	62,500.00	14,068.02
CASH AND INVESTMENT BALANCES, JANUARY 1	6,069.22	6,069.22	3,764.33	3,764.33	120,449.08	120,449.08	106,381.06	106,381.06
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 7,169.22	$ 12,584.25	$ 9,364.33	$ 6,069.22	$ 124,449.08	$ 123,020.02	$ 168,881.06	$ 120,449.08

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THE COUNTY OF PHELPS
ROLLA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
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	LAW ENFORCEMENT RESTITUTION FUND				PA DRUG ENFORCEMENT FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ 80,000.00	$ 36,958.00	$ 95,000.00	$ 93,926.00
Charges for Services	85,000.00	83,762.00	83,000.00	68,058.00		-	-	-
Interest	2,500.00	1,995.00	3,000.00	3,875.41	3,902.00	2,966.00	500.00	4,262.00
Other	4,000.00	3,866.00	-	-	70,000.00	72,758.00	75,000.00	70,475.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	91,500.00	89,623.00	86,000.00	71,933.41	153,902.00	112,682.00	170,500.00	168,663.00
DISBURSEMENTS								
Expenses	141,460.00	124,645.82	99,405.00	54,544.00	185,500.00	165,044.17	171,300.00	160,108.63
TOTAL DISBURSEMENTS	141,460.00	124,645.82	99,405.00	54,544.00	185,500.00	165,044.17	171,300.00	160,108.63
RECEIPTS OVER (UNDER) DISBURSEMENTS	(49,960.00)	(35,022.82)	(13,405.00)	17,389.41	(31,598.00)	(52,362.17)	(800.00)	8,554.37
CASH AND INVESTMENT BALANCES, JANUARY 1	116,794.42	116,794.42	99,405.01	99,405.01	130,097.80	130,097.80	121,543.43	121,543.43
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 66,834.42	$ 81,771.60	$ 86,000.01	$ 116,794.42	$ 98,499.80	$ 77,735.63	$ 120,743.43	$ 130,097.80

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THE COUNTY OF PHELPS
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	PA TRAINING FUND				PA DELINQUENT TAX FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ 3,000.00	$ 4,019.00	$ 5,000.00	$ 4,770.00
Charges for Services	3,000.00	2,728.00	3,000.00	2,805.00		-	-	-
Interest	-	-	-	-	309.00	223.25	60.00	251.00
Other	-	-	-	-	-	-	2,000.00	1,700.12
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,000.00	2,728.00	3,000.00	2,805.00	3,309.00	4,242.25	7,060.00	6,721.12
DISBURSEMENTS								
Expenses	3,500.00	2,669.15	3,300.00	2,948.16	-	-	3,000.00	2,422.00
TOTAL DISBURSEMENTS	3,500.00	2,669.15	3,300.00	2,948.16	-	-	3,000.00	2,422.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(500.00)	58.85	(300.00)	(143.16)	3,309.00	4,242.25	4,060.00	4,299.12
CASH AND INVESTMENT BALANCES, JANUARY 1	518.97	518.97	662.13	662.13	10,273.16	10,273.16	5,974.04	5,974.04
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 18.97	$ 577.82	$ 362.13	$ 518.97	$ 13,582.16	$ 14,515.41	$ 10,034.04	$ 10,273.16

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS
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	PA BAD CHECK FUND				SHELTER FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for Services	42,000.00	40,149.00	40,000.00	17,156.00	17,000.00	15,925.31	16,000.00	15,837.00
Interest	2,500.00	2,201.00	1,200.00	3,074.00	200.00	111.00	200.00	162.00
Other	10,000.00	4,456.47	25,000.00	22,811.00	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	54,500.00	46,806.47	66,200.00	43,041.00	17,200.00	16,036.31	16,200.00	15,999.00
DISBURSEMENTS								
Expenses	39,400.00	27,527.00	40,525.00	30,741.58	17,000.00	16,732.00	17,500.00	17,255.24
TOTAL DISBURSEMENTS	39,400.00	27,527.00	40,525.00	30,741.58	17,000.00	16,732.00	17,500.00	17,255.24
RECEIPTS OVER (UNDER) DISBURSEMENTS	15,100.00	19,279.47	25,675.00	12,299.42	200.00	(695.69)	(1,300.00)	(1,256.24)
CASH AND INVESTMENT BALANCES, JANUARY 1	90,451.91	90,451.91	78,152.49	78,152.49	5,453.03	5,453.03	6,709.27	6,709.27
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 105,551.91	$ 109,731.38	$ 103,827.49	$ 90,451.91	$ 5,653.03	$ 4,757.34	$ 5,409.27	$ 5,453.03

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THE COUNTY OF PHELPS
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	RECORDER USER FEE FUND				COLLECTOR TAX MAINTENANCE FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ 67,500.00	$ 66,649.00	$ 60,150.00	$ 59,587.00
Charges for Services	23,196.00	22,461.00	23,050.00	23,846.00	-	-	-	-
Interest	545.00	255.00	545.00	790.36	2,000.00	1,490.75	1,300.00	2,269.00
Other	-	-	-	-	-	-	2,000.00	1,956.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	23,741.00	22,716.00	23,595.00	24,636.36	69,500.00	68,139.75	63,450.00	63,812.00
DISBURSEMENTS								
Expenses	32,112.00	32,112.49	38,362.00	33,362.00	38,300.00	22,927.00	28,300.00	14,565.76
Salary Expenses	-	-	-	-	41,000.00	26,406.00	49,947.00	42,523.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	32,112.00	32,112.49	38,362.00	33,362.00	79,300.00	49,333.00	78,247.00	57,088.76
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,371.00)	(9,396.49)	(14,767.00)	(8,725.64)	(9,800.00)	18,806.75	(14,797.00)	6,723.24
CASH AND INVESTMENT BALANCES, JANUARY 1	9,651.26	9,651.26	18,376.90	18,376.90	50,209.71	50,209.71	43,486.47	43,486.47
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 1,280.26	$ 254.77	$ 3,609.90	$ 9,651.26	$ 40,409.71	$ 69,016.46	$ 28,689.47	$ 50,209.71

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS
ROLLA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	PUBLIC FACILITIES AUTHORITY FUND				JAY WHITE ESTATE FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Interest	$ 32,000.00	$ 21,794.60	$ 50,000.00	$ 38,459.46	$ 8,000.00	$ 4,653.16	$ 12,000.00	$ 8,272.53
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	32,000.00	21,794.60	50,000.00	38,459.46	8,000.00	4,653.16	12,000.00	8,272.53
DISBURSEMENTS								
Expenses	31,500.00	-	50,000.00	-	-	-	-	-
Reimbursements	38,460.00	38,460.00	51,012.00	51,013.00	8,272.00	8,272.00	12,924.00	12,924.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	69,960.00	38,460.00	101,012.00	51,013.00	8,272.00	8,272.00	12,924.00	12,924.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(37,960.00)	(16,665.40)	(51,012.00)	(12,553.54)	(272.00)	(3,618.84)	(924.00)	(4,651.47)
CASH AND INVESTMENT BALANCES, JANUARY 1	1,038,458.69	1,038,458.69	1,051,012.23	1,051,012.23	222,289.34	222,289.34	226,940.81	226,940.81
CASH AND INVESTMENT BALANCES, DECEMBER 31	$1,000,498.69	$1,021,793.29	$1,000,000.23	$1,038,458.69	$ 222,017.34	$218,670.50	$ 226,016.81	$222,289.34

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS
ROLLA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	E911 FUND				DEVELOPMENTALLY DISABLED FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ 396,200.00	$ 394,221.00	$ 390,500.00	$ 382,891.00
Sales Taxes	86,000.00	85,736.00	-	-	-	-	-	-
Intergovernmental	-	-	-	-	33,450.00	32,733.00	1,480.00	479.00
Charges for Services	435,000.00	436,981.00	460,000.00	449,155.00	-	-	-	-
Interest	12,000.00	6,162.00	28,000.00	18,665.00	13,000.00	7,714.00	16,000.00	14,339.00
Other	13,000.00	12,498.00	4,500.00	4,250.61	35,000.00	34,298.00	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	546,000.00	541,377.00	492,500.00	472,070.61	477,650.00	468,966.00	407,980.00	397,709.00
DISBURSEMENTS								
Contracts	459,500.00	457,762.00	449,737.00	410,408.00	-	-	-	-
Other Expenses	100,234.00	94,212.68	108,134.00	97,783.00	12,210.00	11,788.08	2,250.00	1,775.61
Equipment	56,519.00	49,346.00	113,240.00	94,688.00	-	-	-	-
Programs	-	-	-	-	384,564.00	369,645.00	366,571.00	351,608.00
Reimbursements to Agency Funds	270,000.00	270,000.00	-	-	150,000.00	150,000.00	-	-
TOTAL DISBURSEMENTS	886,253.00	871,320.68	671,111.00	602,879.00	546,774.00	531,433.08	368,821.00	353,383.61
RECEIPTS OVER (UNDER) DISBURSEMENTS	(340,253.00)	(329,943.68)	(178,611.00)	(130,808.39)	(69,124.00)	(62,467.08)	39,159.00	44,325.39
CASH AND INVESTMENT BALANCES, JANUARY 1	349,172.37	349,172.37	479,980.76	479,980.76	338,479.05	338,479.05	294,153.66	294,153.66
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 8,919.37	$ 19,228.69	$ 301,369.76	$ 349,172.37	$ 269,355.05	$ 276,011.97	$ 333,312.66	$ 338,479.05

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS
ROLLA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	SENIOR COMPANIONS FUND				RSVP PROGRAM FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Federal Grants	348,777.00	354,009.00	348,777.00	348,777.00	40,216.00	41,422.00	40,216.00	40,216.00
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	348,777.00	354,009.00	348,777.00	348,777.00	40,216.00	41,422.00	40,216.00	40,216.00
DISBURSEMENTS								
Salaries and Benefits	348,777.00	354,009.00	348,777.00	348,777.00	40,216.00	41,422.00	40,216.00	40,216.00
Other Expenses	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Programs	-	-	-	-	-	-	-	-
Reimbursements to Agency Funds	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	348,777.00	354,009.00	348,777.00	348,777.00	40,216.00	41,422.00	40,216.00	40,216.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	-	-	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	-	-	-	-	-	-	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS
ROLLA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	SB40			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Board Funding	$ -	$ 150,000.00	$ -	$ -
MO Medicaid	766,065.00	122,869.54	-	-
Interest	-	174.10	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	766,065.00	273,043.64	-	-
DISBURSEMENTS				
Operating expenses	595,276.00	202,130.28	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	595,276.00	202,130.28	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	170,789.00	70,913.36	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	-	-	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 170,789.00	$ 70,913.36	$ -	$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS
ROLLA, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2010

	2010					
	Surplus Tax	**School Principal**	**Collector**	**Collector Protest**	**Recorder**	**SR Comp Board**
ASSETS						
Cash and Cash Equivalents	$ 7,249.14	$ 210,961.12	$ 11,284,332.12	$ 4,219.99	$ 23,897.06	$ 41,030.15
Total Assets	7,249.14	210,961.12	11,284,332.12	4,219.99	23,897.06	41,030.15
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	7,249.14	210,961.12	11,284,332.12	4,219.99	23,897.06	41,030.15
TOTAL LIABILITIES AND FUND BALANCES	$ 7,249.14	$ 210,961.12	$ 11,284,332.12	$ 4,219.99	$ 23,897.06	$ 41,030.15

	RSVP	**Sheriff Account**	**Commisary Account**	**Prosecuting Attorney**	**Homeless Shelter Program**	**Total Fiduciary Funds**
ASSETS						
Cash and Cash Equivalents	$ 14,524.47	$ 12,368.61	$ 16,493.15	$ 748.27	$ 31,394.82	$ 11,647,218.90
Total Assets	14,524.47	12,368.61	16,493.15	748.27	31,394.82	11,647,218.90
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	14,524.47	12,368.61	16,493.15	748.27	31,394.82	11,647,218.90
TOTAL LIABILITIES AND FUND BALANCES	$ 14,524.47	$ 12,368.61	$ 16,493.15	$ 748.27	$ 31,394.82	$ 11,647,218.90

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS
ROLLA, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

	2009					
	Surplus Tax	**School Principal**	**Collector**	**Collector Protest**	**Recorder**	**SR Comp Board**
ASSETS						
Cash and Cash Equivalents	$ 8,488.96	$ 259,350.84	$ 10,884,734.45	$ 81,369.24	$ 27,263.42	$ 30,102.76
Total Assets	8,488.96	259,350.84	10,884,734.45	81,369.24	27,263.42	30,102.76
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	8,488.96	259,350.84	10,884,734.45	81,369.24	27,263.42	30,102.76
TOTAL LIABILITIES AND FUND BALANCES	$ 8,488.96	$ 259,350.84	$ 10,884,734.45	$ 81,369.24	$ 27,263.42	$ 30,102.76

	RSVP	**Sheriff Account**	**Commisary Account**	**Prosecuting Attorney**	**Homeless Shelter Program**	**Total Fiduciary Funds**
ASSETS						
Cash and Cash Equivalents	$ 15,823.34	$ 9,140.82	$ 8,709.82	$ -	$ 70,746.46	$ 11,395,730.11
Total Assets	15,823.34	9,140.82	8,709.82	-	70,746.46	11,395,730.11
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES - OVERDRAFT	-	-	-	(509.27)	-	(509.27)
UNRESERVED FUND BALANCES	15,823.34	9,140.82	8,709.82	(509.27)	70,746.46	11,395,220.84
TOTAL LIABILITIES AND FUND BALANCES	$ 15,823.34	$ 9,140.82	$ 8,709.82	$ (509.27)	$ 70,746.46	$ 11,395,220.84

The accompanying notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Phelps, Missouri ("the Primary Government"), which is governed by a three-member board of commissioners, was established in 1857 by an Act of the Missouri Territory. In addition to the three Commissioners, there are eleven elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator, Prosecuting Attorney and County Surveyor.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, and social and human services.

The financial statements referred to above include only the primary government of Phelps County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the County's legally separate component unit, which accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting require to be reported with the financial data of the County. In accordance with accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, the Phelps County Regional Medical Center has issued separate reporting entity financial statements. For information on this component unit, please contact the Phelps County Regional Medical Center at (573) 458-8899 (or write to 1000 West Tenth Street Rolla, MO 65401).

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

   Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2010 and 2009, for purposes of taxation was:

	2010	2009
Real Estate	$ 415,231,730	$ 408,183,050
Personal Property	104,035,549	101,103,990
Railroad and Utilities	20,669,138	20,521,644
	$ 539,936,417	$ 529,808,684

During 2010 and 2009, the County Commission approved a $.3068 and $.3157, respectively, tax levy per $100 of assessed valuation of tangible taxable property for the calendar year 2010 and 2009, for purposes of County taxation, as follows:

	2010	2009
General Revenue Fund	$ .1466	$ .1521
Special Road and Bridge Fund	.0899	.0933
Developmentally Disabled	.0703	.0703
	$ .3068	$ .3157

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on a weighted average of cash balance. Cash equivalents include any instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Equivalents" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amount of the County's deposits was $5,063,575.79 and $5,291,728.69, the bank balance was $5,333,688.42 and $5,647,019.91 respectively. As of December 31, 2010 and 2009, 100% of the County’s investments were guaranteed by the U. S. Government.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2010, as follows:

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and Changes in Cash and Investments – Governmental Funds:	
Deposits	$ 5,063,575.79
Investments	-
Total Governmental Funds	5,063,575.79
Statement of Assets and Liabilities Arising From Cash Transactions – Agency Funds:	
Deposits	11,647,218.90
Investments	-
Total Deposits & Investments as of December 31, 2010	$ 16,710,794.99

II. DEPOSITS AND INVESTMENTS (continued)

The carrying values of deposits and investments at December 31, 2009, are as follows:

Included in the following fund financial statement captions:	
Statements of Receipts, Disbursements and Changes in Cash and Investments – Governmental Funds:	
Deposits	$ 5,066,728.69
Investments	225,000.00
Total Governmental Funds	5,291,728.69
Statement of Assets and Liabilities Arising From Cash Transactions – Agency Funds:	
Deposits	11,395,220.84
Investments	-
Total Deposits & Investments as of December 31, 2009	$ 16,686,949.53

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the year end December 31, 2010 & 2009.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has a policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities.

II. DEPOSITS AND INVESTMENTS (concluded)

The County's deposits were not exposed to concentration of investment credit risk for the year end December 31, 2010 & 2009.

III. LONG-TERM DEBT

2003 Medical Center Bonds – The Component Unit of Phelps County – Phelps County Medical Center has a $40,000,000 bond that was entered into on 10/27/03. The County is only responsible for the bonds if the Medical Center would happen to default on them. The balance at 12/31/09 was $30,895,000.00 and the Balance at 12/31/10 was $29,160,000.00. Amortizations are not shown since these are the responsibility of the Medical Center.

The following are the descriptions and balances for the 2010 Capital Leases:

2010 CAPITAL LEASES

ON 4/13/06 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH CITIZENS BANK OF NEWBURG FOR COMPUTER EQUIPMENT AND RECORDING SYSTEM FOR THE RECORDER, THE INTEREST RATE IS 4.5%, THE PAYMENT IS $2,051.00 MONTHLY.	8,126.71
ON 6/7/06 THE COUNTY COMMISSIONERS ENTERED INTO A 48 MONTH LEASE WITH XEROX FOR COPIERS AT THE TEXAS COUNTY JUVENILE CENTER, THE INTEREST RATE IS 4.277% AND THE PAYMENT IS $59.55 MONTHLY.	0.00
ON 12/7/06 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH XEROX FOR A COPIER FOR THE ASSESSOR, THE INTEREST RATE IS 11.368% AND THE PAYMENT IS $74.55 MONTHLY.	841.88
ON 2/13/07 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH XEROX FOR A COPIER FOR THE PUBLIC ADMINISTRATOR, THE INTEREST RATE PAYMENT IS 23.522% AND THE PAYMENT IS 62.68 MONTHLY.	760.95
ON 4/23/09 THE COUNTY COMMISSIONERS ENTERED INTO A 36 MONTH LEASE WITH TOWN AND COUNTRY BANK FOR HEAVY EQUIPMENT FOR THE ROAD AND BRIDGE DEPARTMENT, THE INTEREST RATE IS 3.75%, THE PAYMENT IS $68,816.29 ANNUALLY.	66,283.33
ON 8/13/09 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH IKON FOR A COPIER AT THE CIRCUIT CLERKS OFFICE, THE INTEREST RATE IS 10.751% AND THE PAYMENT IS $118.36 MONTHLY.	4,288.30
TOTAL CAPITAL LEASES FOR 2010	80,301.17

III. LONG-TERM DEBT (Continued)

The following are the descriptions and balances for the 2010 Operating Leases:

2010 OPERATING LEASES	
ON 9/18/07 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH XEROX FOR A COPIER FOR THE CIRCUIT CLERK, THE PAYMENT IS $132.29 MONTHLY.	2,778.09
ON 11/8/07 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH GIBBS TECHNOLOGY LEASING, LLC FOR A COPIER FOR THE SHERIFFS OFFICE, THE PAYMENT IS $280.00 MONTHLY	7,152.00
ON 11/8/07 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH GIBBS TECHNOLOGY LEASING, LLC FOR A COPIER FOR THE SHERIFFS OFFICE, THE PAYMENT IS $295.51 MONTHLY.	6,796.73
ON 8/28/08 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH PITNEY BOWES FOR A POSTAGE MACHINE FOR THE COUNTY THE PAYMENT IS $4,377 QUARTERLY, INTEREST IS INCLUDED IN THE PAYMENT FOR A TOTAL OF $3,436.05 FOR THE YEAR.	39,393.00
ON 10/7/08 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH CBS LEASING FOR A DIGITAL SYSTEM FOR THE COLLECTOR, THE PAYMENT IS $209.00 MONTHLY.	7,106.00
ON 12/3/08 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH IKON FOR A COPIER FOR THE PROSECUTING ATTORNEYS OFFICE, THE PAYMENT IS $145.00 MONTHLY.	5,220.00
TOTAL OPERATING LEASES FOR 2010	68,445.82

The following are the descriptions and balances for the 2009 Capital Leases:

2009 CAPITAL LEASES	
ON 4/13/06 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH CITIZENS BANK OF NEWBURG FOR COMPUTER EQUIPMENT AND RECORDING SYSTEM FOR THE RECORDER, THE INTEREST RATE IS 4.5%, THE PAYMENT IS $2,051.00 MONTHLY.	31,789.04
ON 6/7/06 THE COUNTY COMMISSIONERS ENTERED INTO A 48 MONTH LEASE WITH XEROX FOR COPIERS AT THE TEXAS COUNTY JUVENILE CENTER, THE INTEREST RATE IS 4.277% AND THE PAYMENT IS $59.55 MONTHLY.	352.87
ON 12/7/06 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH XEROX FOR A COPIER FOR THE ASSESSOR, THE INTEREST RATE IS 11.368% AND THE PAYMENT IS $74.55 MONTHLY.	1,593.68

III. LONG-TERM DEBT (Continued)

2009 CAPITAL LEASES (CONCLUDED)

ON 2/13/07 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH XEROX FOR A COPIER FOR THE PUBLIC ADMINISTRATOR, THE INTEREST RATE PAYMENT IS 23.522% AND THE PAYMENT IS 62.68 MONTHLY.	1,267.33
ON 4/23/09 THE COUNTY COMMISSIONERS ENTERED INTO A 36 MONTH LEASE WITH TOWN AND COUNTRY BANK FOR HEAVY EQUIPMENT FOR THE ROAD AND BRIDGE DEPARTMENT, THE INTEREST RATE IS 3.75%, THE PAYMENT IS $68,816.29 ANNUALLY.	130,140.27
ON 8/13/09 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH IKON FOR A COPIER AT THE CIRCUIT CLERKS OFFICE, THE INTEREST RATE IS 10.751% AND THE PAYMENT IS $118.36 MONTHLY.	5,194.01
TOTAL CAPITAL LEASES FOR 2009	170,337.20

The following are the descriptions and balances for the 2009 Operating Leases:

2009 OPERATING LEASES

ON 9/18/07 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH XEROX FOR A COPIER FOR THE CIRCUIT CLERK, THE PAYMENT IS $132.29 MONTHLY.	4,365.57
ON 11/8/07 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH GIBBS TECHNOLOGY LEASING, LLC FOR A COPIER FOR THE SHERIFFS OFFICE, THE PAYMENT IS $280.00 MONTHLY	10,728.00
ON 11/8/07 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH GIBBS TECHNOLOGY LEASING, LLC FOR A COPIER FOR THE SHERIFFS OFFICE, THE PAYMENT IS $295.51 MONTHLY.	10,342.85
ON 8/28/08 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH PITNEY BOWES FOR A POSTAGE MACHINE FOR THE COUNTY THE PAYMENT IS $4,377 QUARTERLY, INTEREST IS INCLUDED IN THE PAYMENT FOR A TOTAL OF $4,283.81 FOR THE YEAR.	56,901.00
ON 10/7/08 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH CBS LEASING FOR A DIGITAL SYSTEM FOR THE COLLECTOR, THE PAYMENT IS $209.00 MONTHLY.	9,614.00
ON 12/3/08 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH IKON FOR A COPIER FOR THE PROSECUTING ATTORNEYS OFFICE, THE PAYMENT IS $145.00 MONTHLY.	6,960.00
TOTAL OPERATING LEASES FOR 2009	98,911.42

III. LONG-TERM DEBT (Continued)

2010 Amortizations of Capital Leases:

	CITIZENS BANK EQ-LEASE RECORDER		IKON CIRCUIT CLERK		TOWN & COUNTRY HEAVY EQUIP	
	Principle	Interest	Principle	Interest	Principle	Interest
2011	8,126.71	76.29	1,008.01	412.31	66,283.33	2,532.96
2012	-	-	1,121.86	298.46	-	-
2013	-	-	1,248.62	171.70	-	-
2014	-	-	909.81	37.07	-	-
	8,126.71	76.29	4,288.30	919.54	66,283.33	2,532.96

2010 Amortizations of Capital Leases (Concluded):

	XEROX TX CO JUVENILE		XEROX ASSESSOR		XEROX PUBLIC ADMIN	
	Principle	Interest	Principle	Interest	Principle	Interest
2011	-	-	841.88	52.72	639.18	112.98
2012	-	-	-	-	121.77	3.59
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
	-	-	841.88	52.72	760.95	116.57

2010 Amortization of Operating Leases:

	XEROX CIRC CT	GIBBS SHERIFF	GIBBS #2 SHERIFF	PITNEY BOWES	CBS LEASING	IKON PROS AT	TOTAL
2011	1,587.48	3,576.00	3,546.12	17,508.00	2,508.00	1,740.00	30,465.60
2012	1.190.61	3,576.00	3,250.61	17,508.00	2,508.00	1,740.00	29,773.22
2013				4,377.00	2,090.00	1,740.00	8,207.00
	2,778.09	7,152.00	6,796.73	39,393.00	7,106.00	5,220.00	68,445.82

III. LONG-TERM DEBT (concluded)

2009 Amortizations of Capital Leases:

	CITIZENS BANK EQ-LEASE RECORDER		IKON CIRCUIT CLERK		TOWN & COUNTRY HEAVY EQUIP	
	Principle	Interest	Principle	Interest	Principle	Interest
2010	23,662.33	945.95	905.71	514.61	63,856.94	4,959.35
2011	8,126.71	76.29	1,008.01	412.31	66,283.33	2,532.96
2012	-	-	1,121.86	298.46	-	-
2013	-	-	1,248.62	171.70	-	-
2014	-	-	909.81	37.07	-	-
	31,789.04	1,022.24	5,194.01	1,434.15	130,140.27	7,492.31

2009 Amortizations of Capital Leases (Concluded):

	XEROX TX CO JUVENILE		XEROX ASSESSOR		XEROX PUBLIC ADMIN	
	Principle	Interest	Principle	Interest	Principle	Interest
2010	352.87	4.43	751.80	142.80	506.38	245.78
2011	-	-	841.88	52.72	639.18	112.98
2012	-	-	-	-	121.77	3.59
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
	352.87	4.43	1,593.68	195.52	1,267.33	362.35

2009 Amortization of Operating Leases:

	XEROX CIRC CT	GIBBS SHERIFF	GIBBS #2 SHERIFF	PITNEY BOWES	CBS LEASING	IKON PROS AT	TOTAL
2010	1,587.48	3,576.00	3,546.12	17,508.00	2,508.00	1,740.00	30,465.60
2011	1.587.48	3,576.00	3,546.12	17,508.00	2,508.00	1,740.00	30,465.60
2012	1,190.61	3,576.00	3,250.61	17,508.00	2,508.00	1,740.00	29,773.22
2013				4,377.00	2,090.00	1,740.00	8,207.00
	4,365.57	10,728.00	10,342.85	56,901.00	9,614.00	6,960.00	98,911.42

IV. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2010 and 2009 are as follows:

	2010		2009	
	Transfers In	Transfers Out	Transfers In	Transfers Out
MAJOR FUNDS				
General Fund	$ 10,000.00	$ 730,717.00	$ 10,000.00	$ 736,136.00
Special Road and Bridge Fund	-	50,000.00	137,000.00	187,000.00
Assessment Fund	75,000.00	-	75,000.00	-
Road & Bridge Debt Service	50,000.00	-	50,000.00	-
Unemployment Fund	-	10,000.00	-	10,000.00
Health Dept Fund	95,072.00	-	100,491.00	-
Law Enforcement Sales Tax Fund	560,645.00	-	560,645.00	10,000.00
Law Enforcement Bldg. Maint. Fund	-	-	10,000.00	-
TOTAL	**$ 790,717.00**	**$ 790,717.00**	**$ 943,136.00**	**$ 943,136.00**

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires actual performance of duties not less than 1,000 hours per calendar year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (continued)

B. Pension Benefits

All benefits vest after 8 years of creditable service. Employees who retire on or after 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional Joint and survivor annuity and 10-year certain life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost of living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, 2121 Schotthill Road, Jefferson City, MO 65101, or by calling 1-573-632-9203.

C. Funding Policy

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of Missouri Legislature. During 2010 and 2009, the Primary Government collected and remitted to CERF, employee contributions of approximately $222,636.12 and $230,248.73, respectively, for the years then ended.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Phelps County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and is governed by statute, section RSMO. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. This plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

A. Plan Description

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

Phelps County's full time employees contribute 4% of their gross pay to the pension plan. The political subdivision is required by state statute to contribute at an actuarially determined rate; the current rate is 8.3% (general) and 6.8% (police) of annual covered payroll for 2010. The 2009 rate was 7.3 % (general) and 5.8% (police). The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost

For 2010, the subdivision's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	$	431,995
Interest on net pension obligation		-
Adjustment to annual required contribution		-
Annual pension cost		431,995
Actual contributions		369,788
Increase (decrease) in NPO		62,207
NPO beginning of year		-
NPO end of year	$	62,207

The annual required contribution (ARC) was determined as part of the February 29, 2008 and February 28, 2009 annual actuarial valuation using the entry age actuarial cost method. For 2009, the political subdivision's annual pension cost of $520,582 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2007 and/or February 29, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5 percent per year, compounded annually, (b) projected salary increases of 4.0 percent per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0 percent to 6.0 percent per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality Table for males projected to 2000 set back 1 year for men and 7 years for women.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

C. Annual Pension Cost (continued)

The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 29, 2008, was 15 years for the General division and 15 years for the Police division. The amortization period as of February 28, 2009, was 30 years for the General division and 30 years for the Police division. The amortization period at February 28, 2009, was 15 years.

2010 Three Year Trend Information

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
2008	$ 302,820	100%	$ 0
2009	331,907	100%	0
2010	431,995	85.6%	62,207

2010 REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/29/2008	$9,394,848	$ 8,394,296	$ (1,000,552)	112%	$ 4,509,800	0%
2/28/2009	7,833,343	8,848,275	(1,014,932)	89%	4,668,404	22%
2/28/2010	8,478,227	9,456,529	978,302	90%	5,028,382	19%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

C. Annual Pension Cost (concluded)

2009 Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
6/30/2007	$ 417,639	100%	$0
6/30/2008	481,992	100%	$0
6/30/2009	520,582	100%	$0

2009 REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2007	$8,957,770	$ 8,194,676	$ (763,094)	109%	$ 4,119,818	0%
2/29/2008	9,394,848	8,394,296	(1,000,552)	112%	4,509,800	0%
2/28/2009	7,833,343	8,848,275	1,014,932	89%	4,668,404	22%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has settled litigation regarding these mandated contributions on April 13, 2010. A settlement amount of $25,840 was paid for January 1, 2007 through April 30, 2010 contributions ($646 for 40 months). The County has contributed $31,008 and $0, respectively, for the years ended December 31, 2010 and 2009.

VIII. POST EMPLOYMENT BENEFITS

The County does provide post-employment benefits including, as mandated, the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. Retirees may remain on the health insurance plan until they are Medicare eligible. If an employee has over 25 years of service with the County, the County will continue to pay the same portion of health insurance that they paid before the person retired, until the person becomes Medicare eligible.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in pending litigation at December 31, 2010, but believes that any claims against the county would be covered by their insurance carrier.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation and overtime, if applicable but not sick time. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

X. RISK MANAGEMENT (concluded)

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $450,000 per occurrence for 2010 and $400,000 per occurrence for 2009, it is then reinsured up to the statutory limit through excess insurance.

XI. ACCOUNTING CHANGE

For the years ended December 31, 2010 and December 31, 2009, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements.

XII. SUBSEQUENT EVENTS

The County is currently involved in two pending litigation suits. Amounts are not determinable at this time.

XIII. CHANGE IN FUND PRESENTATION

In April, 2010, the voters of Phelps County approved a sales tax issue for Phelps County 911. With passage of the ¼ cent sales tax, the statute places financial control of the 911 with the Phelps County Emergency Services Board. The initial Board was appointed by the Phelps County Commission. In April, 2011, the Board was elected by the voters of Phelps County. The telephone tariff was ended on December 31, 2010. All funds have been transferred to the Phelps County Emergency Services Board.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

SCHEDULE OF STATE FINDING

There were no budget state findings to report at December 31, 2010 and 2009.

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FEDERAL COMPLIANCE SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Phelps, Missouri

We have audited the financial statements of the County of Phelps ("County"), Missouri, as of and for the years ended December 31, 2010 and December 31, 2009, and have issued our report thereon dated June 15, 2011. The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. (FS 10/09-01, FS 10/09-02, FS 10/09-03 and FS 10/09-04) A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated June 15, 2011.

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, the Federal awarding agencies and pass-through entities and is not to be and should not be used by anyone other than those specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

June 15, 2011

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditor's Report

To The County Commission
The County of Phelps
Rolla, Missouri

Compliance

We have audited the County of Phelp's ("County") compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2010 and December 31, 2009. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and December 31, 2009.

3510 JEFFCO BOULEVARD • SUITE 200 • ARNOLD, MISSOURI 63010-3999 • 636-464-1330 • FAX 636-464-3076

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of management, the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

June 15, 2011

THE COUNTY OF PHELPS
ROLLA, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2010 & 2009

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2010	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2009
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through State:				
Department of Health and Senior Services:				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	3MO700704	$ 219,947.00	$ 179,100.00
Summer Food Service Program for Children	10.559	09AFSP	240.00	480.00
Office of Administration:				
Schools and Roads - Grants to States	10.665		242,528.00	310,975.00
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through State:				
Department of Social Services:				
ARRA-Homelessness Prevention and Rapid Re-Housing	14.257	ER16410034A	418,770.00	79,059.00
U.S. DEPARTMENT OF INTERIOR				
Direct Program:				
PILT - Payment in Lieu of Taxes	15.226		71,552.00	55,582.00
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Federal Marshall Prisoner Holding	16.XXX		567,311.00	549,403.00
Public Safety Partnership and Community Policing Grants	16.710		39,682.00	39,682.00
Equitable Sharing of Seized and Forfeited Property	16.XXX		471,789.00	461,224.00
Passed Through State:				
Missouri Sheriff's Association:				
Drug Court Enhancement	16.585	2009APBX0173	58,841.00	1,001.00
Bulletproof Vest Grant	16.607		717.00	3,210.00
Secure Our Schools	16.710		143,856.00	-
ARRA-Recovery Act Justice Assistance Grant	16.804		-	51,763.00
Domestic Cannabis Eradication/Suppression Program SCAAP	16.606		1,136.00	-
Passed Through State Department of Public Safety:				
State Criminal Alien Assistance Program	16.606	2009APBX0173	4,825.00	3,702.00
Edward Byrne Memorial Justice Grant	16.738		12,219.00	1,207.00
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through State:				
Highway and Transportation Commission:				
Speed Enforcement Grant	20.600	10-PT-02-159	4,146.00	852.00
Speed Enforcement Grant	20.600	LKK-058	-	990.00
Hazardous Moving Violation	20.600	09-PT-02-109	-	5,714.00
DWI Enforcement	20.601	09-154-AL-30	-	10,990.00
DWI Enforcement	20.601	LKK076	2,265.00	-
DWI Enforcement	20.601	10-K8-03-83	10,553.00	-
CIOT/CPS Enforcement	20.601	LKK075	996.00	-
CIOT/CPS Enforcement	20.601	LKK-063	-	488.00
DWI (YD & DYL) Enforcement	20.607	LKK-040	-	2,940.00

THE COUNTY OF PHELPS
ROLLA, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (concluded)
FOR THE YEARS ENDED DECEMBER 31, 2010 & 2009

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2010	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2009
GENERAL SERVICES ADMINISTRATION				
Passed Through State Office of Administration:				
Donation of Federal Surplus Personal Property	39.003		320.00	1,155.00
Passed Through the Office of Secretary of State:				
Election Reform Payments	39.011		14,200.00	-
U.S. DEPARTMENT OF EDUCATION				
Direct Program:				
ARRA - Stimulus Funds for Developmentally Disabled Board	84.394		32,019.00	-
ELECTION ASSISTANCE COMMISSION				
Passed Through the Office of Secretary of State:				
Help America Vote Act Requirements Payments	90.401		5,274.00	19,714.00
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES				
Passed Through State:				
Department of Health and Human Services:				
Immunization Grants	93.268	IP722543-08	161,112.00	117,932.00
Centers for Disease Control and Prevention:				
Investigations and Technical Assistance	93.283	DP000750-03	23,070.00	29,599.00
Investigations and Technical Assistance	93.283	DP000820-04	128,058.00	-
Regional Public Health Emer. Plan & Preparedness	93.069	TP716971-10	53,965.00	-
Public Health Emergency Preparedness	93.283	TP716971-09	-	64,786.00
Capacity Building Award	93.008		-	5,000.00
Department of Social Services:				
Child Support Services	93.563		18,825.00	43,856.00
Immunization Reaching More Children & Adults	93.712		5,276.00	-
Child Care Asthma Quality Improvement	93.713		189.00	-
Department of Health and Senior Services:				
Child Care and Development Block Grant	93.575	2009G996005	-	7,300.00
Child Care and Development Block Grant	93.575	2010G996005	6,544.00	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919		-	10,559.00
Maternal and Child Health Services	93.994	10-MCH08-MCH	92,177.00	-
Maternal and Child Health Services	93.994	09-MCH	-	97,484.00
Office of Secretary of State:				
Capacity Building Award-Medical Reserve Corps	93.008		5,000.00	-
Tuberculosis Elimination & Lab Capacity	93.116		75.00	-
CORPORATION FOR NATIONAL AND COMMUNITY SERVICES				
Passed Through Department of Health and Human Services:				
Retired and Senior Volunteer Program - RSVP	94.002	08SRWMO001	41,422.00	40,216.00
Senior Companions	94.016	10SCWMO001	354,009.00	348,777.00
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through State Department of Public Safety:				
State Domestic Preparedness Equipment Support Program	97.004		5,563.00	-
Disaster Grant - Public Assistance Grant	97.036		67,084.00	1,554,519.00
Residential Flood Buy Out Project	97.039		1,089.00	-
Emergency Management Performance Grant	97.042		4,039.00	-
Total Expenditures of Federal Awards			**$ 3,290,683.00**	**$ 4,099,259.00**

NOTE 1 – BASIS OF PRESENTATION

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Phelps County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistanc*e means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUBRECIPIENTS

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the County provided federal awards to subrecipients as follows:

Program Title	Subrecipient	Federal CFDA Number		Amount Provided to Subrecipient
ARRA-Homeless Prevention and Rapid Re-Housing, passed through the State and Department of Social Services	Meramec Community Enhancement Corporation	14.257	2010	$ 418,770.00
			2009	79,059.00
Secure our Schools Grant, passed through the State and Missouri Sheriff's Association	St. James R-1 School District	16.710	2010	143,856.00
	Total Provided to Subrecipients			$ 641,685.00

THE COUNTY OF PHELPS
ROLLA, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unqualified - Regulatory Basis

2. Internal control over financial reporting:

a. Material weakness(es) identified?	2010 ___	Yes	X No
	2009 ___	Yes	X No
b. Significant deficiencies identified?	2010 X	Yes	___ None Reported
	2009 X	Yes	___ None Reported

3. Noncompliance material to financial statements noted?

	2010 ___	Yes	X No
	2009 ___	Yes	X No

B. Federal Awards

1. Internal control over major programs:

a. Material weakness(es) identified?	2010 ___	Yes	X No
	2009 ___	Yes	X No
b. Significant deficiencies identified?	2010 ___	Yes	X None Reported
	2009 ___	Yes	X None Reported

2. Type of auditor's report issued on compliance for major programs:

2010 - Unqualified

2009 - Unqualified

3. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?

2010 ___	Yes	X No
2009 ___	Yes	X No

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

4. Identification of major programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2010/2009	10.557	Special Supplemental Nutrition Program for Women, Infants and Children (WIC)
2010/2009	14.257	ARRA – Homelessness Prevention and Rapid Re-Housing
2010/2009	15.226	PILT – Payment in Lieu of Taxes
2010/2009	16.XXX	Federal Marshall Prisoner Holding
2010/2009	16.XXX	Equitable Sharing of Seized and Forfeited Property
2009	16.804	ARRA – Recovery Act Justice Assistance Grant
2010/2009	97.036	Disaster Grant – Public Assistance Grant (Presidentially Declared Disasters)

5. Dollar threshold used to distinguish between type A and type B programs: $ 300,000

6. Auditee qualified as low-risk auditee? 2010 ___ Yes X No
2009 ___ Yes X No

II. FINANCIAL STATEMENT FINDINGS

10/09-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, Communicating Internal Control Related Matters Identified in an Audit, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

II. FINANCIAL STATEMENT FINDINGS (continued)

10/09-01 Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement. The County will pursue remedy for SAS 115 compliance if it is determined that it is required for a county of this size and whether this is an unfunded mandate. However, the Commission disagrees with the term "significant deficiency" and notes that in the "Report on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" which is a part of this audit, it was noted "we did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness" and "the results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards".

10/09-02 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement. The County will pursue remedy for SAS 115 compliance if it is determined that it is required for a county of this size and whether this is an unfunded mandate. However, the Commission disagrees with the term "significant deficiency" and notes that in the "Report on Internal Control Over Financial Reporting and Other

II. FINANCIAL STATEMENT FINDINGS (continued)

10/09-02 Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" which is a part of this audit, it was noted "we did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness" and "the results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards".

10/09-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The Commission will encourage all elected officials to review and document antifraud risk assessments.

10/09-04 Criteria: Sheriff's commissary account reconciliation does not provide supporting documentation.

Condition: During our audit, we noted that the reconciliation of the commissary account does not provide supporting documentation that ties to the reconciliation.

Context: Supporting documentation for the commissary reconciliations for December 31, 2010 and 2009 do not match the bank reconciliation.

Effect: Lack of proper reconciliation and monitoring of accounts may lead to errors that may not be found in a timely manner.

II. FINANCIAL STATEMENT FINDINGS (concluded)

10/09-04 Cause: The Sheriff's commissary account reconciliation does not have supporting documentation for its reconciliations.

Recommendation: We recommend that the Sheriff's office reconcile the commissary account on a monthly basis and monitor the reconciliations to be sure supporting documentation is provided to support the reconciliations. These reconciliations will ensure meaningful and accurate financial statements. Unreconciled differences that appear immaterial can obscure significant but offsetting items that would be a cause for investigation if the items were apparent.

Views of responsible officials and planned corrective actions: The Sheriff has implemented new controls for the commissary account effective March, 2011. The account will be reconciled on a monthly basis and the Jail Administrator will monitor the reconciliations to be sure that supporting documentation is provided.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no audit findings related to internal control, compliance, questioned costs, or fraud that related to federal awards for the years ended December 31, 2010 and 2009.

THE COUNTY OF PHELPS
ROLLA, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEARS ENDED DECEMBER 31, 2010 AND 2009

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters in an Audit, which is effective for periods ending on or after December 15, 2007, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as FS 10/09-01.

FS 07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2007, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as FS 10/09-02.

FS 07/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as FS 10/09-03.

FS 09-01 Criteria: During our fieldwork we were informed that the Prosecuting Attorney's office did not prepare bank reconciliations on a regular basis between February 2009 and June 2009.

Status: It appears this finding has been resolved in the current year.

II. PRIOR YEAR FEDERAL AWARD FINDINGS

SA 07/08-01 The schedule of expenditures of federal awards contained errors.

Status: It appears this finding has been resolved in the current year.

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

To the County Commissioners
Phelps County, Missouri

In planning and performing our audit of the financial statements of the County of Phelps ("County") as of and for the years ended December 31, 2010 and 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the County's internal control listed below to be significant deficiencies.

Our comments concerning internal control and other significant matters are presented as follows:

I. Deficiencies Considered to be Significant
II. Changes Impacting Governmental Entities
III. Information Required by Professional Standards

Phelps County's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, County Commissioners, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates
Certified Public Accountants
June 15, 2011

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

10/09-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, Communicating Internal Control Related Matters Identified in an Audit, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement. The County will pursue remedy for SAS 115 compliance if it is determined that it is required for a county of this size and whether this is an unfunded mandate. However, the Commission disagrees with the term "significant deficiency" and notes that in the "Report on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" which is a part of this audit, it was noted "we did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness" and "the results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards".

10/09-02 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement. The County will pursue remedy for SAS 115 compliance if it is determined that it is required for a county of this size and whether this is an unfunded mandate. However, the Commission disagrees with the term "significant deficiency" and notes that in the "Report on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" which is a part of this audit, it was noted "we did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness" and "the results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards".

10/09-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The Commission will encourage all elected officials to review and document antifraud risk assessments.

10/09-04 Criteria: Sheriff's commissary account reconciliation does not provide supporting documentation.

Condition: During our audit, we noted that the reconciliation of the commissary account does not provide supporting documentation that ties to the reconciliation.

Context: Supporting documentation for the commissary reconciliations for December 31, 2010 and 2009 do not match the bank reconciliation.

Effect: Lack of proper reconciliation and monitoring of accounts may lead to errors that may not be found in a timely manner.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

Cause: The Sheriff's commissary account reconciliation does not have supporting documentation for its reconciliations.

Recommendation: We recommend that the Sheriff's office reconcile the commissary account on a monthly basis and monitor the reconciliations to be sure supporting documentation is provided to support the reconciliations. These reconciliations will ensure meaningful and accurate financial statements. Unreconciled differences that appear immaterial can obscure significant but offsetting items that would be a cause for investigation if the items were apparent.

Views of responsible officials and planned corrective actions: The Sheriff has implemented new controls for the commissary account effective March, 2011. The account will be reconciled on a monthly basis and the Jail Administrator will monitor the reconciliations to be sure that supporting documentation is provided.

II. CHANGES IMPACTING GOVERNMENTAL ENTITIES

a. SAS 115, *Communicating Internal Control Related Matters Identified in an Audit*, is effective for periods ending on or after December 15, 2009 and supersedes SAS No. 112. This standard defines the terms *deficiency in internal control, significant deficiency*, and *material weakness*. It provides guidance on evaluating the severity of deficiencies in internal control identified in an audit of financial statements.

b. SAS 117, *Compliance Audits*, which supersedes SAS No. 74, is effective for compliance audits for periods ending on or after June 15, 2010. This SAS identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits and used in the SAS, and identifies the elements to be included in an auditor's report on a compliance audit. It reflects changes in the compliance audit environment and incorporates the risk assessment standards.

c. SAS 118, *Other Information in Documents Containing Audited Financial Statements*, is effective for audits of financial statements for periods beginning on or after December 15, 2010. This section addresses the auditor's responsibility in relation to other information in documents containing audited financial statements and the auditor's report thereon.

d. SAS 119, *Supplementary Information in Relation to the Financial Statements as a Whole*, is effective for audits of financial statements for periods beginning on or after December 15, 2010. This section addresses the auditor's responsibility when engaged to report on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *OMB Circular A-133*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 28, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. The County adopted the regulatory basis of accounting to report its financial statements for the years ended December 31, 2010 and 2009. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 15, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Stone County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Stone County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-57

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

THE COUNTY OF STONE
GALENA, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2010 & 2009

THE COUNTY OF STONE
GALENA, MISSOURI
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FINANCIAL SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Stone, Missouri

We have audited the accompanying financial statements of the County of Stone ("County"), Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note I, these financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County of Stone, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of the County of Stone, Missouri, as of December 31, 2010 and 2009, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note I.

As described in Note XI, the County of Stone has converted from a modified cash (GASB 34) basis of accounting to the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2010 and December 31, 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note I.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

July 22, 2011

FINANCIAL STATEMENTS

THE COUNTY OF STONE
GALENA, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2010

FUND	CASH AND INVESTMENTS JANUARY 1, 2009	RECEIPTS 2010	DISBURSEMENTS 2010	CASH AND INVESTMENTS DECEMBER 31, 2010
General Revenue	$ 482,499.09	$ 6,407,369.23	$ 5,850,017.12	$ 1,039,851.20
Special Road & Bridge	910,047.65	3,625,442.52	3,270,761.95	1,264,728.22
Road & Bridge Capital Improvements	57,869.28	513.48	36,815.00	21,567.76
Assessment	3,422.08	556,771.97	501,045.28	59,148.77
Special Road Project	-	3,546.35	2,220.12	1,326.23
Law Enforcement Restitution	41,413.23	37,765.15	58,676.19	20,502.19
Law Enforcement Block Grant	9,361.80	53,174.00	60,672.85	1,862.95
Capital Improvements	48.80	0.45	-	49.25
Emergency	601,971.35	6,306.29	-	608,277.64
Law Enforcement Training	472.96	2,400.50	50.00	2,823.46
Prosecuting Attorney Training	1,969.85	623.37	1,840.30	752.92
LEPC	12,373.58	2,000.00	1,334.95	13,038.63
Insurance Claim	2,693.48	52,015.29	47,743.76	6,965.01
Children's Trust	1,230.00	900.00	1,230.00	900.00
Abuse Victim	3,020.00	3,908.00	3,020.00	3,908.00
Inmate Security	470.77	2,676.45	3,147.22	-
Special Recorder	193,762.93	104,375.16	59,052.16	239,085.93
Sheriff Revolving	5,290.63	17,867.25	17,043.11	6,114.77
Election Grant	0.91	150.59	-	151.50
Election Services	16,310.18	4,999.92	5,138.12	16,171.98
Senior Citizens	176,724.14	250,285.06	237,162.00	189,847.20
PA Delinquent Tax	11,600.28	1,803.14	1,848.42	11,555.00
D.A.R.E	4,586.11	8,830.81	8,077.64	5,339.28
Law Enforcement- Civil Fees	21,831.78	65,706.07	66,469.18	21,068.67
PA Bad Check	13,942.61	23,707.08	24,062.50	13,587.19
E911	664,960.74	856,331.70	797,784.24	723,508.20
Total	$ 3,237,874.23	$ 12,089,469.83	$ 11,055,212.11	$ 4,272,131.95

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

FUND	CASH AND INVESTMENTS JANUARY 1, 2008	RECEIPTS 2009	DISBURSEMENTS 2009	CASH AND INVESTMENTS DECEMBER 31, 2009
General Revenue	$ 311,594.78	$ 6,173,325.01	$ 6,002,420.70	$ 482,499.09
Special Road & Bridge	583.38	4,033,797.96	3,124,333.69	910,047.65
Road & Bridge Capital Improvements	202,990.00	234,291.12	379,411.84	57,869.28
Assessment	33,676.29	529,491.64	559,745.85	3,422.08
Special Road Project	7,751.47	7,316.00	15,067.47	-
Law Enforcement Restitution	34,477.24	37,353.21	30,417.22	41,413.23
Law Enforcement Block Grant	1,413.05	118,000.00	110,051.25	9,361.80
Capital Improvements	6,762.58	220,144.20	226,857.98	48.80
Emergency	590,597.97	11,373.38	-	601,971.35
Law Enforcement Training	(2,223.74)	5,801.57	3,104.87	472.96
Prosecuting Attorney Training	2,204.25	685.60	920.00	1,969.85
LEPC	9,225.37	3,636.84	488.63	12,373.58
Insurance Claim	6,682.28	39,474.54	43,463.34	2,693.48
Children's Trust	495.00	735.00	-	1,230.00
Abuse Victim	913.00	2,107.00	-	3,020.00
Inmate Security	5,549.44	3,470.33	8,549.00	470.77
Special Recorder	293,924.61	105,097.97	205,259.65	193,762.93
Sheriff Revolving	5,149.66	18,592.25	18,451.28	5,290.63
Election Grant	(1,072.09)	1,073.00	-	0.91
Election Services	10,803.54	6,407.28	900.64	16,310.18
Senior Citizens	140,081.35	244,538.79	207,896.00	176,724.14
PA Delinquent Tax	7,744.26	5,970.01	2,113.99	11,600.28
D.A.R.E	2,558.40	7,152.57	5,124.86	4,586.11
Law Enforcement- Civil Fees	19,853.44	88,169.47	86,191.13	21,831.78
PA Bad Check	25,172.91	21,440.85	32,671.15	13,942.61
E911	706,871.67	866,519.57	908,430.50	664,960.74
Total	$ 2,423,780.11	$ 12,785,965.16	$ 11,971,871.04	$ 3,237,874.23

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	GENERAL REVENUE FUND			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property taxes	$ 659,702.00	$ 696,770.25	$ 659,702.00	$ 686,166.02
Sales taxes	3,694,361.00	3,905,008.47	3,918,461.00	3,848,293.60
Intergovernmental	385,789.00	389,443.20	330,519.00	331,246.08
Charges for services	900,155.00	934,648.27	882,200.00	930,568.46
Interest	15,000.00	13,854.76	15,000.00	14,081.09
Other	311,140.00	459,177.47	378,026.00	352,320.60
Transfers in	10,650.00	8,466.81	197,910.00	10,649.16
TOTAL RECEIPTS	5,976,797.00	6,407,369.23	6,381,818.00	6,173,325.01
DISBURSEMENTS				
County Commission	179,303.00	169,711.17	190,369.00	175,388.79
County Clerk	147,350.00	142,994.33	172,610.00	170,156.20
Elections	252,790.00	239,749.27	138,350.00	124,229.21
Buildings and grounds	168,035.00	151,998.05	165,710.00	163,290.45
Employee fringe benefits	786,515.00	786,911.73	786,515.00	785,935.23
County Treasurer	85,328.00	84,917.49	89,264.00	87,461.14
Collector	238,312.00	237,985.53	233,412.00	237,047.13
Recorder of Deeds	163,182.00	160,757.74	163,182.00	165,619.15
Circuit Clerk	55,160.00	48,372.62	58,248.00	52,845.97
Associate Circuit Court	-	-	-	-
Court Administration	94,406.00	82,168.73	93,020.00	83,186.03
Public Administrator	61,025.00	60,903.50	61,140.00	60,616.07
Sheriff	1,368,812.00	1,387,452.02	1,489,250.00	1,475,574.22
Jail	659,530.00	665,166.23	674,770.00	640,344.52
Prosecuting Attorney	436,742.00	431,041.64	438,292.00	414,538.22
Juvenile Officer	109,774.00	100,371.37	109,874.00	98,276.55
Coroner	41,152.00	37,515.09	41,152.00	41,108.80
Building Improvements	-	-	-	-
Emergency Management	-	-	-	-
Other	867,532.00	725,658.66	828,966.00	764,305.56
Health and Welfare		-	-	-
Debt Service	82,707.00	84,028.37	281,000.00	53,503.95
Transfers out	274,740.00	252,313.58	574,342.00	408,993.51
Emergency fund	-	-	-	-
TOTAL DISBURSEMENTS	6,072,395.00	5,850,017.12	6,589,466.00	6,002,420.70
RECEIPTS OVER (UNDER) DISBURSEMENTS	(95,598.00)	557,352.11	(207,648.00)	170,904.31
CASH AND INVESTMENT BALANCES, JANUARY 1	482,499.09	482,499.09	311,594.78	311,594.78
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 386,901.09	$ 1,039,851.20	$ 103,946.78	$ 482,499.09

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	SPECIAL ROAD & BRIDGE FUND			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property taxes	$ 5,000.00	$ 5,463.59	$ 5,000.00	$ 5,063.06
Sales taxes	1,759,620.00	1,858,763.17	1,848,966.00	1,832,935.58
Intergovernmental	1,200,000.00	1,205,471.69	1,509,850.00	1,533,237.71
Charges for services	-	-	-	-
Interest	13,000.00	14,032.17	15,000.00	12,751.52
Other	11,000.00	2,815.58	16,500.00	47,141.05
Transfers in	540,430.00	538,896.32	786,759.00	602,669.04
TOTAL RECEIPTS	3,529,050.00	3,625,442.52	4,182,075.00	4,033,797.96
DISBURSEMENTS				
Salaries	1,064,960.00	1,061,922.50	1,075,200.00	1,065,762.80
Employee fringe benefits	357,769.00	325,702.67	345,618.00	347,018.25
Materials and Supplies	380,500.00	318,816.38	395,500.00	301,584.47
Insurance	90,000.00	58,530.63	72,095.00	72,082.00
Road & Bridge Materials	1,740,000.00	1,190,577.05	1,681,000.00	1,060,852.59
Equipment Repairs	279,000.00	186,630.57	275,000.00	172,897.10
Rentals	1,000.00	186.50	1,000.00	-
Equipment Purchases	35,000.00	33,244.98	-	-
Road and Bridge Construction	-	-	6,000.00	-
Other	116,050.00	95,150.67	113,050.00	104,136.48
Operating Tranfers	33.00	-	-	-
TOTAL DISBURSEMENTS	4,064,312.00	3,270,761.95	3,964,463.00	3,124,333.69
RECEIPTS OVER (UNDER) DISBURSEMENTS	(535,262.00)	354,680.57	217,612.00	909,464.27
CASH AND INVESTMENT BALANCES, JANUARY 1	910,047.65	910,047.65	583.38	583.38
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 374,785.65	$ 1,264,728.22	$ 218,195.38	$ 910,047.65

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	ROAD AND BRIDGE CAPITAL IMPROVEMENTS FUND			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS	$ -	$ -	$ -	$ -
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	4,000.00	494.72	5,500.00	3,268.53
Other	-	18.76	255,860.00	231,022.59
Transfers in	-	-	-	-
TOTAL RECEIPTS	4,000.00	513.48	261,360.00	234,291.12
DISBURSEMENTS				
Bridge Projects	57,815.00	36,815.00	400,000.00	379,411.84
TOTAL DISBURSEMENTS	57,815.00	36,815.00	400,000.00	379,411.84
RECEIPTS OVER (UNDER) DISBURSEMENTS	(53,815.00)	(36,301.52)	(138,640.00)	(145,120.72)
CASH AND INVESTMENT BALANCES, JANUARY 1	57,869.28	57,869.28	202,990.00	202,990.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 4,054.28	$ 21,567.76	$ 64,350.00	$ 57,869.28

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	ASSESSMENT FUND				SPECIAL ROAD PROJECTS			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	$ 444,087.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	409,273.40	473,000.00	448,857.82	-	-	-	-
Charges for services	-	883.32	-	-	-	-	-	-
Interest	-	-	5,000.00	1,337.30	-	-	-	-
Other	2,000.00	1,947.25	8,000.00	4,296.52	7,000.00	3,546.35	8,000.00	7,316.00
Transfers in	151,000.00	144,668.00	92,899.00	75,000.00	-	-	-	-
TOTAL RECEIPTS	597,087.00	556,771.97	578,899.00	529,491.64	7,000.00	3,546.35	8,000.00	7,316.00
DISBURSEMENTS								
Assessor	593,387.00	501,045.28	592,118.00	559,745.85	-	-	-	-
Roads/Culverts/Sign Expenses	-	-	-	-	7,000.00	2,220.12	10,000.00	15,067.47
TOTAL DISBURSEMENTS	593,387.00	501,045.28	592,118.00	559,745.85	7,000.00	2,220.12	10,000.00	15,067.47
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,700.00	55,726.69	(13,219.00)	(30,254.21)	-	1,326.23	(2,000.00)	(7,751.47)
CASH AND INVESTMENT BALANCES, JANUARY 1	3,422.08	3,422.08	33,676.29	33,676.29	-	-	7,751.47	7,751.47
CASH AND INVESTMENT BALANCES, DECEMBER 31	7,122.08	59,148.77	20,457.29	3,422.08	-	1,326.23	5,751.47	-

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	LAW ENFORCEMENT RESTITUTION FUND				ELECTION GRANT FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	27,084.00	150.00	2,400.00	1,060.00
Charges for services	37,000.00	36,220.15	37,500.00	37,243.21	-	-	-	-
Interest	-	-	-	110.00	-	0.59	5.00	-
Other	-	1,545.00	-	-	-	-	-	-
Transfers in	-	-	-	-		-	13.00	13.00
TOTAL RECEIPTS	37,000.00	37,765.15	37,500.00	37,353.21	27,084.00	150.59	2,418.00	1,073.00
DISBURSEMENTS								
Board Approved Expenses	60,000.00	58,676.19	60,000.00	30,417.22	27,084.00	-	1,000.00	-
TOTAL DISBURSEMENTS	60,000.00	58,676.19	60,000.00	30,417.22	27,084.00	-	1,000.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(23,000.00)	(20,911.04)	(22,500.00)	6,935.99	-	150.59	1,418.00	1,073.00
CASH AND INVESTMENT BALANCES, JANUARY 1	41,413.23	41,413.23	34,477.24	34,477.24	0.91	0.91	10,803.54	(1,072.09)
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 18,413.23	$ 20,502.19	$ 11,977.24	$ 41,413.23	$ 0.91	$ 151.50	$ 12,221.54	$ 0.91

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	LE BLOCK GRANT				CAPITAL IMPROVEMENTS FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	10,000.00	19,816.00	156,858.00	118,000.00	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	1,000.00	0.45	4,000.00	144.20
Other	-	-	-	-	-	-	-	-
Transfers in	-	33,358.00	-	-	-	-	217,517.00	220,000.00
TOTAL RECEIPTS	10,000.00	53,174.00	156,858.00	118,000.00	1,000.00	0.45	221,517.00	220,144.20
DISBURSEMENTS								
Expenses	10,000.00	60,672.85	128,000.00	110,051.25	-	-	224,280.00	226,857.98
TOTAL DISBURSEMENTS	10,000.00	60,672.85	128,000.00	110,051.25	-	-	224,280.00	226,857.98
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(7,498.85)	28,858.00	7,948.75	1,000.00	0.45	224,280.00	(6,713.78)
CASH AND INVESTMENT BALANCES, JANUARY 1	9,361.80	9,361.80	156,858.00	1,413.05	48.80	48.80	6,762.58	6,762.58
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 9,361.80	$ 1,862.95	$ 185,716.00	$ 9,361.80	$ 1,048.80	$ 49.25	$ 231,042.58	$ 48.80

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	EMERGENCY FUND				LAW ENFORCEMENT TRAINING FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	2,500.00	2,400.50	5,000.00	2,748.75
Interest	13,000.00	6,306.29	13,326.00	11,373.38		-	-	-
Other	-	-	-	-	1,000.00	-	-	1,303.82
Transfers in	-	-	-	-	-	-	1,749.00	1,749.00
TOTAL RECEIPTS	13,000.00	6,306.29	13,326.00	11,373.38	3,500.00	2,400.50	6,749.00	5,801.57
DISBURSEMENTS								
Miscellaneous Expenses	180,000.00	-		-	-	-	-	-
Transfer to General Revenue			187,260.00					
Tuition, Mileage, and Other	-	-	-	-	2,775.00	50.00	2,775.00	3,104.87
TOTAL DISBURSEMENTS	180,000.00	-	187,260.00	-	2,775.00	50.00	2,775.00	3,104.87
RECEIPTS OVER (UNDER) DISBURSEMENTS	(167,000.00)	6,306.29	(173,934.00)	11,373.38	725.00	2,350.50	3,974.00	2,696.70
CASH AND INVESTMENT BALANCES, JANUARY 1	601,971.35	601,971.35	590,597.97	590,597.97	472.96	472.96	(2,223.74)	(2,223.74)
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 434,971.35	$ 608,277.64	$ 416,663.97	$ 601,971.35	$ 1,197.96	$ 2,823.46	$ 1,750.26	$ 472.96

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	PROSECUTING ATTORNEY TRAINING FUND				LEPC FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	3,300.00	2,000.00	3,200.00	3,636.84
Charges for services	600.00	623.37	700.00	685.60	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	600.00	623.37	700.00	685.60	3,300.00	2,000.00	3,200.00	3,636.84
DISBURSEMENTS								
CEPF	-	-	-	-	7,200.00	1,334.95	7,475.00	488.63
HMEP	-	-	-	-	1,000.00	-	2,800.00	-
Tuition, Mileage, and Other	2,500.00	1,840.30	2,500.00	920.00	-	-	-	-
TOTAL DISBURSEMENTS	2,500.00	1,840.30	2,500.00	920.00	8,200.00	1,334.95	10,275.00	488.63
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,900.00)	(1,216.93)	(1,800.00)	(234.40)	(4,900.00)	665.05	(7,075.00)	3,148.21
CASH AND INVESTMENT BALANCES, JANUARY 1	1,969.85	1,969.85	2,204.25	2,204.25	12,373.58	12,373.58	9,225.37	9,225.37
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 69.85	$ 752.92	$ 404.25	$ 1,969.85	$ 7,473.58	$ 13,038.63	$ 2,150.37	$ 12,373.58

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	INSURANCE CLAIMS PROCEEDS FUND				CHILDREN'S TRUST FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	750.00	900.00	700.00	735.00
Interest	-	-	-	-	-	-	-	-
Other	40,000.00	52,015.29	90,000.00	39,474.54	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	40,000.00	52,015.29	90,000.00	39,474.54	750.00	900.00	700.00	735.00
DISBURSEMENTS								
Replacement/Repair Expenses	13,000.00	19,949.19	38,000.00	16,363.35	-	-	-	-
Miscellaneous Expenses	28,000.00	27,794.57	52,000.00	27,099.99	-	-	-	-
Childrens Trust	-	-	-	-	1,265.00	1,230.00	1,195.00	-
TOTAL DISBURSEMENTS	41,000.00	47,743.76	90,000.00	43,463.34	1,265.00	1,230.00	1,195.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,000.00)	4,271.53	-	(3,988.80)	(515.00)	(330.00)	(495.00)	735.00
CASH AND INVESTMENT BALANCES, JANUARY 1	2,693.48	2,693.48	6,682.28	6,682.28	1,230.00	1,230.00	495.00	495.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 1,693.48	$ 6,965.01	$ 6,682.28	$ 2,693.48	$ 715.00	$ 900.00	$ -	$ 1,230.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	ABUSE VICTIMS FUND				INMATE SECURITY FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-		-	-	-	-	-
Charges for services	1,950.00	3,908.00	1,600.00	2,107.00	2,500.00	2,388.00	3,000.00	2,735.33
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	288.45	735.00	735.00
TOTAL RECEIPTS	1,950.00	3,908.00	1,600.00	2,107.00	2,500.00	2,676.45	3,735.00	3,470.33
DISBURSEMENTS								
Abuse Victims	4,000.00	3,020.00	2,513.00	-	-	-	-	-
Biometric System	-	-	-	-	-	-	-	-
Magnetic Body Scan	-	-	-	-	-	-	-	-
Sheriff Equipment	-	-	-	-	2,500.00	3,147.22	8,549.00	8,549.00
TOTAL DISBURSEMENTS	4,000.00	3,020.00	2,513.00	-	2,500.00	3,147.22	8,549.00	8,549.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,050.00)	888.00	(913.00)	2,107.00	-	(470.77)	(4,814.00)	(5,078.67)
CASH AND INVESTMENT BALANCES, JANUARY 1	3,020.00	3,020.00	913.00	913.00	470.77	470.77	5,549.44	5,549.44
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 970.00	$ 3,908.00	$ -	$ 3,020.00	$ 470.77	$ -	$ 735.44	$ 470.77

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	SPECIAL RECORDER FUND				SHERIFFS REVOLVING FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	123,000.00	101,858.75	110,000.00	99,800.00	16,000.00	17,867.25	8,000.00	18,136.25
Interest	11,000.00	2,391.78	13,000.00	5,297.97	100.00	-	-	456.00
Other	-	124.63	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	134,000.00	104,375.16	123,000.00	105,097.97	16,100.00	17,867.25	8,000.00	18,592.25
DISBURSEMENTS								
Expenses	287,500.00	59,052.16	287,500.00	205,259.65	20,000.00	17,043.11	10,000.00	15,967.28
Transfers Out	-	-	-	-	-	-	2,484.00	2,484.00
TOTAL DISBURSEMENTS	287,500.00	59,052.16	287,500.00	205,259.65	20,000.00	17,043.11	12,484.00	18,451.28
RECEIPTS OVER (UNDER) DISBURSEMENTS	(153,500.00)	45,323.00	(164,500.00)	(100,161.68)	(3,900.00)	824.14	(4,484.00)	140.97
CASH AND INVESTMENT BALANCES, JANUARY 1	193,762.93	193,762.93	293,924.61	293,924.61	5,290.63	5,290.63	5,149.66	5,149.66
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 40,262.93	$ 239,085.93	$ 129,424.61	$ 193,762.93	$ 1,390.63	$ 6,114.77	$ 665.66	$ 5,290.63

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	ELECTION SERVICES FUND				SENIOR SERVICES			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ 233,564.00	$ 246,800.00	$ 220,939.00	$ 240,782.00
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	2,000.00	4,999.92	6,408.00	6,407.28	-	-	-	-
Interest	-	-	-	-	3,500.00	3,485.06	3,200.00	3,756.79
Other	-	-	-	-	-	-		-
Transfers in		-	-	-	-	-	-	-
TOTAL RECEIPTS	2,000.00	4,999.92	6,408.00	6,407.28	237,064.00	250,285.06	224,139.00	244,538.79
DISBURSEMENTS								
Miscellaneous Expenses	2,000.00	5,138.12	600.00	887.64	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	
Salaries	-	-	-	-	42,700.00	42,694.00	44,000.00	37,933.00
Office	-	-	-	-	17,100.00	16,922.00	17,450.00	16,585.00
Buildings & Equipment	-	-	-	-	7,300.00	15,715.00	9,000.00	8,011.00
Mileage & Training	-	-	-	-	7,700.00	7,626.00	7,050.00	5,991.00
Other	-	-	-	-	287,471.00	154,205.00	234,516.00	139,376.00
Transfer to Election Grant	-	-	13.00	13.00				
TOTAL DISBURSEMENTS	2,000.00	5,138.12	613.00	900.64	362,271.00	237,162.00	312,016.00	207,896.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(138.20)	5,795.00	5,506.64	(125,207.00)	13,123.06	(87,877.00)	36,642.79
CASH AND INVESTMENT BALANCES, JANUARY 1	16,310.18	16,310.18	10,803.54	10,803.54	176,724.14	176,724.14	140,081.35	140,081.35
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 16,310.18	$ 16,171.98	$ 16,598.54	$ 16,310.18	$ 51,517.14	$ 189,847.20	$ 52,204.35	$ 176,724.14

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	PA DELINQUENT TAX FUND				D.A.R.E FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	1,803.14	7,500.00	5,970.01	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	5,150.00	7,830.81	-	5,152.57
Transfers in		-	-	-	-	1,000.00	-	2,000.00
TOTAL RECEIPTS	-	1,803.14	7,500.00	5,970.01	5,150.00	8,830.81	-	7,152.57
DISBURSEMENTS								
Miscellaneous Expenses	-	1,848.42	-	2,113.99	-	8,077.64	-	5,124.86
TOTAL DISBURSEMENTS	-	1,848.42	-	2,113.99	-	8,077.64	-	5,124.86
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(45.28)	7,500.00	3,856.02	5,150.00	753.17	-	2,027.71
CASH AND INVESTMENT BALANCES, JANUARY 1	11,600.28	11,600.28	7,744.26	7,744.26	4,586.11	4,586.11	2,558.40	2,558.40
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 11,600.28	$ 11,555.00	$ 15,244.26	$ 11,600.28	$ 9,736.11	$ 5,339.28	$ 2,558.40	$ 4,586.11

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	LAW ENFORCEMENT- CIVIL FEES FUND				PA BAD CHECK FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	50,000.00	50,574.22	50,000.00	50,000.00	-	23,361.22	22,500.00	21,045.97
Interest	-	-	-	-		126.00	400.00	384.38
Other	38,000.00	15,131.85	11,480.00	38,169.47	-	219.86	-	10.50
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	88,000.00	65,706.07	61,480.00	88,169.47	-	23,707.08	22,900.00	21,440.85
DISBURSEMENTS								
Miscellaneous Expenses	-	65,180.73	-	84,191.13	-	24,062.50	-	32,671.15
Transfers Out	-	1,288.45	-	2,000.00	-	-	-	-
TOTAL DISBURSEMENTS	-	66,469.18	-	86,191.13	-	24,062.50	-	32,671.15
RECEIPTS OVER (UNDER) DISBURSEMENTS	88,000.00	(763.11)	61,480.00	1,978.34	-	(355.42)	22,900.00	(11,230.30)
CASH AND INVESTMENT BALANCES, JANUARY 1	21,831.78	21,831.78	19,853.44	19,853.44	13,942.61	13,942.61	25,172.91	25,172.91
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 109,831.78	$ 21,068.67	$ 81,333.44	$ 21,831.78	$ 13,942.61	$ 13,587.19	$ 48,072.91	$ 13,942.61

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	E911 FUND			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ -	$ -	$ -	$ -
Sales taxes	845,000.00	844,820.37	962,939.83	844,659.45
Signs	-	873.53	-	896.60
Map Sales	-	30.00	-	45.00
Interest	-	9,235.64	-	17,604.16
Other	-	1,357.16	-	3,284.36
Map Book Sales	-	15.00	-	30.00
TOTAL RECEIPTS	845,000.00	856,331.70	962,939.83	866,519.57
DISBURSEMENTS				
Payroll Expenses	700,088.32	601,897.76	754,195.55	693,277.14
Bank Service Charges	-	5.00	-	-
Advertising	-	941.50	500.00	709.20
Automobile Expense	4,000.00	3,549.91	6,000.00	2,327.27
Board & Executives	-	390.60	11,985.00	345.60
Building and Land	6,000.00	3,954.43	3,000.00	4,612.02
Diesel	-	1,741.80	-	-
Dispatch	500.00	124.47	500.00	66.55
Dues and Subscriptions	700.00	406.52	700.00	741.25
Education and Training Fees	19,500.00	12,333.18	10,500.00	16,973.03
Equipment	85,500.00	55,173.93	147,015.00	67,974.96
Insurance	34,000.00	20,494.00	32,000.00	22,535.00
Miscellaneous	-	1,740.04	-	158.11
Office Supplies	8,000.00	4,659.83	6,000.00	6,647.22
Postage and Delivery	700.00	478.29	700.00	472.63
Printing and Reproduction	500.00	341.63	500.00	162.63
Professional Fees	10,500.00	6,887.50	10,500.00	8,139.61
Road Signs	3,000.00	3,395.77	3,000.00	3,486.64
Communication	73,000.00	64,470.15	73,000.00	67,337.35
Utilities	15,000.00	14,797.93	15,000.00	12,464.29
Transfers out	-	-	-	-
TOTAL DISBURSEMENTS	960,988.32	797,784.24	1,075,095.55	908,430.50
RECEIPTS OVER (UNDER) DISBURSEMENTS	(115,988.32)	58,547.46	(112,155.72)	(41,910.93)
CASH AND INVESTMENT CASH, JANUARY 1	664,960.74	664,960.74	706,871.67	706,871.67
CASH AND INVESTMENT CASH, DECEMBER 31	$ 548,972.42	$ 723,508.20	$ 594,715.95	$ 664,960.74

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
REGULATORY BASIS - AGENCY FUNDS
YEARS ENDED DECEMBER 31, 2010

	UNCLAIMED FEES	SOUTHERN STONE CO FIRE	STONE CO HEALTH CENTER	STONE COUNTY LIBRARY	STONE COUNTY BOOKMOBILE	FINES
ASSETS						
Cash and Cash Equivalents	$ 18,059.12	$ -	$ 22.96	$ 852,807.21	$ 81,576.61	$ 43,152.39
Investments	-	-	-	-	-	-
TOTAL ASSETS	18,059.12	-	22.96	852,807.21	81,576.61	43,152.39
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	18,059.12	-	22.96	852,807.21	81,576.61	43,152.39
TOTAL LIABILITIES AND FUND BALANCES	$ 18,059.12	$ -	$ 22.96	$ 852,807.21	$ 81,576.61	$ 43,152.39

	OVERPLUS TAXES	SCHOOLS	FEDERAL SEIZED AND FORFEITED PERSONS	STATE CRIMINAL COSTS	HURLEY FIRE PROTECTION DISTRICT	CITIES
ASSETS						
Cash and Cash Equivalents	$ 106,395.18	$ 17,142.14	$ 413.53	$ 68.45	$ -	$ 117.84
Investments	-	-	-	-	-	-
TOTAL ASSETS	106,395.18	17,142.14	413.53	68.45	-	117.84
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	
UNRESERVED FUND BALANCES	106,395.18	17,142.14	413.53	68.45	-	117.84
TOTAL LIABILITIES AND FUND BALANCES	$ 106,395.18	$ 17,142.14	$ 413.53	$ 68.45	$ -	$ 117.84

	COMMUNITY COLLEGE DISTRICT	BILLINGS FIRE PROTECTION DISTRICT	CLEVER FIRE PROTECTION DISTRICT	NIXA FIRE PROTECTION DISTRICT	NATIONAL FORESTS	TAX MAINTENANCE FUND
ASSETS						
Cash and Cash Equivalents	$ -	$ -	$ -	$ -	$ -	$ 138.30
Investments	-	-	-	-	-	-
TOTAL ASSETS	-	-	-	-	-	138.30
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-	138.30
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ -	$ -	$ -	$ -	$ 138.30

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS (CONTINUED)
REGULATORY BASIS - AGENCY FUNDS
YEARS ENDED DECEMBER 31, 2010

	FLOOD CONTROL	STONEBRIDGE NID	EDGEWATER NID	BLACK OAK NID	SENIOR CITIZENS TAX	CENTRAL CROSSINGS FIRE DISTRICT
ASSETS						
Cash and Cash Equivalents	$ -	$ -	$ -	$ 90,000.00	$ 13.42	$ -
Investments	-	-	-	-	-	-
TOTAL ASSETS	-	-	-	90,000.00	13.42	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	-	-	-	90,000.00	13.42	-
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ -	$ -	$ 90,000.00	$ 13.42	$ -

	HIGHLANDVILLE FIRE	N STONE/NE BARRY FIRE DISTRICT	CERF	PRISONER TRANSPORT	LIBRARY BUILDING RESERVE	DEPUTY SHERIFF SALARY SUPPLY
ASSETS						
Cash and Cash Equivalents	$ -	$ 0.47	$ 20,377.81	$ -	$ 46,264.33	$ -
Investments	-	-	-	-	-	-
TOTAL ASSETS	-	0.47	20,377.81	-	46,264.33	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	-	0.47	20,377.81	-	46,264.33	-
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 0.47	$ 20,377.81	$ -	$ 46,264.33	$ -

The accompanying notes to the financial statements are an integral of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS (CONCLUDED)
REGULATORY BASIS - AGENCY FUNDS
YEARS ENDED DECEMBER 31, 2010

	CATAMONT CID	COLLECTOR	RECORDER	SHERIFF	PROSECUTING ATTORNEY	COUNTY CLERK
ASSETS						
Cash and Cash Equivalents	$ -	$ 1,033,368.90	$ 78,061.82	$ 11,579.97	$ 296.87	$ 1.56
Investments	-	-	-	-	-	-
TOTAL ASSETS	-	1,033,368.90	78,061.82	11,579.97	296.87	1.56
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	959.05	-
UNRESERVED FUND BALANCES	-	1,033,368.90	78,061.82	11,579.97	(662.18)	1.56
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 1,033,368.90	$ 78,061.82	$ 11,579.97	$ 296.87	$ 1.56

	TOTAL FIDUCIARY FUNDS
ASSETS	
Cash and Cash Equivalents	$ 2,399,858.88
Investments	-
TOTAL ASSETS	2,399,858.88
LIABILITIES AND FUND BALANCES	
TOTAL LIABILITIES	959.05
UNRESERVED FUND BALANCES	2,398,899.83
TOTAL LIABILITIES AND FUND BALANCES	$ 2,399,858.88

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
REGULATORY BASIS - AGENCY FUNDS
YEARS ENDED DECEMBER 31, 2009

	UNCLAIMED FEES	SOUTHERN STONE CO FIRE	STONE CO HEALTH CENTER	STONE COUNTY LIBRARY	STONE COUNTY BOOKMOBILE	FINES
ASSETS						
Cash and Cash Equivalents	$ 13,678.34	$ -	$ 487.07	$ 223,075.37	$ 30,669.73	$ 44,588.44
Investments	-	-	-	600,000.00	50,000.00	-
TOTAL ASSETS	13,678.34	-	487.07	823,075.37	80,669.73	44,588.44
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	13,678.34	-	487.07	823,075.37	80,669.73	44,588.44
TOTAL LIABILITIES AND FUND BALANCES	$ 13,678.34	$ -	$ 487.07	$ 823,075.37	$ 80,669.73	$ 44,588.44

	OVERPLUS TAXES	SCHOOLS	FEDERAL SEIZED AND FORFEITED PERSONS	STATE CRIMINAL COSTS	HURLEY FIRE PROTECTION DISTRICT	CITIES
ASSETS						
Cash and Cash Equivalents	$ 30,881.73	$ 38,098.70	$ 409.58	$ -	$ -	$ 3,914.75
Investments	60,000.00	-	-	-	-	-
TOTAL ASSETS	90,881.73	38,098.70	409.58	-	-	3,914.75
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	
UNRESERVED FUND BALANCES	90,881.73	38,098.70	409.58	-	-	3,914.75
TOTAL LIABILITIES AND FUND BALANCES	$ 90,881.73	$ 38,098.70	$ 409.58	$ -	$ -	$ 3,914.75

	COMMUNITY COLLEGE DISTRICT	BILLINGS FIRE PROTECTION DISTRICT	CLEVER FIRE PROTECTION DISTRICT	NIXA FIRE PROTECTION DISTRICT	NATIONAL FORESTS	TAX MAINTENANCE FUND
ASSETS						
Cash and Cash Equivalents	$ -	$ -	$ -	$ -	$ -	$ 56.66
Investments	-	-	-	-	-	-
TOTAL ASSETS	-	-	-	-	-	56.66
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-	56.66
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ -	$ -	$ -	$ -	$ 56.66

THE COUNTY OF STONE
GALENA, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS (CONTINUED)
REGULATORY BASIS - AGENCY FUNDS
YEARS ENDED DECEMBER 31, 2009

	FLOOD CONTROL	STONEBRIDGE NID	EDGEWATER NID	BLACK OAK NID	SENIOR CITIZENS TAX	CENTRAL CROSSINGS FIRE DISTRICT
ASSETS						
Cash and Cash Equivalents	$ 655,139.42	$ -	$ -	$ 9,698.84	$ 298.95	$ 0.14
Investments	-	-	-	-	-	-
TOTAL ASSETS	655,139.42	-	-	9,698.84	298.95	0.14
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	655,139.42	-	-	9,698.84	298.95	0.14
TOTAL LIABILITIES AND FUND BALANCES	$ 655,139.42	$ -	$ -	$ 9,698.84	$ 298.95	$ 0.14

	HIGHLAND FIRE DISTRICT	N STONE/NE BARRY FIRE DISTRICT	CERF	PRISONER TRANSPORT	LIBRARY BUILDING RESERVE	DEPUTY SHERIFF SALARY SUPPLY
ASSETS						
Cash and Cash Equivalents	$ -	$ 124.28	$ 19,038.44	$ -	$ 15,745.70	$ 1,500.00
Investments	-	-	-	-	30,000.00	-
TOTAL ASSETS	-	124.28	19,038.44	-	45,745.70	1,500.00
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	
UNRESERVED FUND BALANCES	-	124.28	19,038.44	-	45,745.70	1,500.00
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 124.28	$ 19,038.44	$ -	$ 45,745.70	$ 1,500.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STONE
GALENA, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS (CONCLUDED)
REGULATORY BASIS - AGENCY FUNDS
YEARS ENDED DECEMBER 31, 2009

	CATAMONT CID	COLLECTOR	RECORDER	COUNTY CLERK	SHERIFF ACCOUNT	PROSECUTING ATTORNEY
ASSETS						
Cash and Cash Equivalents	$ -	$ 12,448,623.72	$ 67,676.11	$ 3.86	$ 13,238.17	$ 19,172.11
Investments	-	-	-	-	-	-
TOTAL ASSETS	-	12,448,623.72	67,676.11	3.86	13,238.17	19,172.11
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	3,641.15
UNRESERVED FUND BALANCES	-	12,448,623.72	67,676.11	3.86	13,238.17	15,530.96
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 12,448,623.72	$ 67,676.11	$ 3.86	$ 13,238.17	$ 19,172.11

	TOTAL FIDUCIARY FUNDS
ASSETS	
Cash and Cash Equivalents	$13,636,120.11
Investments	740,000.00
TOTAL ASSETS	14,376,120.11
LIABILITIES AND FUND BALANCES	
TOTAL LIABILITIES	3,641.15
UNRESERVED FUND BALANCES	14,372,478.96
TOTAL LIABILITIES AND FUND BALANCES	$14,376,120.11

The accompanying notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Stone, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1845 by an Act of the Missouri Territory. In addition to the three Commissioners, there are nine elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk and ex officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the primary government of Stone County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

   Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

   State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2010 and 2009, for purposes of taxation was:

	2010	2009
Real Estate	$ 411,721,151	$ 405,671,220
Personal Property	103,309,272	104,707,014
Railroad and Utilities	11,127,808	11,206,251
	$ 526,158,231	$ 521,584,485

During 2010 and 2009, the County Commission approved a $.1300 and $.1300, respectively, tax levy per $100 of assessed valuation of tangible taxable property for the calendar year 2010 and 2009, for purposes of County taxation, as follows:

	2010	2009
General Revenue Fund	$ .1300	$ .1300

F. Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund are readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

II. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash and Equivalents" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amount of the County's deposits was $4,272,131.95 and $3,237,874.23, and the bank balance was $18,960,217.44 and $17,779,433.04, respectively. As of December 31, 2010 and 2009, 100% of the County's investments were guaranteed by the U.S. Government.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2010, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances -		
Deposits	$	4,015,330.88
Investments		256,801.07
Total Deposits & Investments as of December 31, 2010	$	4,272,131.95

The carrying values of deposits and investments at December 31, 2009, are as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances -		
Deposits	$	2,325,248.77
Investments		912,625.46
Total Deposits & Investments as of December 31, 2009	$	3,237,874.23

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy provides the statutory safeguards and standards for the County's investments in accordance with Sections 110.010, 110.020 and 110.060. The County and its depository bank comply with the statutes. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2010 & 2009.

II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the year end December 31, 2010 & 2009.

III. LONG-TERM DEBT

The County has $3,655,000 Stone County Certificates of Participation Series 1998 (Stone County, Missouri Law Enforcement Center Improvement Project) dated July 1, 1998. Principal Payments are due on December 1 annually and interest payments are due June 1 and December 1 semi-annually with annual interest rates varying from 4.25% to 5.00%. Refinanced as COPS 2009 during the 2009 year.

Balance – December 31, 2008	$ 2,155,000
Additions	-
Payments	(2,155,000)
Balance – December 31, 2009	$ -

The County issued $3,690,000 as Refunding Certificates of Participation Series 2009 for the purpose of refinancing COPS 1998 in the amount of $2,155,000 and NID 2000 in the amount of $1,710,000. Principal payments are due on December 1 annually and interest payments are due June 1 and December 1 semi-annually with annual interest rates varying from 3.00% to 4.10%.

III. LONG-TERM DEBT (Continued)

COPS AMORTIZATION FOR 2010

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2011	$ 280,000	$ 136,640	$ 416,640
2012	335,000	128,240	463,240
2013	350,000	118,190	468,190
2014	360,000	104,190	464,190
2015	380,000	89,790	469,790
2016-2020	1,860,000	208,950	2,068,950
	$ 3,565,000	$ 786,000	$ 4,351,000

Balance – December 31, 2009	$ 3,690,000
Additions	-
Payments	(125,000)
Balance – December 31, 2010	$ 3,565,000

COPS AMORTIZATION FOR 2009

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2010	$ 125,000	$ 156,379	$ 281,379
2011	280,000	136,640	416,640
2012	335,000	128,240	463,240
2013	350,000	118,190	468,190
2014	360,000	104,190	464,190
2015-2019	2,050,000	290,950	2,340,950
2020	190,000	7,790	197,790
	$ 3,690,000	$ 942,379	$ 4,632,379

Balance – December 31, 2008	$ -
Additions	3,690,000
Payments	-
Balance – December 31, 2009	$ 3,690,000

Original issue of $3,775,000 dated 7/1/1997; principal paid annually on July 1; interest paid semi-annually January 1 and July 1; includes mandatory sinking fund requirements; interest rates are variable from 5.65% to 6.10%; matures 7/1/2015. The Stonebridge NID funded the acquisition, construction and improvement of primary and secondary collector streets and residential streets.

III. LONG-TERM DEBT (Continued)

AMORTIZATION SCHEDULE FOR 2010

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2011	$ 215,000	$ 58,420	$ 273,420
2012	230,000	45,520	275,520
2013	245,000	31,720	276,720
2014	260,000	16,775	276,775
2015	15,000	915	15,915
	$ 965,000	$ 153,350	$ 1,118,350

Balance – December 31, 2009	$ 1,270,000
Additions	-
Payments	(305,000)
Balance – December 31, 2010	$ 965,000

AMORTIZATION SCHEDULE FOR 2009

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2010	$ 205,000	$ 76,820	$ 281,820
2011	215,000	64,520	279,520
2012	230,000	51,620	281,620
2013	245,000	37,820	282,820
2014	260,000	22,875	282,875
2015	115,000	7,015	122,015
	$ 1,270,000	$ 260,670	$ 1,530,670

Balance – December 31, 2008	1,540,000
Additions	-
Payments	(270,000)
Balance – December 31, 2009	$ 1,270,000

Original issue of $2,973,000 dated 6/15/2000; principal paid annually on March 1; interest paid semi-annually March 1 and September 1; interest rates are variable from 5.300% to 6.250%; matures March 1, 2020. The Black Oak NID funded the costs of constructing improvements in the Black Oak Mountain Resort water, sewer system and street improvement project – phase 1, including water system, sewer system and street improvements. Refinanced as COPS 2009 during the 2009 year.

III. LONG-TERM DEBT (Continued)

Balance – December 31, 2008	$	1,815,000
Additions		-
Payments		(1,815,000)
Balance – December 31, 2009	$	-

Original issue of $2,225,000 dated December 15, 2000; principal paid annually on March 1; interest paid semi-annually March 1 and September 1; interest rates are variable from 5.250% to 6.10%; matures March 1, 2020. The Edgewater NID funded roadway construction, construction of sanitary sewerage collection system, a sewer treatment plant and construction and improvement of a water distribution system, including distribution lines, well improvements and a water tower.

AMORTIZATION SCHEDULE FOR 2010

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2011	$ 100,000	$ 90,250	$ 190,250
2012	105,000	84,356	189,356
2013	115,000	78,031	193,031
2014	120,000	71,065	191,065
2015	125,000	63,593	188,593
2016-2020	980,000	182,390	1,162,390
	$ 1,545,000	$ 569,685	$ 2,114,685

Balance – December 31, 2009		1,640,000
Additions		-
Payments		(95,000)
Balance – December 31, 2010	$	1,545,000

AMORTIZATION SCHEDULE FOR 2009

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2010	$ 95,000	$ 95,690	$ 190,690
2011	100,000	90,250	190,250
2012	105,000	84,356	189,356
2013	115,000	78,031	193,031
2014	120,000	71,065	191,065
2015-2019	710,000	233,935	943,935
2020	395,000	12,048	407,048
	$ 1,640,000	$ 665,375	$ 2,305,375

III. LONG-TERM DEBT (Concluded)

Balance – December 31, 2008	$	1,730,000
Additions		-
Payments		(90,000)
Balance – December 31, 2009	$	1,640,000

IV. LEASES

Capital Leases

The County entered into a capital lease as of December 7, 2010, for a copier in the amount of $4,992.41, with monthly payments of $164.25. The capital lease has an interest rate of 11.30% and was entered into for a term of 36 months.

AMORTIZATION SCHEDULE FOR 2010

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2011	$ 1,480	$ 491	$ 1,971
2012	1,657	314	1,971
2013	1,855	116	1,971
	$ 4,992	$ 921	$ 5,913

Balance – December 31, 2009	$	-
Additions		4,992
Payments		-
Balance – December 31, 2010	$	4,992

V. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2010 and 2009 are as follows:

	2010		2009	
	Transfers In	Transfers Out	Transfers In	Transfers Out
MAJOR FUNDS				
General Fund	$ 8,466.81	$ 252,313.58	$ 10,649.16	$ 408,993.51
Special R&B Fund	538,896.32	-	602,669.04	-
Assessment Fund	144,668.00	-	75,000.00	-
Election Grant Fund	-	-	13.00	-
LE Block Grant Fund	33,358.00	-	-	-
Capital Improv. Fund	-	-	220,000.00	-
LETF	-	-	1,749.00	-
Inmate Security Fund	288.45	-	735.00	-
Sheriff's Revolving Fund	-	-	-	2,484.00
Election Services Fund	-	-	-	13.00
D.A.R.E.	1,000.00	-	2,000.00	-
LE – Civil Fees Fund	-	1,288.45	-	2,000.00
Agency Funds	74,287.58	547,363.13	113,993.51	613,318.20
TOTAL	$ 800,965.16	$ 800,965.16	$ 1,026,808.71	$ 1,026,808.71

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government.

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, in addition to the prior contributions requirements, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2010 and 2009, the County collected and remitted to CERF, employee contributions of approximately for $177,941.32 and $178,570.27, respectively, for the years then ended.

VII. OTHER RETIREMENT PLAN

Stone County does not participate in the Missouri Local Government Employees' Retirement System. Contributions to a voluntary plan are paid by a voluntary deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. These contributions are then remitted to Great West who administers the 401a Plan and 457 Plan. Employee contributions were $108,539.52 and $110,755.96 for the 2010 and 2009, respectively.

VIII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had one Cobra participant at December 31, 2010 and 2009.

IX. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed $7,752 and $7,752, respectively, for the years ended December 31, 2010 and 2009.

X. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in pending litigation at December 31, 2010.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Vacation days do not carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue on sick day per month. The County allows employees to carry forward six days a year to a maximum of thirty days. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

XI. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County purchases workers' compensation and employers' liability insurance and is insured up to $1,000,000 per occurrence. The County's general liability insurance is insured up to $2,000,000 per occurrence.

XII. ACCOUNTING CHANGE

For the years ended December 31, 2010 and December 31, 2009, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements.

XIII. SUBSEQUENT EVENTS

There are no subsequent events to report up to the date of the audit report.

XIV. FUTURE REPORTING CHANGE

The Stone County Emergency Services Board is a separate political subdivision and functions under Section 190.339.2. Effective August 28, 2010, it is no longer reported under the County. Due to the effective date, the Emergency Services Board is included with the County for the year ended 2010 but will no longer be reported under the County in future audits.

SUPPLEMENTARY INFORMATION

STATE COMPLIANCE SECTION

SCHEDULE OF STATE FINDINGS

A. For the year ended December 31, 2009, expenditures exceeded those budgeted for the following: special roads project, capital improvements, law enforcement training, sheriff's revolving, election services, PA delinquent tax, D.A.R.E., law enforcement – civil fees and the PA bad check funds.

B. For the year ended December 31, 2010, expenditures exceeded those budgeted for the following: LE block grant, insurance claims proceeds, inmate security, election services, PA delinquent tax, D.A.R.E., law enforcement – civil fees and PA bad check funds.

C. For the year ended December 31, 2009, revenue was not budgeted for the following fund: D.A.R.E. fund.

D. For the year ended December 31, 2010, revenue was not budgeted for the following funds: PA delinquent tax and PA bad check funds.

E. For the year ended December 31, 2009, expenditures were not budgeted for the following funds: D.A.R.E., PA delinquent tax, law enforcement – civil fees and PA bad check funds.

F. For the year ended December 31, 2010, expenditures were not budgeted for the following funds: D.A.R.E., PA delinquent tax, law enforcement – civil fees and PA bad check funds.

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FEDERAL COMPLIANCE SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Stone, Missouri

We have audited the financial statements of the County of Stone ("County"), Missouri, as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated July 22, 2011. The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. (FS 10/09-01, FS 10/09-02, FS 10/09-03, FS 10/09-04, FS 10/09-05, FS 10/09-06, FS 10/09-07 and SA 10/09-01) A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated July 22, 2011.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, the Federal awarding agencies and pass-through entities and is not to be and should not be used by anyone other than those specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

July 22, 2011

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditor's Report

To The County Commission
The County of Stone
Galena, Missouri

Compliance

We have audited the County of Stone's ("County") compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2010 and December 31, 2009. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and December 31, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items SA10/09-02 and SA10/09-03.

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Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item SA 10/09-01. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Management's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit management's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

July 22, 2011

THE COUNTY OF STONE
GALENA, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2010 & 2009

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	12/31/2010 EXPENDITURES	12/31/2009 EXPENDITURES
U.S. DEPARTMENT OF DEFENSE				
Direct Program:				
PILT - Payment in Lieu of Taxes	12.112		$ 655,139.42	$ 731,205.05
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through State:				
Department of Social Services				
ARRA - Homeless Prevention and Rapid Re-Housing	14.257		71,795.60	-
Emergency Shelter Program	14.231	ERO1640960	14,974.00	-
U.S. DEPARTMENT OF INTERIOR				
Direct Program:				
PILT - Payment in Lieu of Taxes	15.226		105,998.00	94,984.00
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant	16.XXX	2009-SB-B9-0310	-	118,806.25
Passed Through State:				
Department of Public Safety				
Women Formula Grants	16.588	2009-VAWA-0046	41,503.00	-
Women Formula Grants		2008-VAWA-0049	-	39,675.77
Women Formula Grants		2008-VAWA-0048	-	41,357.70
Women Formula Grants		2009-VAWA-0047	33,632.99	-
Bullet Proof Vest	16.XXX	2009-BU-BX-080	3,667.50	-
Website	16.XXX	2010-DJ-BX-0063	16,819.00	-
Crime Victim Assistance Operation Safe Deputy	16.575	2008-DJ-BX-0662	2,764.28	-
Missouri Sheriff's Association Speed Enforcement	16.588	09-PT-02-137	-	3,358.07
Missouri Sheriff's Association DWI Checkpoint	16.588	09-154-AL-55	-	6,505.99
Missouri Sheriff's Association COPS	16.588	2008-UM-WX-0002	71,767.92	61,556.76
JAG-SWAT	16.738	2009-DJ-BX-0212	28,858.00	-
DWI	20.601	LKK040	2,571.57	2,569.50
DWI Saturation	20.601	09-154-AL-54	-	5,330.18
Operation Safe Deputy	20.601	2008-DJ-BX-0662	-	9,637.72
Domestic Cannabis Eradication / Suppression Prog.	16.XXX	2009-85	2,000.00	900.00
DWI Sobriety	16.XXX	10-K8-03-89	6,755.96	-
DWI Enforcement	16.XXX	10-154-AL-97	5,608.04	-
Hazardous Moving Violation	16.XXX	10-PT-02-166	3,393.05	-
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through State:				
Highway and Transportation Commission:				
Highway Planning and Construction	20.205	BRO-B104(6)	-	235,971.13
GENERAL SERVICES ADMINISTRATION				
Passed Through State Office of Administration:				
Election Reform Payments	39.011		11,392.00	-
ELECTION ASSISTANCE COMMISSION				
Passed Through the Office of Secretary of State:				
Help America Vote Act Requirements Payments	90.401	SC23156E000437	1,056.09	-
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through State Department of Public Safety:				
Public Assistance Grants (Presidentially Declared)	97.036		-	178,598.83
Management Performance Grants	97.042	2008EMPG	-	7,738.48
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 1,079,696.42	$ 1,538,195.43

NOTE 1 – BASIS OF PRESENTATION

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Stone County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistanc*e means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUBRECIPIENTS

The County provided federal awards to the following subrecipients during the years ended December 31, 2010 and 2009:

Subrecipients	Program	CFDA #	2010	2009
Reeds Spring R-4 School District	Dept. of Defense - PILT	12.112	$ 80,998.06	$ 90,399.62
Blue Eye R-5 School District	Dept. of Defense - PILT	12.112	$ 37,612.06	$ 41,977.75
Shell Knob #78 School District	Dept. of Defense - PILT	12.112	$ 5,673.31	$ 6,331.82
Galena R-2 School District	Dept. of Defense - PILT	12.112	$ 426.48	$ 475.98
Total			$ 124,709.91	$ 139,185.17

THE COUNTY OF STONE
GALENA, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unqualified - Regulatory Basis

2. Internal control over financial reporting:

a. Material weakness(es) identified?	2010	___ Yes	_X_ No	
	2009	___ Yes	_X_ No	
b. Significant deficiencies identified?	2010	_X_ Yes	___ None Reported	
	2009	_X_ Yes	___ None Reported	

3. Noncompliance material to financial statements noted?

2010	___ Yes	_X_ No	
2009	___ Yes	_X_ No	

B. Federal Awards

1. Internal control over major programs:

a. Material weakness(es) identified?	2010	___ Yes	_X_ No	
	2009	___ Yes	_X_ No	
b. Significant deficiencies identified?	2010	_X_ Yes	___ None Reported	
	2009	_X_ Yes	___ None Reported	

2. Type of auditor's report issued on compliance for major programs:

2010 - Unqualified – Regulatory Basis

2009 - Unqualified – Regulatory Basis

3. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?

2010	_X_ Yes	___ No	
2009	_X_ Yes	___ No	

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

4. Identification of major programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2010/2009	12.112	Department of Defense – PILT (Payment in Lieu of Taxes)
2010/2009	20.205	Department of Transportation – Highway Planning and Construction

5. Dollar threshold used to distinguish between type A and type B programs: $ 300,000

6. Auditee qualified as low-risk auditee? 2010 ___ Yes X No
2009 ___ Yes X No

II. FINANCIAL STATEMENT FINDINGS

10/09-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, Communicating Internal Control Related Matters Identified in an Audit, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement. The County will pursue remedy for SAS 115 compliance if it is determined that it is required for a county of this size.

II. FINANCIAL STATEMENT FINDINGS (continued)

10/09-02

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement. Each official has their own internal controls within their office.

10/09-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

II. FINANCIAL STATEMENT FINDINGS (continued)

10/09-03 Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The Commission will encourage all elected officials to review and document antifraud risk assessments.

10/09-04 Criteria: The Treasurer's reconciliation did not account for held checks by the accounts payable clerk in the County Clerk's office at December 31, 2010 for AFLAC and Allstate checks.

Condition: During our audit, we noted that the accounts payable clerk held checks written in December 2010 and were not mailed until January 2011.

Context: The bank reconciliation did not include held checks at December 2010.

Effect: Lack of proper reconciliation may lead to improper book balances.

Cause: The Treasurer's account reconciliation did not include held checks by the accounts payable clerk in the County Clerk's office at December 31, 2010.

Recommendation: We recommend that the Treasurer's office include any held checks in future reconciliations or the County Clerk not cut checks until payment is ready to be mailed. This process will ensure more accurate book balances.

Views of responsible officials and planned corrective actions: The County Clerk will work on implementing procedures to include notification of held checks for future reconciliations or not cut checks until payment is ready to be mailed. Treasurer states these checks are out of her control once they are delivered to the Clerk's Office. These are employees' payroll withholdings which are directed by the employee to make payable for insurance premiums and not County money. Although these funds are held in the County's account, the Treasurer believes that adding these checks into the book balance would be misleading to the taxpayer because they are a cashable check at the point they are delivered from the Treasurer therefore considered an outstanding check on the books.

10/09-05 Criteria: Account balances should be properly and timely reconciled on a monthly basis in the Prosecuting Attorney's office for 2010 and 2009.

Condition: During our audit, we noted that the reconciliations of the prosecuting attorney's accounts are not being properly reconciled on a monthly basis due to the software being used and its report format setup for 2010 and 2009.

Context: Bank statement reconciliations are not being properly prepared due to the software report format being used.

II. FINANCIAL STATEMENT FINDINGS (continued)

10/09-05 Effect: Lack of proper reconciliation and monitoring of accounts may lead to errors that may not be found in a timely manner.

Cause: The Prosecuting Attorney's account reconciliation is not being properly prepared.

Recommendation: We recommend that the Prosecuting Attorney's office properly reconcile its accounts on a monthly basis and monitor the reconciliations to be sure they are being properly prepared. These reconciliations will ensure meaningful and accurate financial statements.

Views of responsible officials and planned corrective actions: The Prosecuting Attorney's office is currently working with Dennis Jones and Associates Bad Check Prosecution System Software to correct the reconciliation reports.

10/09-06 Criteria: The Sheriff's office December 2010 reconciliation should include all checks written up to and including December 31, 2010.

Condition: During our audit, we noted that the Sheriff's account reconciliation did not include eight checks that were written in December 2010.

Context: The bank reconciliation did not include eight checks written in December 2010.

Effect: Book balances in the Sheriff's office were overstated by $1,245.50.

Cause: The Sheriff's December 2010 bank reconciliation did not include eight checks that were written in December 2010.

Recommendation: Preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements. We recommend that the reconciliations be reviewed for accuracy and completeness by an individual not involved in the bank reconciliation preparation.

Views of responsible officials and planned corrective actions: Procedures will be reviewed to implement monitoring of bank reconciliations on a monthly basis.

10/09-07 Criteria: The Recorder's office should prepare complete and accurate bank reconciliations.

Condition: During our audit, we noted that the Recorder's bank reconciliations are not being prepared completely and accurately for 2010 and 2009.

Context: The bank reconciliations are not being prepared completely and accurately and have unknown discrepancies.

II. FINANCIAL STATEMENT FINDINGS (concluded)

10/09-07 Effect: Incomplete and inaccurate bank reconciliations can lead to cash balances being over/under stated.

Cause: The Recorder's office December 2010 and 2009 bank reconciliations have unknown discrepancies.

Recommendation: Preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements. We recommend that procedures be implemented to prepare complete and accurate bank reconciliations and that the reconciliations be reviewed for accuracy and completeness by an individual not involved in the bank reconciliation preparation.

Views of responsible officials and planned corrective actions: The Recorder's Office has implemented a new procedure to have one person review the electronic funds transfers on a daily basis now instead of monthly.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010 & 2009

The following findings, recommendations, and questioned costs are the results of the single audit of Stone County, Missouri for the fiscal year ended December 31, 2010 and 2009. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

2. Material Weakness: A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010 & 2009 (continued)

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.

2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than $10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

C. Federal Award Findings and Questioned Costs

SA10/09-01 All Programs except CFDA numbers 14.231, 16.575, 90.401 and 39.011.

Significant Deficiency

Information on the federal programs: The schedule of expenditures of federal awards contained errors.

Criteria: Section .310(b) of Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, requires the County to prepare a SEFA for the period covered by the County's financial statements.

Condition: The County did not comply with OMB Circular A-133 section .310(b).

Questioned Costs: Not applicable.

Context: During our audit of the schedule of expenditures of federal awards, we noted numerous errors in the amounts reported on the schedule.

Effect: Without an accurate and complete SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal funds.

Cause: The County did not implement prior year corrective action plans.

Recommendation: We recommend that County officials receive training in preparing the schedule of expenditures of federal awards.

Views of responsible officials and planned corrective actions: The County Clerk will work with all agencies receiving federal money to prepare an accurate schedule of expenditures of federal awards.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010 & 2009 (continued)

C. Federal Award Findings and Questioned Costs (continued)

SA10/09-02 Highway Planning and Construction – CFDA No. 20.205

Significant Deficiency

Information on the federal programs: Required contracting procedures were not followed.

Criteria: OMB Circular A-133 Compliance Supplement and 41 CFR 105-71.135 prohibit entities from contracting with parties that are on the prohibited list.

Condition: The County does not have procedures in place to ensure that it complies with OMB Circular A-133 and 41 CFR 105-71.135 by not contracting with prohibited parties in administering federal funds.

Questioned Costs: Not applicable.

Context: During our audit of the schedule of expenditures of federal awards, we noted that the County did not check the Excluded Parties List System maintained by the General Services Administration to verify that parties it contracted with were not on the prohibited list.

Effect: As a result of not following required contracting procedures, there is an increased risk of federal funds being spent in violation of grant requirements.

Cause: The County did not perform required contracting procedures nor implement prior year corrective action plans.

Recommendation: We recommend that the County implement procedures to ensure that parties they contract with are not on the prohibited list.

Views of responsible officials and planned corrective actions: The County will work on implementing the required procedures to meet this compliance requirement.

SA10/09-03 Highway Planning and Construction – CFDA No. 20.205
Payment in Lieu of Taxes (Dept. of Defense) – CFDA No. 12.112

Significant Deficiency

Information on the federal programs: Noncompliance with Single Audit Requirements in control over expenditures.

Criteria: The County is required to properly maintain separate expense accounts to account for federal expenditures.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010 & 2009 (continued)

SA10/09-03
Significant
Deficiency
(concluded)

Condition: The County did not properly maintain separate expense accounts to account for federal expenditures to prepare the schedule of expenditures of federal awards.

Questioned Costs: Not applicable.

Context: During our audit of the schedule of expenditures of federal awards, we noted that the County did not properly maintain separate expense accounts to account for federal expenditures.

Effect: As a result of not following required compliance controls over expenditures, the schedule of expenditures contained errors.

Cause: The County did not implement prior year corrective action plans.

Recommendation: We recommend that the County implement procedures to track all federal expenditures in the general ledger system by adding a grant code at the end of the account code.

Views of responsible officials and planned corrective actions: The County will work on implementing the required procedures to meet this compliance requirement.

THE COUNTY OF STONE
GALENA, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEARS ENDED DECEMBER 31, 2010 AND 2009

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters in an Audit, which is effective for periods ending on or after December 15, 2007, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as FS 10/09-01.

FS 07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2007, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as FS 10/09-02.

FS 07/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as FS 10/09-03.

FS 07/08-04 Criteria: Pursuant to subsection 137.115.6, RSMo, a manufactured home is considered real property if it is located on land owned by the manufactured home owner.

Status: It appears this finding has been resolved in the current year.

II. PRIOR YEAR FEDERAL AWARD FINDINGS

SA 07/08-01 The schedule of expenditures of federal awards contained errors.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as SA10/09-01.

SA 07/08-02 Required contracting procedures were not followed.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as SA10/09-02.

II. PRIOR YEAR FEDERAL AWARD FINDINGS (concluded)

SA 07/08-03 Weakness in control over expenditures in compliance with Single Audit Requirements.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as SA10/09-03.

SA 07/08-04 Documentation was not provided to support major program expenditures and internal control procedures.

Status: It appears this finding has been resolved in the current year.

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

To the County Commissioners
Stone County, Missouri

In planning and performing our audit of the financial statements of the County of Stone ("County") as of and for the years ended December 31, 2010 and 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the County's internal control listed below to be significant deficiencies.

Our comments concerning internal control and other significant matters are presented as follows:

I. Deficiencies Considered to be Significant
II. Changes Impacting Governmental Organizations
III. Information Required by Professional Standards

Stone County's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, County Commissioners, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants

July 22, 2011

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

10/09-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, Communicating Internal Control Related Matters Identified in an Audit, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement. The County will pursue remedy for SAS 115 compliance if it is determined that it is required for a county of this size.

10/09-02

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT(Continued)

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement. Each official has their own internal controls within their office.

10/09-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The Commission will encourage all elected officials to review and document antifraud risk assessments.

10/09-04 Criteria: The Treasurer's reconciliation did not account for held checks by the accounts payable clerk in the County Clerk's office at December 31, 2010 for AFLAC and Allstate checks.

Condition: During our audit, we noted that the accounts payable clerk held checks written in December 2010 and were not mailed until January 2011.

Context: The bank reconciliation did not include held checks at December 2010.

Effect: Lack of proper reconciliation may lead to improper book balances.

Cause: The Treasurer's account reconciliation did not include held checks by the accounts payable clerk in the County Clerk's office at December 31, 2010.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT(Continued)

Recommendation: We recommend that the Treasurer's office include any held checks in future reconciliations or the County Clerk not cut checks until payment is ready to be mailed. This process will ensure more accurate book balances.

Views of responsible officials and planned corrective actions: The County Clerk will work on implementing procedures to include notification of held checks for future reconciliations or not cut checks until payment is ready to be mailed. Treasurer states these checks are out of her control once they are delivered to the Clerk's Office. These are employees' payroll withholdings which are directed by the employee to make payable for insurance premiums and not County money. Although these funds are held in the County's account, the Treasurer believes that adding these checks into the book balance would be misleading to the taxpayer because they are a cashable check at the point they are delivered from the Treasurer therefore considered an outstanding check on the books.

10/09-05 Criteria: Account balances should be properly and timely reconciled on a monthly basis in the Prosecuting Attorney's office for 2010 and 2009.

Condition: During our audit, we noted that the reconciliations of the prosecuting attorney's accounts are not being properly reconciled on a monthly basis due to the software being used and its report format setup for 2010 and 2009.

Context: Bank statement reconciliations are not being properly prepared due to the software report format being used.

Effect: Lack of proper reconciliation and monitoring of accounts may lead to errors that may not be found in a timely manner.

Cause: The Prosecuting Attorney's account reconciliation is not being properly prepared.

Recommendation: We recommend that the Prosecuting Attorney's office properly reconcile its accounts on a monthly basis and monitor the reconciliations to be sure they are being properly prepared. These reconciliations will ensure meaningful and accurate financial statements.

Views of responsible officials and planned corrective actions: The Prosecuting Attorney's office is currently working with Dennis Jones and Associates Bad Check Prosecution System Software to correct the reconciliation reports.

10/09-06 Criteria: The Sheriff's office December 2010 reconciliation should include all checks written up to and including December 31, 2010.

Condition: During our audit, we noted that the Sheriff's account reconciliation did not include eight checks that were written in December 2010.

Context: The bank reconciliation did not include eight checks written in December 2010.

Effect: Book balances in the Sheriff's office were overstated by $1,245.50.

Cause: The Sheriff's December 2010 bank reconciliation did not include eight checks that were written in December 2010.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT(Concluded)

Recommendation: Preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements. We recommend that the reconciliations be reviewed for accuracy and completeness by an individual not involved in the bank reconciliation preparation.

Views of responsible officials and planned corrective actions: Procedures will be reviewed to implement monitoring of bank reconciliations on a monthly basis.

10/09-07 Criteria: The Recorder's office should prepare complete and accurate bank reconciliations.

Condition: During our audit, we noted that the Recorder's bank reconciliations are not being prepared completely and accurately for 2010 and 2009.

Context: The bank reconciliations are not being prepared completely and accurately and have unknown discrepancies.

Effect: Incomplete and inaccurate bank reconciliations can lead to cash balances being over/under stated.

Cause: The Recorder's office December 2010 and 2009 bank reconciliations have unknown discrepancies.

Recommendation: Preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements. We recommend that procedures be implemented to prepare complete and accurate bank reconciliations and that the reconciliations be reviewed for accuracy and completeness by an individual not involved in the bank reconciliation preparation.

Views of responsible officials and planned corrective actions: The Recorder's Office has implemented a new procedure to have one person review the electronic funds transfers on a daily basis now instead of monthly.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

a. SAS 115, *Communicating Internal Control Related Matters Identified in an Audit*, is effective for periods ending on or after December 15, 2009 and supersedes SAS No. 112. This standard defines the terms *deficiency in internal control, significant deficiency*, and *material weakness*. It provides guidance on evaluating the severity of deficiencies in internal control identified in an audit of financial statements.

b. SAS 117, *Compliance Audits*, which supersedes SAS No. 74, is effective for compliance audits for periods ending on or after June 15, 2010. This SAS identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits and used in the SAS, and identifies the elements to be included in an auditor's report on a compliance audit. It reflects changes in the compliance audit environment and incorporates the risk assessment standards.

c. SAS 118, *Other Information in Documents Containing Audited Financial Statements*, is effective for audits of financial statements for periods beginning on or after December 15, 2010. This section addresses the auditor's responsibility in relation to other information in documents containing audited financial statements and the auditor's report thereon.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS (Concluded)

d. SAS 119, *Supplementary Information in Relation to the Financial Statements as a Whole*, is effective for audits of financial statements for periods beginning on or after December 15, 2010. This section addresses the auditor's responsibility when engaged to report on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *OMB Circular A-133*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 23, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. The County adopted the regulatory basis of accounting to report its financial statements for the years ended December 31, 2010 and 2009. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 22, 2011.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During the course of our audit, we noted that the County was compliant with the Davis Bacon compliance requirement; however, the County is using state wage rates instead of Davis Bacon rates. If state wage rates are ever different, the County runs the risk of being noncompliant with the Davis Bacon rates. We recommend the County use the Department of Labor standard forms and use the Federal Wage Rates for the Davis Bacon compliance requirement.

Thomas A. Schweich

Missouri State Auditor

REVENUE

Taxation Division Security Controls

September 2011

Report No. 2011-56

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Revenue, Taxation Division Security Controls

Background

This audit reviewed security and other internal controls established and managed by the Department of Revenue (DOR), Taxation Division and the Office of Administration, Information Technology Services Division (OA-ITSD). The OA-ITSD provides technical support to the DOR, Taxation Division, which is responsible for collecting Missouri taxes and administering state tax laws. The section of OA-ITSD responsible for supporting the DOR is referred to as the ITSD in this summary and report.

Service Level Agreement

The DOR and the OA-ITSD do not have a current written agreement adequately documenting the terms of the partnership between the two entities. The memorandum of understanding, in place since 2006, is not up-to-date and lacks critical information, such as defining: operational responsibilities for each organization, qualitative or quantitative measures of services to be provided, or responsibilities for third-party software, backup, disaster recovery and continuity planning.

The OA-ITSD did not have a contract for disaster recovery facilities for some critical mainframe resources, including certain Taxation Division systems, for almost a year. Instead of renewing the existing disaster recovery contract when it expired in June 2010, the OA-ITSD decided to explore other more cost-effective options, but it took eleven months to get the new disaster recovery capability in place, leaving the state vulnerable in the interim in the event of a disaster.

The DOR has not told ITSD how long the Taxation Division systems could be down before significant losses would occur. ITSD needs this information to determine whether the current recovery plan is sufficient. In addition, the ITSD has not conducted recovery testing to ensure that backups are complete and accurate and contain all data necessary to recover critical systems in the event of a disaster.

User Account Management

The ITSD database administrators are able to add, edit or delete data directly in the DOR, Taxation Division databases without management review, which increases the risk of unauthorized changes going undetected. Such direct database revisions are not subject to system validation and edit checks.

DOR and ITSD do not periodically review user access rights to the network or the DOR, Taxation Division systems and data. DOR security policies require division directors to review reports of user access at least twice a year, but we were told by a DOR official this review is not conducted. When we reviewed user accounts with access to DOR systems, we discovered 24 former employees still had active user accounts (one of whom left the DOR in 2001); 9 accounts were active in the system but not assigned to specific users; and 807 active user accounts had not been accessed in over

	90 days, calling into question whether these users continue to need this access. As noted in our 2003 and 2006 reports, the ITSD maintains unassigned user accounts for DOR systems (2,700 at the time of the present audit), which increases the risk of unauthorized access to confidential data. The DOR also lacks a policy for granting system access to temporary employees.
Risk Assessment Program	The DOR lacks a comprehensive risk assessment and management program. A risk assessment helps identify potential threats, vulnerabilities and weaknesses and determines what steps should be taken to prevent losses.
Browsing of Taxpayer Records	Although the DOR uses security controls to limit access to tax systems, management does not have procedures in place to monitor employee access to ensure only appropriate access to tax return information is occurring.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	Not applicable.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Department of Revenue
Taxation Division Security Controls
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Alana M. Barragán-Scott, Director
Department of Revenue
and
Doug Young, Chief Information Officer
Office of Administration, Information Technology Services Division
Jefferson City, Missouri

We have audited the Department of Revenue (DOR) and the Office of Administration Information Technology Services Division (ITSD) general controls related to the overall security of DOR Taxation Division computer systems and certain security controls related specifically to the Missouri Individual Income Tax System. This audit was conducted to evaluate the effectiveness of security controls and other related internal controls designed to secure confidential citizen information and tax-related data, and because most state general revenues are processed through the DOR Taxation Division systems. The objectives of our audit were to:

1. Evaluate the security controls designed to ensure the confidentiality, integrity, and availability of data and information maintained by the Taxation Division systems.

2. Evaluate compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and information system control activities.

Certain information contained in DOR records was not provided to us based on the Director of Revenue's interpretation of the decision rendered by the Missouri Supreme Court in the case of Director of Revenue v. State Auditor 511 S.W.2d 779 (Mo. 1974). Other information was not readily available due to the age, design, and complexity of the Taxation Division computer systems and underlying technology. As a result, we could not audit certain information because of these limitations imposed on the scope of our audit.

Our audit determined DOR and ITSD management have not taken some measures necessary to maintain effective security controls to ensure the confidentiality, integrity, and availability of data and information maintained by the Taxation Division systems. We determined DOR management, while in compliance with certain legal provisions we reviewed, could implement additional controls to protect the privacy of taxpayer data. We also determined certain weaknesses in management practices and information system control activities exist, which increase the risk of confidential information being compromised.

Except as discussed in the second paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
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Department of Revenue
Taxation Division Security Controls
Introduction

Background

Data security is a critical consideration for any organization dependent on information systems and networks to meet its mission or business objectives. Data security is especially important for state agencies, where the public's trust is essential for the efficient delivery of services. Security can be a significant investment, which adds to an already long list of administrative duties. Managing secure networks, developing and implementing new system functionality, maintaining thousands of system users, and other day-to-day security tasks can strain limited administrative resources. However, agency management must understand proper protection of citizen information is a requirement and not a luxury in the current interconnected cyber environment. Without proper safeguards and controls, computer systems and confidential data are vulnerable to individuals with malicious intentions who can use access to obtain sensitive data or disrupt operations.

The Department of Revenue (DOR) was created by Article IV, Section 12, of the 1945 Missouri Constitution and serves as the central collection agency for state revenues.

The DOR Taxation Division is responsible for collecting Missouri taxes and administering state tax laws. During fiscal year 2010, the Taxation Division processed tax receipts of approximately $11.9 billion, according to DOR records. The Taxation Division administers and collects personal taxes, including individual income, partnerships, fiduciary, and estate taxes and also administers the Property Tax Credit and Homestead Tax Credit programs. In addition, the Taxation Division also collects various business taxes including sales/use, financial institution, insurance premium, franchise, excise, cigarette and other tobacco products, motor fuel, corporate income, and withholding taxes.

To administer and process the collection of individual income taxes, the Taxation Division uses the Missouri Individual Income Tax System (MINITS). This system was established in 1989 and has been updated at least yearly to account for tax law and other necessary changes. The MINITS is based on dated technology for which the pool of skilled personnel with the ability to maintain the system continues to decline. This dated technology platform limits management data analytical capabilities and the ability of the MINITS to interface with other more modern Taxation Division systems.

In the fiscal year 2012 budget proposal, released January 2011, the Governor proposed a $5 million appropriation to the DOR to fund implementation of "a modern, efficient collections information technology system" for the department. This proposed system is expected to replace the MINITS as well as other systems used to administer and collect personal and business taxes. The $5 million appropriation was included in the DOR

2012 budget as introduced in the legislature. However, only $1 million was appropriated in the final budget. The state issued a request for proposals in May 2011, for this consolidated system. The estimated total cost of the project is approximately $62 million. Benefit studies conducted by potential vendors found a new integrated tax system could result in additional revenue due to opportunities for improvement in collections and additional processing efficiencies.

The mission of the Office of Administration, Information Technology Services Division (OA-ITSD)[1] is to provide technology services and solutions to state agencies, including assistance to support DOR technology resources. The DOR maintains ownership of its information systems and data, while the ITSD provides technical support. As part of the technology support function, the OA-ITSD established the Missouri Adaptive Enterprise Architecture (MAEA)[2] to guide information technology decisions. The DOR is required to follow MAEA standards and policies.

According to accepted standards, security controls are the management, operational, and technical safeguards or countermeasures prescribed for an information system to protect the confidentiality, integrity, and availability of the system and its information. Confidentiality refers to preserving authorized restrictions on information access and disclosure, including the means for protecting personal privacy and proprietary information. Integrity relates to guarding against improper information modification or destruction, and availability ensures timely and reliable access to and use of information.

Scope and Methodology

The scope of our audit included security controls and other related internal controls established and managed by the DOR and OA-ITSD; policies and procedures; and other management functions and compliance issues in place during the 2 years ended June 30, 2011.

Our methodology included conducting interviews with appropriate officials and staff; obtaining and reviewing available policies and procedures, federal laws, and other applicable information; and performing testing.

We obtained data files from the ITSD of user accounts having access to DOR systems as of January and March 2011. To ensure completeness of the

[1] In this report, OA-ITSD refers to the entire division, while ITSD refers to the section within the OA-ITSD assigned specific responsibility for supporting DOR technology resources.

[2] The MAEA includes standards, policies, and guidelines established by the OA-ITSD. The MAEA is made up of several information technology domains, including domains dedicated to security and information. The domains define the principles needed to help ensure the appropriate level of protection for the state's information and technology assets.

data, we reviewed the accounts for reasonableness and scanned the names of employees. Although we used computer-processed data from DOR systems to identify and test user accounts and related information, we did not rely on the results of any processes performed by these systems in arriving at our conclusions. Our conclusions were based on our review and testing of controls over user accounts.

We obtained the employment records of all DOR and ITSD employees for fiscal years 2001 to 2011 from the statewide accounting system for human resources. We matched these records to user accounts with access to DOR systems to determine if any terminated employees had active user accounts. We provided DOR officials a list of all terminated employees we found who had active access to DOR systems. Although we used computer-processed data from the human resources system for our audit work, we did not rely on the results of any processes performed by this system in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

We obtained individual state income tax data, excluding confidential personally identifiable data, for taxpayers who filed paper tax returns for tax year 2009. We performed basic reasonableness tests on this data and did not find any reportable issues. However, due to the design and age of the system and technology platform the system operates in, we were not able to review all system controls because records of processing edits[3] applied to certain data or processing events are not maintained after tax returns are processed. Although we used computer processed data from the MINITS for our audit work, we did not rely on the results of any processes performed by this system in arriving at our conclusions.

We based our evaluation on accepted state, federal, and international standards and best practices related to information technology security controls from the following sources:

- Missouri Adaptive Enterprise Architecture (MAEA)
- National Institute of Standards and Technology (NIST)
- Government Accountability Office (GAO)
- IT Governance Institute Control Objectives for Information and related Technology (COBIT)

[3] An edit, also known as a data validity check, is program code that tests the input for correct and reasonable conditions; such as account numbers falling within a range; numeric data being all digits; dates having a valid day, month, and year; etc.

1. Service Level Agreement

The Department of Revenue (DOR) and the Office of Administration Information Technology Services Division (OA-ITSD) do not have a current agreement documenting the terms of the partnership between the two entities. As a result, DOR management does not have minimum performance targets for information technology (IT) services and cannot determine if the services delivered meet targeted levels.

A Service Level Agreement (SLA) is a document used by organizations entering into a partnership for the provision of IT services. According to accepted standards, the SLA should document the agreements reached regarding:

- Technical and administrative support to be provided by the service provider
- Service support requirements, including availability, reliability, performance, and capacity for growth
- Roles and responsibilities of each party, including responsibility for oversight
- Backup, recovery, and security responsibilities of each party
- Quantitative and/or qualitative metrics for measuring service
- Funding arrangements
- Customer commitments

1.1 Current agreement

The DOR and OA-ITSD management do have a signed memorandum of understanding for IT services in place. However, the memorandum is not current and does not include provisions of a SLA necessary to protect the DOR and ensure alignment of business requirements for all critical IT services.

Review and update of agreement

The memorandum of understanding between the DOR and OA-ITSD has not been updated since it was signed in 2006. We found one of the Information Technology Services Division (ITSD) contacts listed in the memorandum is no longer employed by the state. Given the speed of technological innovation, failure to regularly review and update the IT service agreement leaves both organizations at risk of relying on an outdated agreement and expectations to perform the DOR's critical business tasks.

The memorandum of understanding documents financial issues related to the transfer of IT services from the DOR to the OA-ITSD, which was completed in 2007. The memorandum also specifies that limited administrative support responsibilities will continue after the transfer. Operational responsibilities, which are necessary for each organization to understand expectations, are not included in the memorandum. In addition, the memorandum does not include any qualitative or quantitative measures of services to be provided to the DOR by ITSD, does not stipulate who is responsible for funding or maintenance of customized third-party software,

does not state what level of service is expected by the DOR, and does not assign responsibility for backup, disaster recovery, and continuity planning. As a result, the DOR is at risk of not receiving the services necessary to achieve the department's mission.

Responsibility for security

DOR management, as owner of DOR information systems and data, is responsible for ensuring data maintained in the systems is secure and adequately protected. Although the DOR has partnered with the ITSD to provide IT services, the DOR has not ensured the ITSD is providing adequate security to protect DOR information.

For instance, DOR staff do not have access to system security logs and rely on ITSD staff to monitor the logs. According to ITSD officials, audit trail records for Taxation Division systems are available. An OA-ITSD official said the logs are not reviewed regularly, and only limited monitoring of the audit trail records is performed to identify reports of incidents compromising security or data integrity. ITSD officials said resources are not available to regularly monitor security activity or events. Since the memorandum does not delineate responsibility for monitoring the logs, DOR management does not have assurance this critical security function is performed.

Audit trail records should be reviewed for inappropriate or unusual activity, suspicious activity should be investigated, and appropriate actions should be taken, according to accepted standards. Failure to document responsibility for security functions could leave both the DOR and the ITSD at risk of a security incident compromising established controls, including disclosure or use of confidential data, without detection.

Agreement measurements

The memorandum of understanding does not include expected service level performance criteria or measurements to ensure the ITSD is providing IT services based on DOR business requirements.

ITSD staff prepare a report each quarter documenting the status of certain service level measurements. This report categorizes ITSD actions as promoting two outcomes: efficiently manage IT resources and maintain availability of IT resources. For each outcome, the report states several performance measures used to determine if the ITSD is meeting the desired outcomes. However, there is no documentation establishing the stated outcomes and measures and how the stated outcomes relate to the mission of the DOR, or indicating if DOR management agreed to the stated outcomes and measures. Further, for those measurements the ITSD did not meet, no corrective action plan was provided to address the failure and bring the ITSD into compliance with expected performance goals.

By not documenting the level of service expected from the ITSD or any corrective actions required to meet performance criteria, DOR management does not have reasonable assurance the department is receiving the level of service expected in return for the budgetary authority transferred to the OA-ITSD.

1.2 Disaster recovery contract

The OA-ITSD did not have a contract in place for disaster recovery facilities for some critical mainframe resources, including certain critical Taxation Division systems, during fiscal year 2011. The OA-ITSD elected to request bids for a new contract as a cost saving measure instead of exercising the renewal clause when the contract expired in June 2010. After almost a full year and two rounds of bidding and negotiations with vendors, OA-ITSD management determined the bids were still too expensive and elected to not award a new contract. Instead, OA-ITSD management decided to acquire the technological resources to establish a state owned disaster recovery capacity. The new recovery capacity become operational in July 2011. As a result, for the period July 2010 through June 2011, a contract for use of a disaster recovery facility was not in place, leaving the state vulnerable in the event of a major disaster.

The memorandum of understanding does not require the OA-ITSD to ensure appropriate disaster recovery facilities are available. Without a provision for disaster recovery facilities, the DOR faces a significant risk that critical IT systems will not be restored to operational status in the event of a disaster, subjecting the DOR to severe operational difficulties.

1.3 Maximum tolerable downtime

DOR management has not formally documented and communicated to ITSD management a maximum tolerable downtime expectation for Taxation Division systems. According to accepted standards, the maximum tolerable downtime is the maximum period of time an entity is able to tolerate a critical system being unavailable for use before the entity suffers significant losses. This time should be calculated by entity management based on an analysis of business functions. IT system management should be informed of the expectation to ensure the systems can be restored within the established limits.

Although DOR management has not established a maximum tolerable downtime, the department's continuity of operations plan acknowledges a risk that several critical functions could be difficult to restore in a 12 hour period. ITSD documentation of the 2009 disaster recovery test indicates restoring the operating system, before any applications could be restored, would take a full day, after traveling to the alternate location. Without documenting a maximum tolerable downtime and ensuring applications and systems can be restored within this time, the DOR faces an increased risk that critical functions may not be restored within a reasonable amount of time after a disaster.

1.4 Recovery testing

The memorandum of understanding between the DOR and OA-ITSD does not sufficiently address each organization's responsibility for ensuring DOR data can be recovered in the event of a disaster. DOR management has no assurance critical data and applications are backed up appropriately and can be recovered in the event of a disaster because the ITSD has not tested the restoration procedures for certain systems. An ITSD official said DOR staff are responsible for ensuring all necessary data is backed up while ITSD staff are responsible for performing the backups. In addition, the completeness of some backups is not tested because of the limited amount of time for recovery testing available under the previous disaster recovery contract. ITSD officials said recovery testing may also be performed on state equipment dedicated for testing purposes, but certain critical systems cannot be recovered in this location due to a lack of available space.

Without performing complete data recovery testing, DOR management cannot ensure backups are complete and accurate and contain all data necessary to recover critical systems in the event of a disaster.

Recommendations

The DOR, in conjunction with the OA-ITSD:

1.1 Establish a service level agreement for the provision of IT services, which identifies measurements and performance criteria to ensure service requirements are met. The agreement should be regularly monitored to ensure specified service level performance criteria remain relevant.

1.2 Ensure the service level agreement addresses the availability of disaster recovery facilities providing the capacity for the DOR to restore critical computing systems in the event of a disaster.

1.3 Formally document the methodology and determination of maximum tolerable downtimes for critical systems in the event of a disaster.

1.4 Perform a test of the data recovery procedures for all critical systems to ensure the systems can be recovered in the event of a disaster.

Auditee's Response

1.1 The department agrees with this recommendation and has begun developing a Service Level Agreement (SLA) that will include performance expectations to ensure service requirements are met. The department expects to complete the SLA by December 31, 2011.

1.2 The department agrees with this recommendation and will include the availability of disaster recovery facilities in the SLA.

1.3 The department agrees with this recommendation and will include tolerable downtimes for critical systems in the SLA.

1.4 The department agrees with this recommendation and will include testing of data recovery in the SLA.

2. User Account Management

DOR and ITSD management had not established or documented adequate user account management policies and procedures. User account management includes requesting, establishing, issuing, suspending, modifying, closing, and periodically reviewing user accounts and related user privileges, according to accepted standards. User account management policies and procedures should be established for all user accounts, including system administrators and other privileged users.

2.1 Database administrator access

ITSD database administrator access to databases supporting Taxation Division systems is not monitored by management. As a result, certain database administrators can add, edit, or delete data directly in the databases without the changes being reviewed by management or being subject to system processing edits. System data is periodically scanned to detect invalid or corrupt data, according to an ITSD official. However, these scans will not detect unauthorized data entered directly into the database.

According to accepted standards, logging and monitoring functions are critical to enable the early prevention and/or detection and subsequent timely reporting of unusual and/or abnormal activities that may need to be addressed. An ITSD official said database monitoring is performed on a statewide basis by the state Information Security Management Office (ISMO). However, the ISMO Chief Information Security Officer said monitoring of internal system activity is only performed as requested and most monitoring efforts are directed at external threats.

Failure to monitor the actions of database administrators results in an increased risk of unauthorized changes to tax data without being detected. In addition, direct database changes are not subject to system validation and edit checks, potentially allowing the recording of inaccurate data in the databases.

2.2 Management review of user accounts

DOR and ITSD management have not implemented procedures for periodically reviewing user access rights to the network or to Taxation Division systems and data to ensure access rights remain appropriate. The DOR security policies require division directors to review reports of user access to information systems at least semi-annually. However, this review is not performed, according to a DOR official. According to the Missouri Adaptive Enterprise Architecture (MAEA), agencies must periodically review user accounts. Accepted standards also support regular review of all accounts and related privileges.

During our review of user accounts with access to DOR systems, we found 24 former employees still had active user accounts. One of these former employees had left the DOR in 2001. In addition, we found nine accounts that were active in the system, but had not been assigned to specific users. We also found 807 active user accounts that had not been accessed in over 90 days.

Without a review of user access rights, management faces an increased risk that unauthorized alterations of these rights will go undetected or access rights may not be aligned with current job duties.

2.3 Revoked accounts

The ITSD has a pool of approximately 2,700 revoked user accounts for DOR systems that are not assigned to specific users. This pool of user accounts includes new accounts created for the convenience of having pre-established user accounts assigned with basic access rights and accounts of former users available for re-assignment to new users.

Accepted standards require unique user accounts be assigned to individual users. All user accounts created should have an associated request and approval from appropriate administrators of information resources. According to the MAEA, agencies must periodically review user accounts, including identification of inactive, idle, or orphaned accounts.

By allowing unassigned accounts to exist in the information system, management may increase the risk of unauthorized access and compromise the confidentiality and integrity of data maintained by the DOR.

Similar conditions previously reported

Maintaining a pool of user accounts was addressed in our 2003 audit of the DOR Security,[4] and again in a follow-up audit in 2006.[5] In both cases, DOR and/or ITSD management said corrective action would be taken. The number of unused accounts currently outstanding is greater than at the time of either of our prior reports, indicating DOR and ITSD management have not made a dedicated effort to correct the situation by implementing our prior recommendation.

2.4 Temporary employee accounts

Although DOR management has a policy for granting computer access to permanent employees, management has not established a policy for granting access to temporary employees. According to DOR personnel, the procedure for granting access to temporary employees is not the same process as

[4] SAO Audit Report 2003-16, *Department of Revenue - Information Resource Security Management*, issued in February 2003.

[5] SAO Audit Report 2006-14, *Information Technology - Information Security Management in State Agencies*, issued in March 2006.

granting access to permanent employees. In March 2011, the DOR employed approximately 100 temporary employees during tax season to input and process tax returns. Without documented policies or procedures, DOR management does not have assurance user accounts assigned to temporary employees are consistently or correctly controlled, which increases the risk of unauthorized access to data and information maintained in Taxation Division systems.

Recommendations

The DOR, in conjunction with the ITSD:

2.1 Regularly monitor database administrator access to ensure data is not changed without authorization.

2.2 Perform periodic reviews of user access rights to ensure access rights are commensurate with job duties and responsibilities.

2.3 Discontinue the practice of maintaining a pool of user accounts not associated with active system users.

2.4 Establish policy and procedures for granting system access to temporary employees.

Auditee's Response

2.1 OA-ITSD agrees with this recommendation and will develop procedures to regularly audit database administrator activity. OA-ITSD expects this process will be in place by December 31, 2011.

2.2 The department has requested a list of all users with access to department systems. ITSD will provide the department with this information by system. A list of priority systems to review user access has been submitted to ITSD.

2.3 OA-ITSD agrees with this finding. OA-ITSD will disable all inactive pool of user accounts and remove authorization to all production systems. OA-ITSD will provide the department a list of all user accounts to ensure all inactive accounts are disabled. OA-ITSD expects this process will be in place by December 31, 2011.

2.4 The department agrees with this recommendation and will add specific language to address granting system access to temporary employees to the current policy.

3. Risk Assessment Program

DOR management has not established a comprehensive risk assessment and management program. DOR officials perform an audit risk assessment when creating the internal audit plan each year; however, this assessment is not a substitute for an overall business risk assessment.

A risk assessment helps identify potential threats, vulnerabilities, and weaknesses which could be exploited and determines what controls are required and what level of resources should be expended on controls to prevent losses. According to accepted standards, an effective risk management process is an important component of a successful IT security program. The principal goal of an organization's risk management process should be to protect the organization and its ability to achieve the mission, not just protect IT assets, making risk management an essential management function of the organization.

Without an established risk management and assessment framework in place, unidentified risks or threats may expose an unknown system vulnerability; resulting in lost information, lost privacy, loss of availability, or loss of system integrity. In addition, DOR management has less assurance that established security controls are cost-effectively addressing programmatic risks.

Recommendation

The DOR, in conjunction with the ITSD, should implement and document a business risk assessment and management framework, which includes policies, standards, and procedures for performing periodic risk assessments so management can better protect department resources and the ability to cost-effectively address risk and accomplish the DOR's mission.

Auditee's Response

The department agrees with this recommendation and will develop policies and perform periodic risk assessments.

4. Browsing of Taxpayer Records

DOR management has established policies to comply with the federal Taxpayer Browsing Protection Act of 1997[6] and with state law; however, additional controls could be implemented to further secure the privacy of taxpayer data.

The Taxpayer Browsing Protection Act states tax returns and return information shall be confidential. Specifically, the Act requires states receiving federal return information restrict access to the information to only those persons whose duties or responsibilities require access. Additionally, under state law,[7] any person with access to taxpayer data may not disclose the data or information, with certain exceptions. Although there is no provision of state law limiting access, DOR policy prohibits users from accessing tax return information not necessary to carry out official duties.

[6] 26 USC Sections 7213, 7213A, and 7431
[7] Section 32.057, RSMo

DOR management uses certain security controls to limit access to tax systems, but has not established procedures to monitor employee access to ensure only appropriate access is occurring. The DOR Internal Audit Bureau has planned a review of employee access to taxpayer accounts; however, this is the first audit of this type.

Recommendation

The DOR should continue current efforts to further strengthen procedures and determine if additional opportunities exist, such as monitoring employee access to certain tax return information, to improve security and ensure the confidentiality of taxpayer information.

Auditee's Response

The department agrees with this recommendation and the Compliance and Investigations Bureau will work with ITSD to identify verification opportunities.

Thomas A. Schweich

Missouri State Auditor

HIGHER EDUCATION

Separation and Retention Contracts of University Officials

September 2011

Report No. 2011-55

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Higher Education, Separation and Retention Contracts of University Officials

Background	In a prior audit report, Report No. 2000-24, we concluded while most high-ranking university officials' contracts reviewed contained reasonable provisions, some did not adequately protect the university and contained provisions that appeared excessive or unwarranted. In the current audit, we looked at the employment contracts of the four chancellors of the four University of Missouri campuses and the nine presidents of the other Missouri public 4-year institutions. We determined five of the agreements contained provisions that may not comply with state law and/or may not be in the best interest of the university.
Missouri Southern State University (MSSU)	MSSU entered a separation agreement with then-President Dr. Julio S. Leon in August 2007 which entitled Dr. Leon to a payment of $168,518 upon his resignation with no obligation to perform any future tasks, duties or obligations for the university. Dr. Leon, who had been with MSSU for 38 years, 25 of which he was President, was also to be named "President Emeritus" and be provided a faculty office and computer in the Business School. Dr. Leon had the option of teaching part-time at the prorated compensation rate as the highest paid professor, but Dr. Leon did not exercise this option. The August 2007 agreement was a modification of Dr. Leon's existing employment contract which provided for a 6 month sabbatical at his monthly base pay upon his resignation, provided that he gave a full year's notice of his intention to resign. In addition, he would have the right to teach at a salary equal to 115 percent of the highest paid professor's salary, and, if he were terminated for any reason other than for cause, he would received his base pay for 12 months. Neither agreement explains the purpose of the contemplated post-employment payments, and MSSU did not provide an explanation upon our request.
Northwest Missouri State University (NWMSU)	NWMSU executed an employment agreement with then-President Dr. Dean L. Hubbard which entitled him to the same annual presidential salary ($224,762) for the year after he resigned as President, but did not identify any specific duties to be performed by him during that year. In addition to the salary, Dr. Hubbard received health and accident insurance for himself and his spouse for 2 years after his resignation, and the university spent $8,930 to relocate Dr. Hubbard to Kansas City. It is not clear whether the services Dr. Hubbard performed on behalf of NWMSU during this transition year, warranted the compensation and benefits he received. Dr. Hubbard served as President of NWMSU for 25 years. A more complete explanation of Dr. Hubbard's employment agreement is available in our recently issued audit report of NWMSU, Report No. 2011-47.

Harris Stowe State University (HSSU)	In August 2010, HSSU entered into a contract with then-President Dr. Henry Givens, Jr. which provided he would serve as an advisor for 2 years after his resignation for $70,000 a year, during which time he would research and write a partial history of HSSU, assist in fund raising, and provide advice on legislative matters and campus expansion projects. Dr. Givens told us this compensation would come from private or other sources, rather than university funds. In addition, Dr. Givens was provided lifetime participation in the university's medical, dental, and vision and long-term care insurance programs, and lifetime $100,000 term life insurance, in recognition of Dr. Givens' 30 years of service and his willingness to forego other employment opportunities. Dr. Givens is also entitled to a paid partial sabbatical leave, but he said he did not expect to have time to take it.
Truman State University (TSU)	After 5 years as President of TSU, Dr. Barbara B. Dixon expressed a desire to resign, and she and the Board of Governors entered into a separation agreement under which she received a salary of $205,050 to serve as a consultant to the Board of Governors for a year. In addition, she was entitled to receive $10,000 at the end of that year if she performed satisfactorily and to receive an additional 6 months of health insurance. According to TSU officials, the $10,000 payment was paid, but payment for the additional 6 months of health insurance was not made. The only documented task or duty Dr. Dixon performed during this paid year was to document her thoughts and recommendations regarding cost saving measures.
Missouri State University (MSU)	Dr. Michael T. Nietzel resigned as President of MSU after 5 years. Dr. Nietzel's contract entitled him to become a tenured professor in the Department of Psychology at an annual salary of $160,423, which is approximately $68,000 more per year than the highest paid faculty member in the department. In addition, Dr. Nietzel's contract with MSU entitled him to a semester of leave at his new full salary rate or 1 year off at one-half pay; Dr. Nietzel chose to take one semester off and was compensated $80,211 for his paid leave of absence during the fall of 2010. During at least part of this time, Dr. Nietzel served as an unpaid advisor to the Governor on higher education matters. A more complete explanation of Dr. Nietzel's contract is available in Report No. 2010-125, *Missouri State University*, issued in October 2010.

Because of the limited objective of this review, no overall rating is provided.

Separation and Retention Contracts of University Officials
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
Dr. David R. Russell, Ph.D., Commissioner
Department of Higher Education
Jefferson City, Missouri

We have performed an audit of separation and retention contracts of university officials. Objectives of this audit were to determine whether:

1. Public universities have entered into separation and retention contracts with top university officials which are in compliance with the Missouri Constitution and contain provisions that are in the best interest of the institution.

2. Section 173.003, RSMo, has been effective in eliminating questionable provisions contained in separation and retention agreements.

During the audit, we determined some of the agreements reviewed included reasonable and standard provisions and practices. However, we determined (1) some recent agreements may not be in compliance with the Missouri Constitution and/or may not be in the best interest of the institution, and (2) Section 173.003, RSMo, has not been completely effective in eliminating questionable provisions contained in separation and retention agreements.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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Separation and Retention Contracts of University Officials Introduction

Background

The Missouri Department of Higher Education (MDHE), headed by a coordinating board, carries out various planning, budgeting, and other administrative responsibilities related to the state's system of higher education. Each state-funded college or university is under the general control and management of its governing board. Under state law[1], the governing board of each institution has the authority to appoint and remove the president and other institution employees, assign powers and duties, and fix compensation. The MDHE has no approval or oversight responsibilities regarding the compensation provided to top officials of the state's colleges and universities.

In Report No. 2000-24, *Audit of Separation and Retention Contracts Entered Into by Public Institutions of Higher Education,* issued in April 2000, the State Auditor's Office (SAO) reported the results of an audit of separation and retention contracts for college and university presidents or chancellors, and other high-ranking officials. The objectives of that audit were to determine if colleges and universities were consistent in the types of contracts they entered into with high-ranking officials and determine if the college and university boards properly considered their fiduciary responsibilities when entering into agreements with departing officials.

That audit concluded most of the contracts reviewed contained reasonable provisions; however, some contracts did not properly protect the university from risk of nonperformance and/or contained provisions that appeared excessive or unwarranted. Subsequent to the release of our prior audit, in 2000 the General Assembly passed legislation which was incorporated in Section 173.003, RSMo, which states:

> "Retirement, severance, and associated salary continuance policies and plans of approved public institutions…shall be applied uniformly, consistently and fairly to all similarly situated officials and employees of …public institutions; and no employee or official shall be singled out for retirement or severance benefits which are inconsistent with the formally adopted policies and plans of such approved public institution."

[1] Article IX, Section 9(a), Missouri Constitution, and Section 172.010, RSMo, provide that a university (the University of Missouri) is hereby instituted in this state, the government whereof shall be vested in a board of curators. Also, Section 174.120, RSMo, provides that each state teachers college shall be under the general control and management of its board of regents. Further, Sections 172.300 and 174.140, RSMo, provide the governing board of each institution may appoint and remove, at its discretion, the president and other employees of the state college or university and may fix the terms, conditions, and compensation of their employment.

Scope and Methodology

Our audit focused on the employment contracts of the chancellors of the four campuses of the University of Missouri system and the presidents of the other nine 4-year public institutions. The 13 public 4-year institutions included:

- University of Missouri-Columbia
- University of Missouri-Kansas City
- University of Missouri-St. Louis
- Missouri University of Science and Technology (formerly the University of Missouri-Rolla)
- Lincoln University (in Jefferson City)
- Harris Stowe University (in St. Louis)
- Truman State University (in Kirksville)
- Northwest Missouri State University (in Maryville)
- Southeast Missouri State University (in Cape Girardeau)
- Missouri State University (in Springfield)
- Missouri Southern State University (in Joplin)
- Missouri Western State University (in St. Joseph)
- University of Central Missouri (in Warrensburg)

To determine whether the contracts with these university officials were in compliance with the Missouri Constitution and/or in the best interest of the institution, we reviewed the related policies and contracts covering the period from fiscal year 2005 through fiscal year 2010. As part of our audit. we considered related matters reported in recent SAO university audits involving former and current presidents and chancellors.

To determine the effectiveness of Section 173.003, RSMo, we reviewed relevant policies and procedures and discussed provisions of the statute with MDHE and institution officials. We also reviewed other relevant statutory and constitutional provisions to determine the authority granted institution governing boards and any oversight responsibilities of the MDHE. We also communicated with various institution officials, including members of the governing boards in some instances, to determine the reason(s) for certain actions and/or to obtain an explanation for certain contract provisions.

Contract Provisions

The governing boards of some public 4-year universities provided separation and retention compensation and benefits to current or outgoing top-ranking officials which may not comply with the Missouri Constitution and/or may not be in the best interest of the institution. In addition, legislation passed after our 2000 audit has not been completely effective in limiting or controlling questionable severance, separation, and retention contracts with top outgoing university officials.

University contracts

Our review of the employment contracts of presidents and appointment letters of chancellors of the 13 public 4-year institutions disclosed many separation or retention provisions that appeared reasonable and/or represented standard practices in the event the official resigned or terminated. Those contracts generally provided for no further compensation or benefits beyond the effective date of the official's resignation. If terminated without cause, the contracts generally provided the official with severance payments of salary and benefits ranging from 6 to 12 months (or the time remaining on the contract, whichever was less). For three of the four campuses of the University of Missouri system, the appointment letters indicated the respective chancellors were considered administrative "at-will" appointments and no severance payments were contractually provided in the event of termination.

However, the governing boards of 5 of the 13 public 4-year institutions entered into contracts with institution presidents which included provisions that may not comply with the Missouri Constitution and/or may not be in the best interest of the institution.

Missouri Southern State University

In August 2007, the Board of Governors of Missouri Southern State University entered into a separation agreement with then University President Julio S. Leon. According to the agreement, Dr. Leon had expressed a desire to resign as President of the university. The agreement noted he had served with distinction in that position for 25 years and as an employee for a total of 38 years (he was previously a professor and dean).

According to the August 2007 agreement, the President's resignation was effective September 1, 2007. The agreement provided that no later than December 31, 2008, on a date or dates to be determined by Dr. Leon, the university would pay him, or his estate should he be deceased, $168,518 (his annual base salary as President) less withholding tax and any other deductions required by law or authorized by the President. This payment was not contingent upon the performance of any tasks, duties or obligations. The agreement also stated that Dr. Leon would be named "President Emeritus" by resolution of the Board of Governors and be provided a faculty office and computer in the Business School.

Under the terms of the agreement, the outgoing President could also elect to teach part-time beginning in the fall semester of 2008. If he elected to teach,

his compensation would be prorated based upon the number of hours actually worked as compared to the number of hours worked by the highest paid full-time professor. University officials indicated Dr. Leon did not exercise this option.

This agreement indicated it was a modification of the President's existing employment contract. That July 2006 contract provided that Dr. Leon could resign as University President and be relieved of his duties at the end of any fiscal year, providing he had given a full year's notice of his intention to resign. In such event, he would be entitled to a 6 month sabbatical at his monthly base pay and at the end of the sabbatical, he would have the right to return to the university as a professor at a salary equal to 115 percent of the highest paid professor then employed at the university. The July 2006 contract also provided that if the President's employment was terminated for any reason, except for cause, the university would pay him the base salary for the next 12 months.

The purpose of the $168,518 payment in the August 2007 agreement or the 6 month sabbatical (at full pay) in the July 2006 employment contract were not disclosed in either document. In November 2010, we asked board officials why the university believed these provisions were in the best interest of the university. In response, the board's attorney acknowledged our request letter, but provided no explanation other than to note the agreement speaks for itself. Considering the former President was under no legal obligation to perform any services for this compensation, it is not clear why the university agreed to these contract provisions.

Northwest Missouri State University

As similarly reported in Report No. 2011-47, *Northwest Missouri State University*, issued in September 2011, in July 2004, the Northwest Missouri State University Board of Regents and then President Dean L. Hubbard executed an employment contract which covered a 6-year period ending June 30, 2010. The contract indicated Dr. Hubbard intended to retire as the university's President after June 30, 2009, and it provided that if the board was successful in finding a suitable replacement by that date, the former President would be employed by the university to serve in a transition role during the year ended June 30, 2010. Dr. Hubbard did subsequently step down as University President effective July 1, 2009, after serving in that position for 25 years. The former President then subsequently served in a transition role for a year as provided by the contract.

The employment contract approved by the Board of Regents in 2004 provided the former President's salary during the transition year was to be no less than the salary paid him during the last year he served as President of the university. As a result, the former President received a salary of $224,762 during the transition year (his base salary as President). The 2004 employment contract did not specify duties to be performed by the former President during the transition year, but provided he would perform such

duties as outlined by the new President and approved by the Board of Regents.

The Board of Regents hired a new President who assumed the duties of that position effective July 1, 2009. During the transition year the former President submitted monthly activity reports to the new University President which summarized activities he had been involved in on behalf of the university. While some of the activities appeared to benefit the university directly, others did not. Some of the activities reported included:

- Teaching at least two classes, one class for NWMSU and a graduate-level class for an out-of-state university
- Performing statistical and financial analysis for the university
- Seeking additional grants and external funding
- Writing an education-related blog and/or articles for the Kansas City Star
- Serving on a higher education-related foundation board
- Speaking at various engagements

The new President indicated a primary benefit of the former President's services/activities during the transition year was to help maintain and/or build current and future relationships between outside parties (particularly donors) and the university's new leadership.

In addition to the salary paid during the transition year, the 2004 employment contract provided the former President would receive hospitalization, major medical, travel risk, and long-term disability insurance during the transition year and for a year following the transition year. In addition, the contract provided the university would provide health and accident insurance for the former President's dependents (his wife) during this 2-year period. The insurance and other benefits cost the university $30,140.

The 2004 employment contract also provided the university would 1) pay for suitable housing for the former President during the transition year if the former President lived in Maryville, and 2) pay all necessary moving and relocation expenses in vacating the university-provided home. When the former President retired in July 2009, he was not required to live in Maryville. As a result, the university incurred costs of $8,930 to move the personal property and furnishings of the former President to his new place of residence in Kansas City.

While it is apparent the former President provided some services to the university during the transition year of his contract, it is not clear to what extent those services benefited or assisted the university's new leadership or whether the services justified the salary and benefits provided.

Harris Stowe State University

In January 2009, the Board of Regents of Harris Stowe State University entered into a new employment contract with President Henry Givens, Jr., who had served in that position for approximately 30 years. According to the contract, Dr. Givens was to be employed as President of the university for a period of 12 months commencing on January 1, 2009, at a salary of $209,634, and then be subsequently employed as a consultant commencing on July 1, 2010, for a period of 3 years. The agreement also provided for a partial sabbatical leave during the 2009-2010 fiscal year at the same salary and benefits he received as President. The agreement also provided Dr. Givens would be named "President Emeritus of the Institution" upon his retirement.

According to the contract, he was to receive compensation of $95,000 during each of the 3 years he was to serve as consultant and his duties would include the following.

- Research and write the history of Harris Stowe State University from 1979 to the present
- Advise the regents on legislative matters
- Assist in fund raising
- Advise on campus expansion projects

The contract also provided that in recognition of the President's willingness to forego other employment opportunities and the President's 30 years of distinctive service, the university would provide the President lifetime participation in the university's medical, dental, and vision insurance programs, lifetime long-term individual care insurance, and lifetime term life insurance in the amount of $100,000. The cost of these benefits in fiscal year 2009 was $19,167.

In August 2010, a new contract was entered into between the Board of Regents and Dr. Givens which provided that he continue to serve as President through June 30, 2011, at a salary of $210,000, and then serve as an advisor for 2 years commencing on July 1, 2011. The contract provides Dr. Givens will perform duties similar to those in the previous contract and will receive annual compensation of $70,000 for his advisory services. Under this new contract, Dr. Givens will still receive the partial sabbatical and lifetime health, long-term care, and life insurance benefits provided in the earlier contract. In May 2011, Dr. Givens told us the compensation he would receive as an advisor to the board would be paid from private or other sources rather than from university funds. In addition, he indicated he would

likely not have time to take the paid sabbatical as provided for in the January 2009 and August 2010 contracts.

While it appears the President will provide some services to the university during the 2-year consultant period, it is not clear if those services will justify the compensation to be paid or lifetime benefits of health, long-term care, and life insurance to be provided at university expense.

Truman State University

In September 2008, the Board of Governors of Truman State University entered into a separation agreement with then University President Barbara B. Dixon. According to the agreement, Dr. Dixon had expressed a desire to resign from employment with the university and the President and board desired to maintain an amicable relationship and resolve any and all issues pending or that might arise. Dr. Dixon had served as President for over 5 years and her employment contract was not due to expire until June 30, 2009.

Dr. Dixon resigned effective October 15, 2008, and as provided by the agreement continued employment with the university serving in the role of consultant to the Board of Governors for a period of a year. During this period, the former President received a total salary of $205,050, her base salary as President. The agreement also provided that if at the end of the 1 year period the board determined the former President had performed satisfactorily, an additional $10,000 would be paid into a deferred compensation account, and the university would pay health insurance costs for 6 additional months. According to university officials, the $10,000 payment was paid to the former President, but payment for 6 additional months of health insurance was not made.

The agreement did not require the former President to perform any specific tasks, duties, or obligations while serving as consultant to the board. However, it indicated Dr. Dixon might be requested to attend various mutually agreed upon university functions and activities, and to assist in fundraising, the search for a new President, and such other activities as the board may deem appropriate. The agreement did not require Dr. Dixon to live in Kirksville (the site of the university). Based on discussions with university officials, the only documented task or duty the former President performed during the 1 year period she served as a consultant was to document her thoughts and recommendations regarding actions that might be taken as cost saving measures.

The previously existing August 2006 employment contract did not obligate the university to pay any further salary or benefits beyond the effective date of the President's resignation. If the university chose to terminate the contract without cause, Dr. Dixon could either retain a tenured professor position at an annual salary of 60 percent of the President salary or elect to

resign her tenure, in which case, the university would be required to pay her "liquidated damages" in an amount equal to 6 months of her annual salary.

University officials told us the board and the former President had disagreed on the direction to take the university, and since the university was in the midst of a capital campaign they wanted to avoid negative publicity, Dr. Dixon agreed to resign from her position as President. Because of these circumstances and to avoid future issues, the board entered into the resulting separation agreement with the former President. However, considering the limited duties the former President was asked to provide as consultant, it is not clear whether the decision by the Board of Governors to compensate her (at her base salary) for an additional year was appropriate.

Missouri State University

As similarly reported in Report No. 2010-125, *Missouri State University*, issued in October 2010, that university's contract with former President Michael T. Nietzel included a tenure and retreat clause. Under this clause, the former President was granted the option to retreat to a tenured professorship within the Department of Psychology and be compensated 60 percent of his current salary as President. The contract also provided the option to take a leave of absence for either the first academic semester at full pay or for the first academic year at 50 percent pay, either option would be paid at the reduced salary.

In November 2009, then President Nietzel announced his intentions to resign from his position as President and on April 1, 2010, became an unpaid advisor to the Governor regarding matters related to higher education. Effective July 31, 2010, the former President resigned and went on a leave of absence from the university for one semester at full pay. Dr. Nietzel had served as President of the university since 2005. After the paid leave of absence, which included the fall semester of 2010, the former President returned to the university to accept a professorship at 60 percent of his President's salary.

The former President's fiscal year 2010 contract stated his annual compensation would be $267,372. Therefore, the former President was compensated at the rate of $160,423 (60 percent of his President's salary) annually as a faculty member, which is approximately $68,000[2] more than the highest paid faculty member in the Department of Psychology, for assuming teaching duties equal to other tenured professors. The former President was also compensated $80,211 (50 percent of his new tenured professor salary) for the paid leave of absence during the Fall 2010 academic semester.

[2] ($267,372 x 60% = $160,423 - $92,240 = $68,123) $92,240 represents the highest compensation paid to a faculty member of the Department of Psychology during the year ended June 30, 2010.

The purpose of the leave of absence and the tenure and retreat clause was not disclosed in the contract provisions. Although the President might have been involved in activities benefiting the university during the leave of absence, he was under no legal obligation to perform any services. In addition, the salary paid to the former President when he assumed his new professorship duties appears to have been excessive.

Legal compliance

In three of the instances discussed above, the President had served in that position for an extended period (ranging from 25 to 31 years), and it appears the related separation and/or retention compensation and benefits paid to those individuals may have been provided, at least in part, in appreciation for past service. While it is understandable the respective boards would appreciate and might want to recognize the past contributions of a long-term president in a monetary way, it does not appear legal to do so. Article III, Section 39, Missouri Constitution[3], prohibits the payment of compensation for services previously rendered.

Effectiveness

The legislative intent of Section 173.003, RSMo, could not be readily determined because its provisions are ambiguous and not clearly applicable to top university officials. As a result, most of the 4-year public institutions have not formally adopted plans and policies specifically addressing severance, separation, and/or retention payments or benefits for top university officials, with only two (Missouri State University and Southeast Missouri State University) having done so.

If the intent of Section 173.003, RSMo, was to limit or control questionable severance, separation, and retention contracts with top outgoing university officials, the examples cited in this report would indicate that statute has not been completely effective in doing so.

Recommendations

1. The MDHE work with the governing boards of the state's public colleges and universities to help ensure the terms of employment or separation contracts entered into by those boards with current or outgoing top officials only include separation and/or retention provisions that comply with Article III, Section 39, Missouri Constitution and does not constitute additional compensation for services previously rendered. Such provisions should be clear as to their purpose and intent and identify the specific duties or services, if any, to be performed by the official after stepping down as the institution's chief executive officer. Any additional compensation should be reflective of the services performed after leaving office.

[3] Attorney General's Letter No. 114, 1987 to Jacob, determined this section of the constitution applies to any government agency which derives its power and authority from the constitution and laws of this state. This would include public colleges and universities.

2. The General Assembly review the matters discussed in this report, and determine whether additional legislative changes are needed to limit severance, separation, and retention compensation and other benefits to outgoing top university officials.

Auditee's Response

1. The MDHE provided the following response:

As we noted in our prior discussion and emphasize again here: this department simply has no authority over an institution's personnel decisions. By constitution and statute in the case of the University of Missouri System and by statute in the case of the other public institutions, their governing boards are vested with complete authority in these matters. See e.g., MO Constitution, Article IX, Section 9(a); Sections 172.300, 174.120 and 174.140 RSMo. Not only is this division of authorities very clear, the MDHE would have no basis for substituting its judgment for that of the governing board in determining what matters of compensation are reasonable in a given circumstance. Those boards have command of the facts and extenuating circumstances and are charged with the fiduciary responsibility to act in the institutions' best interests. Moreover, they have their own legal counsel to ensure that all contractual provisions are in compliance with applicable law. In sum, the coordinating role of the department should not be extended to areas that are not contemplated by our statutes and fall under the exclusive purview of the institutional boards.

Auditor's Comment

We are not suggesting the MDHE has authority over an institution's personnel decisions. However, according to Section 173.030(2), RSMo, it is the MDHE's responsibility to make recommendations for policy changes to the governing board of any public higher education institution in the state when such action is deemed by the coordinating board to be in the best interests of the institutions and/or the general requirements of the state.

Thomas A. Schweich

Missouri State Auditor

ADMINISTRATION

Missouri Health and Educational Facilities Authority

September 2011

Report No. 2011-54

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Missouri Health and Educational Facilities Authority (MOHEFA)

Expenditures	MOHEFA has not established travel policies in compliance with Executive Order No. 92-6 and does not adequately control travel costs for its board members, employees, or contractors. MOHEFA reimbursed some personal incidental expenses and some expenses which exceeded costs allowable under state regulations. Some MOHEFA expenses did not appear prudent or necessary, and MOHEFA did not always retain adequate supporting documentation. MOHEFA paid contractors over $239,000 in fiscal year 2010 but failed to file Forms 1099, as required by the IRS.
Fund Balance and Fees	MOHEFA has not modified its fee structure since 2007 and collected over $990,000 in annual service fees in fiscal year 2010. MOHEFA has a fund balance of over $10 million with limited plans for its use. If MOHEFA does not have plans to expand its existing programs or develop new programs, it should re-evaluate its fees to ensure they are reasonable and necessary to carry out its purposes.
Procurement and Contracts	MOHEFA has not adopted a formal procurement policy as required by Executive Order No. 92-6 and has not always solicited competitive proposals for goods and services. MOHEFA has not periodically solicited competitive proposals for professional services and did not solicit bids for the purchase of its copier or the publication of its annual report. MOHEFA should receive, review and retain adequate supporting documentation for amounts billed for auditing, accounting and legal services. We identified a $591 overpayment by MOHEFA because its legal services provider billed at the higher 2009 rate for services performed in 2008; MOHEFA subsequently received a credit for that amount.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The Missouri Health and Educational Facilities Authority did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the Board of Directors
and
Michael Stanard, Executive Director
Missouri Health and Educational Facilities Authority
Chesterfield, Missouri

We have audited certain operations of the Missouri Health and Educational Facilities Authority in fulfillment of our duties under Chapter 29, RSMo. The authority engaged Schmersahl Treloar and Company, Certified Public Accountants (CPAs), to audit the authority's financial statements for the years ended December 31, 2010, 2009, and 2008. To minimize duplication of effort, we reviewed the reports and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the years ended December 31, 2010, 2009, and 2008. The objectives of our audit were to:

1. Evaluate the authority's internal controls over significant management and financial functions.

2. Evaluate the authority's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the authority, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contracts or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the authority's management and was not subjected to the procedures applied in our audit of the authority.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with certain legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Missouri Health and Educational Facilities Authority.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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1. Expenditures

Concerns were noted regarding travel costs, unnecessary purchases, failure to retain supporting documentation, and failure to file IRS Form 1099s as required.

1.1 Travel costs

The Missouri Health and Educational Facilities Authority (MOHEFA) does not adequately control travel costs of board members, employees, or contracted professional service providers. The MOHEFA has not established travel policies that are substantially equivalent to travel policies for state agencies, as required by Executive Order No. 92-6.

Executive Order No. 92-6 requires all state boards and commissions to maintain a policy governing travel rules and regulations equivalent to or substantially equivalent to rules established by the Missouri Office of Administration (OA). The state travel policy (SP-6) issued by OA establishes standard policies and limits for lodging and meals and requires agencies to select the most cost effective mode of travel. Out-of-state travel costs for lodging and meals are generally limited to rates for the continental United States (CONUS) established by the U.S. General Services Administration. The MOHEFA travel policy was outlined in a memo dated August 21, 2003, drafted by the Board Chair at that time and allows for any expense necessary for a board member or staff to attend events including training sessions, conferences, and meetings. The policy does not establish monetary limits on meals and lodging and does not require a determination of the most economical mode of travel or guidelines for making that determination.

During the 3 years ended December 31, 2010, MOHEFA costs for conferences and conventions totaled just under $25,000 and costs for meetings totaled over $18,000. All travel costs were charged to these two categories. These categories also include a small amount of other expenses such as conference registration fees and miscellaneous board meeting expenses. Of the $43,000 spent in these categories we reviewed expenditures totaling about $13,000 and identified costs totaling approximately $7,200 that exceeded costs allowable under state travel regulations or were unnecessary. The questionable expenditures identified represent approximately 55 percent of the costs reviewed in these categories.

Employee and contractor travel costs

The MOHEFA travel policy does not provide per meal or per diem limits. Our audit noted other costs were incurred that would not be allowable under state travel regulations. MOHEFA employees and the financial advisor incurred travel expenses for airfare, mileage, meals, and lodging for at least two out-of-state conferences each year and other training sessions and meetings. We reviewed meal costs incurred by employees while attending three out-of-state conferences in 2008 and 2009. In total, we reviewed meal costs for 9 travel days totaling about $518 and noted costs exceeded the

CONUS rates for 5 of those days by a total of $299. One employee charged $145 for meals for himself and his spouse on the day after an April 2009 conference ended and there did not appear to be any business purpose for those costs. Another employee attending the same conference returned the day the conference ended and incurred no additional costs. We also noted personal incidental expenses totaling $205 for laundry, long distance, and parking for the board's financial advisor while attending a conference were reimbursed. The Executive Director agreed these were personal charges which should not have been reimbursed. In total, for the 9 days reviewed we identified $649 in employee and contractor costs that exceeded costs allowable under state travel regulations.

Board travel costs

MOHEFA policy does not provide for effective control of board member travel costs. Board members may attend monthly meetings in person or via conference call and some members incur travel expenses for mileage, meals, and lodging when attending monthly meetings. We noted instances where lodging and meal reimbursements and related travel costs exceeded state limits or appeared unreasonable including:

- We tested credit card expenditures of approximately $952 related to three 2-day trips by a board member for attendance at board meetings. The nightly lodging costs exceeded the CONUS limits by $98, $14, and $38. The board member also charged meals of $158, $125, and $101 per trip. MOHEFA officials indicated meals for the board member's spouse were included; however, no itemized receipts were provided. MOHEFA policies allow reimbursement of meals for spouses of board members while attending MOHEFA functions. Due to the lack of itemized receipts and documentation regarding departure and return times, we were unable to determine if the meal costs exceeded the state per diem or CONUS limits.

- On two occasions the MOHEFA incurred costs for chartered flights and car service for board members to attend board meetings. One board member incurred expenses of $2,886 for a chartered flight and $132 for car service to attend the July 2008 meeting. The same board member and another member incurred expenses of $1,061 for a chartered flight and $129 for car service to attend the April 2010 meeting. Had the board members driven their own vehicles and been reimbursed mileage, the MOHEFA would have realized a cost savings of approximately $2,600 for the 2008 trip and $650 for the 2010 trip, including estimated additional lodging and meal costs. The MOHEFA travel policy does not require members or employees to determine the most economical mode of travel.

To better control travel costs and comply with Executive Order No. 92-6, the MOHEFA should establish travel policies for employees, board

members, and contractors that are substantially equivalent to state travel policies including limits for lodging and meals, and ensure the most economical mode of travel is used.

1.2 Unnecessary expenditures

We noted expenditures which did not appear to be prudent or necessary uses of MOHEFA funds:

- The annual sponsorship of a convention for a hospital industry association totaling $37,500 for the 3 years ended December 31, 2010. The annual convention sponsorship includes about $9,500 for food and $3,000 for beverages (including alcohol) for an estimated 500 attendees. In addition, the MOHEFA provided $6,000 over the 3 years for a sponsorship of the association's annual leadership forum. The MOHEFA indicated the members of the association include entities participating in MOHEFA bond financing activities. MOHEFA officials also indicated such sponsorships provide a positive benefit to the MOHEFA including an increased demand for MOHEFA services.

- Three annual dinners totaling about $2,700 which averaged $72, $74, and $50 per person during the years ended December 31, 2008, 2009, and 2010, respectively. The annual dinners are hosted for board members, employees, and their spouses. No documentation was available to support whether authority business was conducted at the annual dinner, and itemized receipts were not retained. The dinners took place in March on the same date as a board meeting during which new officers were elected for the subsequent year.

These expenditures, totaling about $46,200, do not appear to be necessary costs required to support the MOHEFA's mission and maintain its operations and activities.

1.3 Supporting documentation

Adequate supporting documentation was not retained to support some items purchased. We reviewed the supporting documentation for 15 journal entries totaling about $14,000 related to credit card transactions. Itemized invoices were not retained for 4 credit card transactions totaling $2,171. Purchases included picture framing services of $1,110; lodging charges of $701; a cell phone purchase of $182 by the Executive Director; and an employee training course costing $178. Proper document retention is necessary to demonstrate compliance with internal policies and procedures.

1.4 IRS Form 1099

The MOHEFA does not have adequate procedures in place to ensure a Form 1099 is filed with the Internal Revenue Service (IRS) when required. As a result, the MOHEFA did not file Form 1099s with the IRS for payments to the financial advisor, legal counsel, or legislative consultant for any of the 3 years ended December 31, 2010, as required. Total payments to these contractors in 2010 exceeded $239,000.

Sections 6041 through 6051 of the Internal Revenue Code require payments of at least $600 or more in a year to an individual for professional services or for services performed as a trade or business by nonemployees (other than corporations, unless legal services were provided) be reported to the federal government on Form 1099-MISC.

Recommendations

The MOHEFA:

1.1 Establish travel policies that are substantially equivalent to those for state agencies as required by Executive Order No. 92-6, including limits for lodging and meals, and ensure the most economical mode of travel is used.

1.2 Ensure all expenditures are reasonable and necessary to support the operations of the authority.

1.3 Ensure all invoices and receipts are retained with the billing statement for credit card purchases.

1.4 Prepare and submit IRS Form 1099-MISC as required by the Internal Revenue Code.

Auditee's Response

1.1 MOHEFA agrees that a more detailed travel policy should be adopted for Board Members, staff and advisors. We will endeavor to enhance and revise our policies as such. We will continue our level of limited travel, seek to achieve substantial and reasonable compliance with limits set forth in Executive Order No. 92-6 (even though its applicability to the Authority may be uncertain) and ensure the best and most economical mode of travel, lodging and meals are used.

1.2 We believe expenditures have been reasonable and beneficial to Authority operations and will continue to monitor all expenses to ensure the Authority's resources are used in best achieving its mission. In addition, we will continue to monitor the need for Authority Member participation in certain dinners.

1.3 We agree and even more care will be taken to ensure that proper receipts and invoices are retained with the statements.

1.4 We are seeking professional advice on proper filing of Forms 1099 and will file in the future if so advised.

2. Fund Balance and Fees

The MOHEFA has accumulated an unrestricted fund balance of approximately $10.1 million with only limited plans for its use. The MOHEFA has not adjusted its fee structure since 2007.

As of December 31, 2010, MOHEFA assets included about $6,600,000 in cash and cash equivalents, $200,000 in investments, and $3,500,000 in notes receivable and other assets. The MOHEFA has not developed any additional plans to use the available funds to develop new programs to further its public mission.

The MOHEFA issues bonds which are are conduit debt and the MOHEFA has no liability for repayment of the debt, which is the responsibility of program participants. MOHEFA officials indicated they have attempted, with limited success, to expand the Health and Educational Loan Program (HELP). They also offer the School District Advance Funding Program and the Higher Education Working Capital Loan Program. Additionally, the MOHEFA administers the School District Direct Deposit Program in coordination with Missouri Department of Elementary and Secondary Education. MOHEFA officials indicated that statutory restrictions severely limit their ability to develop new programs. The MOHEFA collects related application and issuance fees for these programs and collects interest on loans and notes receivable. The revenues from fees and interest earnings on loans and notes receivables during the 3 years ended December 31, 2010, totaled approximately $3.4 million.

During the 3 years ended December 31, 2010, the MOHEFA also received revenues of about $449,000 from investments. The unrestricted fund balance has increased from $8,816,139 at December 31, 2007, to $10,133,416 as of December 31, 2010, an increase of $1,317,277 (15 percent). Annual disbursements averaged about $842,000 during the 3 years ended December 31, 2010. The unrestricted fund balance at December 31, 2010, is about 12 times greater than the 3 year average annual expenditures.

Pursuant to Section 360.095(1), RSMo, the MOHEFA is authorized to collect an annual service fee in an amount fixed from time to time by the authority, not exceeding one-tenth of one percent of the outstanding principal amount of any bonds issued by the authority. The fees shall be used for necessary administrative expenses and for necessary expenses incurred in determining the need for facilities in the area concerned.

Application fees for a bond issuance are set at $1,000. Annual service fees are .02 percent of the amount outstanding for each bond issue up to $40 million and .01 percent for the portion of bonds outstanding over $40 million. As of December 31, 2010, MOHEFA reported a total of approximately $7.2 billion in bonds were outstanding and for the year ended December 31, 2010, reported annual service fee revenues of over $992,000.

The MOHEFA last modified the fee structure in 2007. Prior to 2007, the annual service fee was set at .03 percent.

The current MOHEFA fee structure is comparable to other similar entities that issue bonds, such as the Missouri Development Finance Board and the Environmental Improvement and Energy Resources Authority. Given the substantial fund balance, it appears the MOHEFA could reduce fees without impairing its financial stability. A reduction of fees would reduce the cost of financing to the entities using MOHEFA services.

Accumulating an excessive fund balance without adequate long-term plans for the use of the monies does not further the public mission of the MOHEFA. The MOHEFA should examine its current fee structure to ensure fees are reasonable and necessary to carry out its purposes as established in state law and to benefit entities using MOHEFA services.

Recommendation

The MOHEFA re-evaluate its fee structure to ensure fees are reasonable and necessary to carry out its purposes.

Auditee's Response

We agree MOHEFA's fund balance has grown and, as a result, reduced our annual service fee by 1/3 in 2007. Currently MOHEFA's fees are less than 20 percent of what is allowed by statute and are the 4th lowest nationally among 39 similar state authorities. We will continue to periodically consider the fee structure with respect to the Authority's operations, value to the borrowing institution and potential industry and financial uncertainties in the future. The fund balance is used to make loans to small borrowers under the HELP Program and to serve as a reserve fund of three times annual expenses. Since the HELP Program's inception in 1996, MOHEFA has made 28 loans totaling $6.9 million with an outstanding balance as of June 30, 2011, of $3.3 million. Numerous other programs, program enhancements and potential uses have been regularly considered by MOHEFA.

3. Procurement and Contracts

The MOHEFA has not adopted a formal procurement policy and has not always solicited competitive proposals for goods and services. Additionally, the MOHEFA did not always ensure vendor billings complied with all terms and conditions of contracts.

3.1 Procurement policies

The MOHEFA does not have a formal procurement policy. As a result, the decision whether or not to solicit competitive proposals for a particular purchase is made on an item-by-item basis.

Bond issuance services

The MOHEFA has not periodically solicited competitive proposals for legal, legislative, and financial consulting services related to MOHEFA bond issuances. Officials stated competitive proposals for these services were solicited in 2004 and the initial contracts were awarded for a period of

5 years. The contracts expired in 2009 and the MOHEFA did not solicit competitive proposals prior to extending the contracts for an additional 5 years. The MOHEFA agreed to minimal price increases and no other significant changes to the contract terms were noted. Payments to the general counsel, legislative consultant, and financial advisor totaled about $728,000 during the 3 years ended December 31, 2010.

After the extension of the financial advisor's initial contract through 2014, the MOHEFA subsequently solicited competitive proposals for a new financial advisor in 2010, after the death of the former advisor. The new contract was awarded to the lowest and best bidder under similar terms and conditions as the previous financial advisor contract.

Other goods and services

The MOHEFA has not periodically solicited competitive proposals for banking, auditing, and accounting services and does not always solicit proposals for other goods and services.

The MOHEFA utilizes one primary checking account for deposits and disbursements. This overnight repurchase account has been held at the same bank since approximately 1997. According to MOHEFA officials, the bank deducts a portion of the monthly service fees from the interest earned on the account. The MOHEFA has not solicited proposals for banking services since 1997 and has not performed an analysis of fees at other local banks to determine if it receives a competitive rate.

The MOHEFA contracts with a local accounting firm for completion of the annual financial audit, preparation of monthly bank reconciliations, and an annual review of the school district direct deposit program. Officials stated competitive proposals for these services were solicited in 2004 and the initial contracts were awarded for a period of 5 years. The contracts for these services expired in 2009 and the MOHEFA did not solicit competitive proposals prior to extending the contracts for an additional 5 years. The MOHEFA agreed to minimal price increases and no other significant changes to the contract terms were noted. Payments to the accounting firm totaled about $25,000 for the 3 years ended December 31, 2010.

During our review of expenditures we noted other goods and services which were not competitively selected, including publication costs and purchase of a copier. Each year the MOHEFA publishes an annual report to send to potential stakeholders. Publication costs for the 3 years ended December 31, 2010, totaled approximately $8,000 annually. Additionally, the MOHEFA purchased a new copier in 2009 for about $12,000. MOHEFA officials stated they were satisfied with the services of these vendors and, although they requested price quotes in advance, they did not solicit competitive proposals from other vendors.

Per Executive Order No. 92-6 all state boards and commissions are to implement purchasing policies equivalent to or substantially equivalent to state purchasing guidelines outlined in Chapter 34, RSMo. Section 34.040.1, RSMo, requires competitive bids on all expenditures in excess of $3,000.

Formal procurement policies would provide a framework for the economical management of resources of the MOHEFA and help ensure competitive proposals are obtained when appropriate. By periodically soliciting competitive proposals for goods and services, the MOHEFA could help ensure it receives fair value by contracting with the lowest and best bidders and also help ensure all parties are given equal opportunity to participate in MOHEFA business. Documentation of bids should be retained and include, at a minimum, a listing of vendors from whom bids were requested, a copy of the request for proposal, newspaper publication notices when available, bids received, the basis and justification for awarding bids, and documentation of all discussions with vendors.

3.2 Contracts and invoices

Concerns were noted regarding documentation required to support charges for auditing and accounting services and contract pricing for legal services.

Auditing and accounting services

The MOHEFA did not require adequately detailed contracts and did not always receive adequate supporting documentation prior to payment of invoices for auditing and accounting services. While the contracts with the accounting firm specify an annual maximum for the annual financial audit, preparation of monthly bank reconciliations, and annual review of the direct deposit program, the contracts do not specify the hourly rate for the services performed. The contracts indicate charges will be based on hours required to perform the services. The invoices submitted by the accounting firm do not provide sufficient detail of the charges and charges appear to be based on a flat monthly rate which conflicts with the language in the contract.

Legal services

The MOHEFA did not always ensure the charges for legal services complied with the terms of the contract. Payments to the law firm totaled about $216,000 for the 3 years ended December 31, 2010. The contract specifies separate hourly rates for partners and associates which increase annually. The invoice for services incurred between August and December 2008 was calculated using the higher 2009 pricing which resulted in an overpayment of $591. After we brought this matter to the attention of MOHEFA officials, they requested and subsequently received a credit for the overbilled amount.

Detailed supporting documentation is necessary to allow the MOHEFA to adequately review services performed and ensure the reasonableness of amounts billed. Invoices should be compared to all terms and conditions of the contract to ensure compliance prior to payment to the vendor.

Recommendations

The MOHEFA:

3.1 Establish a formal procurement policy to ensure competitive proposals for goods and services are solicited on a periodic basis.

3.2 Ensure all invoices agree to contract terms and contain sufficient detail, including actual hours incurred and hourly rates billed.

Auditee's Response

3.1 We will endeavor to formalize our policy for procurement of goods and services and will competitively solicit quotes when possible and reasonable. Contracts with advisors are reviewed annually and have been bid periodically in the past. We will continue to do so when appropriate and in the best interest of the Authority and its borrowers. Exceptions will be better documented in the future.

3.2 Contracts and invoices for professional services have almost always agreed with rare exceptions. The contract with the Authority's independent auditor will be adjusted to better reflect the intent of both parties.

Missouri Health and Educational Facilities Authority
Organization and Statistical Information

The Missouri Health and Educational Facilities Authority (MOHEFA) was created by an act of the General Assembly and established in 1975 pursuant to Section 360.020, RSMo. The authority issues conduit debt for the financing of capital improvement projects for nonprofit health and educational facilities located in Missouri. The MOHEFA is governed by seven members appointed by the Governor. The authority is a self-supporting entity administratively assigned to the Office of Administration of the State of Missouri. The MOHEFA receives no state support or appropriations.

The MOHEFA's mission is to provide access to the capital markets in an effort to lower the cost of health and educational services in Missouri by providing high quality, readily available, low cost financing alternatives for Missouri public and private, nonprofit health and educational institutions. In addition to issuing bonds, the MOHEFA offers the Health and Educational Loan Program, the School District Advance Funding Program, and the Higher Education Working Capital Loan Program. The MOHEFA also serves as program trustee for the Missouri School District Direct Deposit Program administered in conjunction with the Missouri School Boards' Association.

Members of the authority at December 31, 2010, were:

Appointed Board members	Term Expires
Judith Scott, Chairman	July 30, 2011
Nadia Cavner, Vice-Chairman (1)	July 30, 2007
Kevin Thompson, Treasurer (1)	July 30, 2009
Donald Thompson (1)	July 30, 2008
Thomas Carlson (1)	July 30, 2010
Sarah Maguffee	July 30, 2013
Vacant	n/a

(1) Member continues to serve until a replacement is named.

Michael Stanard has served as the MOHEFA's Director since approximately May 1998. Additionally, the authority employs two staff to conduct the day to day business of the MOHEFA.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The MOHEFA did not receive any federal stimulus monies during the 3 years ended December 31, 2010.

A summary of the MOHEFA's financial activity is presented in the following appendixes.

Appendix A

Missouri Health and Educational Facilities Authority
Comparative Balance Sheet

		December 31,		
		2010	2009	2008
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$	6,616,055	1,958,956	175,247
Investments		225,000	4,541,000	6,403,453
Receivables		26,482	187,745	116,599
Notes receivable, current portion		425,680	359,390	300,337
Prepaid expenses and other current assets		46,096	50,687	53,748
Total Current Assets		7,339,313	7,097,778	7,049,384
NOTES RECEIVABLE		2,920,578	2,735,895	2,324,254
PROPERTY, PLANT, AND EQUIPMENT, net		9,041	12,473	16,649
TOTAL ASSETS	$	10,268,932	9,846,146	9,390,287
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	$	5,089	12,750	16,603
Deferred administrative fee income		130,427	144,565	140,908
Total Current Liabilities		135,516	157,315	157,511
NET ASSETS				
Unrestricted		10,133,416	9,688,831	9,232,776
TOTAL LIABILITIES AND NET ASSETS	$	10,268,932	9,846,146	9,390,287

Source: Excerpt from the MOHEFA audited financial statements

Appendix B

Missouri Health and Educational Facilities Authority
Comparative Statement of Revenues, Expenses, and Changes in Net Assets

		Years Ended December 31,		
		2010	2009	2008
REVENUE				
Administrative fees	$	992,454	968,051	893,991
Interest income - HELP program		125,327	120,505	97,093
Direct deposit program fees		68,000	32,400	30,800
Application fees and other		25,008	14,000	27,111
Total Revenue		1,210,789	1,134,956	1,048,995
OPERATING EXPENSES				
Salaries and fringe benefits		380,591	362,069	346,527
Legal and professional fees		240,142	255,332	261,146
General and administrative expenses		216,435	230,600	233,745
Total Operating Expenses		837,168	848,001	841,418
Operating Income		373,621	286,955	207,577
NON-OPERATING INCOME				
Investment income		70,964	169,100	209,060
CHANGES IN NET ASSETS		444,585	456,055	416,637
NET ASSETS, Beginning of year		9,688,831	9,232,776	8,816,139
NET ASSETS, End of year	$	10,133,416	9,688,831	9,232,776

Source: Excerpt from the MOHEFA audited financial statements

Appendix C

Missouri Health and Educational Facilities Authority
Outstanding Conduit Debt Obligations

	December 31, 2010		December 31, 2009		December 31, 2008	
	Issues	Amount	Issues	Amount	Issues	Amount
Revenue Bonds Payable	131	$7,188,730,932	137	$7,036,943,220	141	$6,779,331,314
Private Education Notes Payable	2	9,200,000	8	35,895,000	2	6,700,000
Total	133	$7,197,930,932	145	$7,072,838,220	143	$6,786,031,314

Source: Excerpt from the MOHEFA audited financial statements

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Pemiscot County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Pemiscot County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Devereux and Krauss LLP, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-53

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

PEMISCOT COUNTY, MISSOURI

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2010 AND 2009

PEMISCOT COUNTY, MISSOURI

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FINANCIAL SECTION

Auditors’ Reports

Devereux and Krauss LLP
Certified Public Accountants

307 North Main – St Charles, MO 63301
636-448-7355
JAMES P. DEVEREUX, C.P.A., P.C. FAX 636-947-3155
GARY L. KRAUSS, P.C., C.P.A.

INDEPENDENT AUDITORS' REPORT ON THE BASIC FINANCIAL STATEMENTS, REQUIRED SUPPLEMENTARY INFORMATION, AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the County Commission
and
Officeholders of Pemiscot County, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pemiscot County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents. These financial statements are the responsibility of the county of Pemiscot's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, Pemiscot County, Missouri, prepares its financial statements on the cash basis which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The financial statements do not include financial data for a county legally separate component unit (the Health Center). In addition, several immaterial court funds have not been included. Accounting principles generally accepted in the United States of America require the financial data for those units to be reported with the financial data of the County's primary government unless the County also issues financial statements for Pemiscot County, Missouri that include the financial data for these units. The County has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues, and expenses do not include the omitted funds. In addition, the assets, liabilities, fund balances, revenues, and expenditures of the aggregate remaining fund information does not include the omitted funds.

In our opinion, because of the omission discussed previously, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Pemiscot County, Missouri as of December 31, 2010 and 2009 or the changes in financial position thereof for the years then ended.

Further, in our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position cash basis of the governmental activities and each major fund of Pemiscot County, Missouri as of December 31, 2010 and 2009, and the respective changes in financial position cash basis thereof for the years then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated June 3, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The County has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America, as applicable to the cash basis of accounting, has determined is necessary to supplement, although not required to be part of the basic financial statements.

The budgetary comparison schedules and other supplementary information on pages 31 through 59 are not required parts of the basic financial statements, but are supplementary information required to accompany those financial statements by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements, referred to in the first paragraph, taken as a whole. The accompanying Schedules of Expenditures of Federal Awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the basic financial statements. The accompanying Schedules of Expenditures of Federal Awards are the responsibility of the County. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects when considered, in relation to the basic financial statements, taken as a whole, that were prepared on the basis of accounting discussed in Note 1.

Devereux & Krauss, LLP

June 3, 2011

Devereux and Krauss LLP
Certified Public Accountants

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JAMES P. DEVEREUX, C.P.A., P.C. FAX 636-947-3155
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED UPON AN AUDIT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Pemiscot County, Missouri

We have audited the accompanying financial statements of Pemiscot County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents and have issued our report thereon dated June 3, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for determining our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Pemiscot County, Missouri's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs items 10-1 and 10-3 that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of various funds of Pemiscot County, Missouri, are free of material misstatements, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 10-1 through 10-3.

There are no other matters reported in the accompanying Management Advisory Report.

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, audit committee, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Devereux & Krauss, LLP

June 3, 2011

Basic Financial Statements

EXHIBIT A-1

PEMISCOT COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2010

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 599,447
TOTAL ASSETS	$ 599,447
NET ASSETS	
Unrestricted general fund	$ (646,294)
Unrestricted reported in non-major funds	629,041
Restricted special revenue funds	616,700
TOTAL NET ASSETS	$ 599,447

The accompanying Notes to the Financial Statements are in integral part of this statement.

EXHIBIT A-2

PEMISCOT COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2009

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 1,296,446
TOTAL ASSETS	$ 1,296,446
NET ASSETS	
Unrestricted general fund	$ (298,636)
Unrestricted reported in non-major funds	724,836
Restricted special revenue funds	870,246
TOTAL NET ASSETS	$ 1,296,446

The accompanying Notes to the Financial Statements are in integral part of this statement.

EXHIBIT B-1

PEMISCOT COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2010

	Disbursements	Receipts: Charges for Services	Receipts: Intergovernmental	Net (Disbursements) Receipts and Changes in Cash Balances: Primary Government Governmental Activities
GOVERNMENTAL ACTIVITIES:				
General county government	$ 1,959,614	$ 213,798	$ 1,558,896	$ (186,920)
Financial administration	141,743	-	-	(141,743)
Property valuation and recording	374,856	-	-	(374,856)
Administration of justice and law enforcement	2,546,868	-	-	(2,546,868)
Maintenance of roads	4,638,805	-	3,202,102	(1,436,703)
Transfers	934,889	-	934,889	-
Other	589,254	83,675	537,421	31,842
TOTAL GOVERNMENTAL ACTIVITIES	$ 11,186,029	$ 297,473	$ 6,233,308	$ (4,655,248)
GENERAL RECEIPTS:				
Taxes:				
Property taxes				$ 1,349,934
Sales and use taxes				1,734,456
Interest				7,597
Other				866,262
Total General Receipts				$ 3,958,249
Change in Cash Balances				$ (696,999)
NET ASSETS, JANUARY 1				1,296,446
NET ASSETS, DECEMBER 31				$ 599,447

The accompanying Notes to the Financial Statements are in integral part of this statement.

EXHIBIT B-2

PEMISCOT COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2009

	Disbursements	Receipts: Charges for Services	Receipts: Intergovernmental	Net (Disbursements) Receipts and Changes in Cash Balances: Primary Government Governmental Activities
GOVERNMENTAL ACTIVITIES:				
General county government	$ 1,813,539	$ 208,697	$ 1,771,045	$ 166,203
Financial administration	149,812	-	-	(149,812)
Property valuation and recording	399,529	-	-	(399,529)
Administration of justice and law enforcement	2,421,569	-	-	(2,421,569)
Maintenance of roads	6,018,366	-	5,554,773	(463,593)
Transfers	916,697	-	916,697	-
Other	1,336,783	234,093	647,855	(454,835)
TOTAL GOVERNMENTAL ACTIVITIES	$ 13,056,295	$ 442,790	$ 8,890,370	$ (3,723,135)
GENERAL RECEIPTS:				
Taxes:				
Property taxes				$ 2,091,905
Sales and use taxes				1,662,155
Interest				32,570
Other				526,427
Total General Receipts				$ 4,313,057
Change in Cash Balances				$ 589,922
NET ASSETS, JANUARY 1, AS PREVIOUSLY REPORTED				745,068
PRIOR PERIOD ADJUSTMENT				(38,544)
NET ASSETS, JANUARY 1, AS RESTATED				706,524
NET ASSETS, DECEMBER 31				$ 1,296,446

The accompanying Notes to the Financial Statements are in integral part of this statement.

Exhibit C-1

PEMISCOT COUNTY, MISSOURI
GOVERNMENTAL FUNDS BALANCE SHEET - CASH BASIS
DECEMBER 31, 2010

	General Revenue	Special Road and Bridge	Drainage Districts	Capital Improvement Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ (646,294)	$ (158,038)	$ 13,310	$ 761,428	$ 629,041	$ 599,447
TOTAL ASSETS	$ (646,294)	$ (158,038)	$ 13,310	$ 761,428	$ 629,041	$ 599,447
FUND BALANCES						
Unreserved	$ (646,294)	$ -	$ -	$ -	$ -	$ (646,294)
Unreserved reported in non-major funds	-	-	-	-	629,041	629,041
Unreserved special revenue funds	-	(158,038)	13,310	761,428	-	616,700
TOTAL FUND BALANCES	$ (646,294)	$ (158,038)	$ 13,310	$ 761,428	$ 629,041	$ 599,447

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
GOVERNMENTAL FUNDS BALANCE SHEET - CASH BASIS
DECEMBER 31, 2009

	General Revenue	Special Road and Bridge	Drainage Districts	Capital Improvement Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ (298,636)	$ 128,977	$ 32,805	$ 708,464	$ 724,836	$ 1,296,446
TOTAL ASSETS	$ (298,636)	$ 128,977	$ 32,805	$ 708,464	$ 724,836	$ 1,296,446
FUND BALANCES						
Unreserved	$ (298,636)	$ -	$ -	$ -	$ -	$ (298,636)
Unreserved reported in non-major funds	-	-	-	-	724,836	724,836
Unreserved special revenue funds	-	128,977	32,805	708,464	-	870,246
TOTAL FUND BALANCES	$ (298,636)	$ 128,977	$ 32,805	$ 708,464	$ 724,836	$ 1,296,446

The accompanying Notes to the Financial Statements are in integral part of this statement.

EXHIBIT D-1

PEMISCOT COUNTY, MISSOURI

GOVERNMENTAL FUNDS STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCES

YEAR ENDED DECEMBER 31, 2010

	General Revenue	Special Road and Bridge	Drainage Districts	Capital Improvement Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
RECEIPTS						
Property taxes	$ 328,252	$ 517,216	$ 112,168	$ -	$ 392,298	$ 1,349,934
Sales and use taxes	695,564	-	-	692,592	346,300	1,734,456
Intergovernmental	1,558,896	2,095,463	1,106,639	-	537,421	5,298,419
Charges for services	213,798	-	-	-	83,675	297,473
Interest	-	1,718	157	950	4,772	7,597
Other	342,432	382,825	-	-	141,005	866,262
Total Receipts	$ 3,138,942	$ 2,997,222	$ 1,218,964	$ 693,542	$ 1,505,471	$ 9,554,141
DISBURSEMENTS						
General county government	$ 1,286,749	$ -	$ -	$ 640,578	$ 32,287	$ 1,959,614
Financial administration	141,743	-	-	-	-	141,743
Property valuation and recording	68,281	-	-	-	306,575	374,856
Administration of justice and enforcement	1,931,954	-	-	-	614,914	2,546,868
Maintenance of roads	-	2,846,237	1,676,459	-	116,109	4,638,805
Other	404,762	-	-	-	184,492	589,254
Total Disbursements	$ 3,833,489	$ 2,846,237	$ 1,676,459	$ 640,578	$ 1,254,377	$ 10,251,140
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (694,547)	$ 150,985	$ (457,495)	$ 52,964	$ 251,094	$ (696,999)
OTHER FINANCING SOURCES (USES)						
Transfers in	$ 421,889	$ -	$ 438,000	$ -	$ 75,000	$ 934,889
Transfers out	(75,000)	(438,000)	-	-	(421,889)	(934,889)
Net Other Financing Sources (Uses)	$ 346,889	$ (438,000)	$ 438,000	$ -	$ (346,889)	$ -
NET CHANGE IN CASH BALANCES	$ (347,658)	$ (287,015)	$ (19,495)	$ 52,964	$ (95,795)	$ (696,999)
CASH BALANCES, JANUARY 1	(298,636)	128,977	32,805	708,464	724,836	1,296,446
CASH BALANCES, DECEMBER 31	$ (646,294)	$ (158,038)	$ 13,310	$ 761,428	$ 629,041	$ 599,447

The accompanying Notes to the Financial Statements are an integral part of this statement.

EXHIBIT D-2

PEMISCOT COUNTY, MISSOURI

GOVERNMENTAL FUNDS STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCES

YEAR ENDED DECEMBER 31, 2009

	General Revenue	Special Road and Bridge	Drainage Districts	Capital Improvement Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
RECEIPTS						
Property taxes	$ 1,029,702	$ 522,132	$ 118,570	$ -	$ 421,501	$ 2,091,905
Sales and use taxes	664,882	-	-	664,845	332,428	1,662,155
Intergovernmental	1,771,045	2,501,608	3,053,165	-	647,855	7,973,673
Charges for services	208,697	-	-	-	234,093	442,790
Interest	-	317	3,300	921	28,032	32,570
Other	268,858	92,617	-	-	164,952	526,427
Total Receipts	$ 3,943,184	$ 3,116,674	$ 3,175,035	$ 665,766	$ 1,828,861	$ 12,729,520
DISBURSEMENTS						
General county government	$ 1,135,377	$ -	$ -	$ 629,914	$ 48,248	$ 1,813,539
Financial administration	149,812	-	-	-	-	149,812
Property valuation and recording	67,914	-	-	-	331,615	399,529
Administration of justice and enforcement	1,762,747	-	-	-	658,822	2,421,569
Maintenance of roads	-	2,297,031	3,622,274	-	99,061	6,018,366
Other	967,185	-	-	-	369,598	1,336,783
Total Disbursements	$ 4,083,035	$ 2,297,031	$ 3,622,274	$ 629,914	$ 1,507,344	$ 12,139,598
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (139,851)	$ 819,643	$ (447,239)	$ 35,852	$ 321,517	$ 589,922
OTHER FINANCING SOURCES (USES)						
Transfers in	$ 332,717	$ 45,000	$ 436,301	$ -	$ 102,679	$ 916,697
Transfers out	(79,179)	(430,000)	(51,301)	-	(356,217)	(916,697)
Net Other Financing Sources (Uses)	$ 253,538	$ (385,000)	$ 385,000	$ -	$ (253,538)	$ -
NET CHANGE IN CASH BALANCES	$ 113,687	$ 434,643	$ (62,239)	$ 35,852	$ 67,979	$ 589,922
CASH BALANCES, JANUARY 1, AS PREVIOUSLY REPORTED	(633,633)	(152,187)	162,875	672,612	695,401	745,068
PRIOR PERIOD ADJUSTMENT	221,310	(153,479)	(67,831)	-	(38,544)	(38,544)
CASH BALANCES, JANUARY 1, AS RESTATED	(412,323)	(305,666)	95,044	672,612	656,857	706,524
CASH BALANCES, DECEMBER 31	$ (298,636)	$ 128,977	$ 32,805	$ 708,464	$ 724,836	$ 1,296,446

The accompanying Notes to the Financial Statements are an integral part of this statement.

EXHIBIT E-1

PEMISCOT COUNTY, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS
DECEMBER 31, 2010

ASSETS	
Cash and cash equivalents	$ 231,855
TOTAL ASSETS	$ 231,855
NET ASSETS	
Restricted	$ 231,855
TOTAL NET ASSETS	$ 231,855

The accompanying Notes to the Financial Statements are in integral part of this statement.

EXHIBIT E-2

PEMISCOT COUNTY, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS
DECEMBER 31, 2009

ASSETS	
Cash and cash equivalents	$ 147,348
TOTAL ASSETS	$ 147,348
NET ASSETS	
Restricted	$ 147,348
TOTAL NET ASSETS	$ 147,348

The accompanying Notes to the Financial Statements are in integral part of this statement.

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Pemiscot, Missouri ("County") is governed by a three-member board of commissioners, established in 1851. In addition to the three board members, there are six elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Sheriff, and Prosecuting Attorney.

These financial statements are presented on the cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

These financial statements present financial accountability of Pemiscot County, Missouri as applied using the cash basis of accounting.

The County's operations include tax assessments and collections, state/county courts, county recorder, police and fire protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Pemiscot County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

The financial statements do not include financial data for a County legally separate component unit (the Health Center). In addition, several immaterial court funds have not been included.

B. Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis present financial information about the primary government of Pemiscot County, Missouri only and not any of its component units. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The County does not have any business type activities. These Government-Wide Financial Statements exclude fiduciary activities.

The Statement of Net Assets – Cash Basis presents the financial condition of the governmental activities of the primary government of Pemiscot County, Missouri at year-end. The Statement of Activities – Cash Basis presents a comparison between direct expenditures and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as program revenues include: (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (b) grants and contributions that are

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

restricted to meeting the operational or capital requirements of a particular program. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenue not properly included among program revenues are presented instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements:

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. The County does not have proprietary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The County has determined that the General Revenue Fund, Special Road and Bridge Fund, Drainage Districts Fund, and Capital Improvement Sales Tax Fund are major governmental funds. All other governmental funds are reported in one column labeled "Non-major Governmental Funds." If applicable, the total fund balances for all governmental funds are reconciled to total net assets. The net change in fund balance for all governmental funds, if applicable, is reconciled to the total change in net assets as shown on the Government-Wide Statement of Activities – Cash Basis in the basic financial statements.

The fund financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net assets, revenues and expenditures.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds, summarized by type, are in the basic financial statements. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

The following are the County's governmental major funds:

General Revenue Fund – The General Revenue Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Road and Bridge Fund – A special revenue fund is used to account for receipts of the County property tax levy and related expenditures for road maintenance and improvement projects.

Drainage Districts Fund – The Drainage District Funds are established for irrigation purposes. Funds are generally property tax revenues and in the current period, federal watershed dollars. Expenditures are to maintain irrigation of farm lands.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

Capital Improvement Sales Tax Fund – The fund receives the sales tax dollars for the sales tax levy for capital improvements.

The other governmental funds of the County are considered non-major funds. They include special revenue funds, which account for the proceeds of specific revenue sources that generally are legally restricted to expenditures for specific purposes.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations. Fiduciary funds ending cash balances are as follows:

	2010	2009
County School	$ 89,576	$ 88,346
Land Tax Surplus	9,740	9,663
Unclaimed Fee	9,561	9,491
School Building Revenue	66,189	61,023
General Revenue Capital	132	132
CERF	1,097	0
General School	13,945	0
Inmate Security	1,288	1,774
Fines and Forfeitures	40,327	(25,966)
Bank Interest	5	2,890
Private Car Tax	53,549	22,196
Public Utilities	(126,501)	(22,201)
City RR and Utility	72,947	0 .
Totals	$ 231,855	$ 147,348 .

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are prepared using the cash basis of accounting. This basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions except that the purchase of investments are recorded as assets; and as receivables and revenue in the fund statements as applicable; and receipts of proceeds of tax anticipation notes are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

As a result of the use of this cash basis of accounting, assets (such as accounts receivable and capital assets), revenues (such as revenue for billed or provided services not yet collected), liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and expenditures (such as expenses for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2010 and 2009, for purposes of taxation were:

	2010	2009
Real Estate	$106,477,457	$106,794,261
Personal Property	$ 41,436,832	$ 41,488,288
Railroad and Utilities	$ 29,493,886	$ 29,978,478

The County Commission approved tax levies per $100 of assessed valuation of tangible taxable property for the calendar years for purposes of County taxation, as follows.

	2010	2009
General Revenue Fund	.1893	.1792
Road and Bridge	.2969	.2946
Hospital Maintenance	.3400	.3400
M & M Replacement	.2600	.2600

E. Deposits and Investments

Disclosures are provided below to comply with GASB Statement No. 40, ***Deposit and Investment Risk Disclosures.*** For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions. Investments are securities and other assets acquired primarily for the purpose of obtaining income or profit.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Deposits and Investments (continued)

Deposits

In addition to depositing in demand accounts, political subdivisions such as counties have the authority to place excess funds in certificates of deposit. To protect the safety of county deposits, depositaries are required to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities must be of the types specified by Missouri statutes, for the collateralization of state funds and held by either the county or a financial institution other than the depositary bank. Certificates of deposit must also be insured by the FDIC for 100 percent of their principal and accrued interest. Custodial credit risk is the risk that, if a depositary bank fails, Pemiscot County, Missouri will not be able to recover its deposits or recover collateral securities that are in an outside party's possession.

Investments

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. At December 31, 2010 and 2009, the County had no such investments. In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depositary accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has adopted such a policy.

F. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as "Due from other funds" or "Due to other funds" on the Governmental Funds Balance Sheet-Cash Basis.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

G. Restricted Fund Balance

Restricted fund balance represents the portion of fund balance that is not available for appropriation or are legally restricted for a specific purpose.

H. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Use of Estimates in Financial Statements

Preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the County did not adopt a formal budget for Tax Maintenance Fund for December 31, 2010 and 2009.

Section 50.740, RSMo, prohibits expenditures in excess of the approved budgets. However, actual expenditures exceeded budgeted amounts for the following funds:

Fund	Years Ended December 31,
Special Road and Bridge	2010 and 2009
Drainage Districts (9)	2010
Assessment	2010
Federal Forfeiture	2009
Bootheel Drug Task Force	2009
Law Enforcement Sales Tax	2010 and 2009
Sheriff's Civil Fees	2010

Section 50.740, RSMo, requires a balanced budget. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. The County reported deficit budget balances for the following funds:

Fund	Years Ended December 31,
General Revenue	2010 and 2009
Special Road and Bridge	2010
Drainage Districts (9)	2009
Assessment	2010 and 2009
Johnson Grass	2010 and 2009
Emergency 911	2009
Firing Range	2010 and 2009
Bootheel Drug Task Force	2010 and 2009
Election Service	2010 and 2009
MO Smart	2009

Also, because a budget was not adopted for the Tax Maintenance Fund, for the years ended December 31, 2010 and 2009, expenditures in that fund exceeded budgetary authority to the extent that the budget was not adopted.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the County. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. Pemiscot County, Missouri has published all funds as of December 31, 2010 and 2009.

2. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the Governmental Funds Balance Sheet – Cash Basis arising from cash transactions as "Cash and Equivalents" under each fund's caption.

Deposits – Missouri statues require all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010, the carrying amount of the County's deposits are $599,447, the bank balance was $1,308,807. At December 31, 2009, the carrying amount of the County's deposits was $1,296,446, the bank balance was $1,529,511.

Custodial Credit Risk - Deposits

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2010 and 2009, as follows:

	2010 and 2009 Maturity	2010 Book Balance	2009 Book Balance
Deposits:			
Checking and Now Accounts	N/A	$599,447	$1,296,446
Investments	N/A	-	-
Total Deposits		$599,447	$1,296,446
Included in the following fund financial statement captions:			
Governmental Funds Balance Sheet-Cash Basis			
Cash and Cash Equivalents		$599,447	$1,296,446
Investments		-	- .
Total		$599,447	$1,296,446

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be guaranteed. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk at year end.

2. DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, not registered in the name of the government, or held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. The County's investments are not exposed to custodial credit risk at December 31, 2010 and 2009.

Investment Interest Rate Risk

The County does not have a policy in place that minimizes the risk that the market value of securities in the portfolio will decline due to changes in interest rates. Structuring the investments portfolio so that securities mature to meet cash requirements for ongoing operations would avoid the need to sell securities on the open market prior to maturity. Maturities of investments held at December 31, 2010 and 2009 are provided in the above schedules.

Investment Credit Risk

The County does not have a policy in place to minimize credit risk or the risk of loss due to the failure of the security.

Concentration of Investment Credit Risk

Concentration of credit risk must be disclosed for any single investment that represents 5% or more of total investments (excluding investments issued by or guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments).

The County does not have a policy in place to minimize the risk of loss resulting from over concentration of assets.

3. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2010 and 2009 are as follows:

	2010 Transfers In (Out)	2009 Transfers In (Out)
Major Funds		
General Fund	$ 346,889	$ 253,538
Special Road and Bridge	(438,000)	(385,000)
Drainage Districts	438,000	385,000
Non-major Funds	(346,889)	(253,538)
Total	$ -	$ - .

4. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in any county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56,800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years of age and with eight or more years of creditable service may retire with full benefits. The monthly benefit for County employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of any active member upon the member's death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five, with reduced benefit, is allowed for the police department, and the age of sixty for all other departments in the County. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State Statutes, the Plan is funded through fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in the CERF. During 2010 and 2009, the County collected and remitted to CERF, employee contributions of $38,876 for 2010 and $27,078 for 2009.

5. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with State Statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed $2,244 for the year ended December 31, 2010 and $2,244 for 2009.

6. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

7. CLAIMS, COMMITMENTS AND CONTINGENCIES

A. Litigation

The County does not have any material litigation issues for years ended December 31, 2010 and 2009.

B. Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuing service. Upon termination from county employment, an employee is not reimbursed for unused vacation and overtime if applicable. Sick time is accrued at one half day per month after the first 90 days of employment. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, would be immaterial. A provision has not been made in the accompanying financial statements for any potential refund of grant monies.

8. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have not been any significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which a corporate and political body created pursuant to State Statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

8. RISK MANAGEMENT (continued)

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

9. PROPERTY TAX

Through December 31, 2010, Pemiscot County, Missouri collected excess property taxes. Section 67.505 RSMo, requires the County to reduce property taxes for a percentage of sales tax collected. Pemiscot County, Missouri voters enacted a one-half cent sales tax with a provision to reduce property taxes by 50 percent of sales taxes collected. Tax levies were reduced for actual sales tax collections.

10. SUBSEQUENT EVENTS

The County evaluates subsequent events through the date that the County's financial statements are issued. As of June 3, 2011, there were no subsequent events. The adoption of FASB ASC 855-10-50-1 did not have a material impact on the County's financial statements.

11. COMPLIANCE AND ACCOUNTABILITY

The County incurred no material violations of finance related legal and contractual provisions.

12. PRIOR ADJUSTMENT FINDING

Opening balances of the following funds have been corrected for new information related to insurance proceeds.

	General Fund	Special Road and Bridge Fund	Drainage Districts (9) Fund
Balance as reported 12/31/08	$(633,633)	$(152,186)	$ 162,878
Adjustment	221,310	(153,479)	(67,831)
Balance as restated at 12/31/08	$(412,323)	$(305,665)	$ 95,047

Required Supplementary Information

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - VARIOUS FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
TOTALS - VARIOUS FUNDS								
RECEIPTS	$ 8,617,437	$ 9,801,832	$ 10,489,030	$ 687,198	$ 10,286,433	$ 13,061,501	$ 13,646,217	$ 584,716
DISBURSEMENTS	8,470,178	10,606,335	11,186,029	579,694	9,302,339	12,939,687	13,056,295	116,608
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 147,259	$ (804,503)	$ (696,999)	$ 107,504	$ 984,094	$ 121,814	$ 589,922	$ 468,108
CASH, JANUARY 1, AS PREVIOUSLY REPORTED							745,068	
PRIOR PERIOD ADJUSTMENT							(38,544)	
CASH, JANUARY 1, AS RESTATED	1,296,446	1,296,446	1,296,446	0	706,524	706,524	706,524	0
CASH, DECEMBER 31	$ 1,443,705	$ 491,943	$ 599,447	$ 107,504	$ 1,690,618	$ 828,338	$ 1,296,446	$ 468,108

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
GENERAL REVENUE								
RECEIPTS								
Property taxes	$ 330,000	$ 325,000	$ 328,252	$ 3,252	$ 320,000	$ 970,000	$ 1,029,702	$ 59,702
Sales taxes	660,000	660,000	695,564	35,564	690,000	650,000	664,882	14,882
Intergovernmental	1,839,200	1,480,100	1,558,896	78,796	1,961,350	1,824,200	1,771,045	(53,155)
Charges for services	207,950	216,950	213,798	(3,152)	224,150	209,951	208,697	(1,254)
Other	262,600	324,100	342,432	18,332	178,100	347,600	268,858	(78,742)
Transfers in	443,500	443,440	421,889	(21,551)	352,000	352,000	332,717	(19,283)
Total Receipts	$ 3,743,250	$ 3,449,590	$ 3,560,831	$ 111,241	$ 3,725,600	$ 4,353,751	$ 4,275,901	$ (77,850)
DISBURSEMENTS								
County commission	$ 90,200	$ 89,700	$ 89,375	$ 325	$ 88,020	$ 90,120	$ 90,601	$ (481)
County clerk	74,300	72,500	69,586	2,914	67,300	69,300	68,178	1,122
Elections	103,200	102,350	101,634	716	38,650	54,200	50,111	4,089
Buildings and grounds	319,000	335,600	333,297	2,303	320,866	344,866	329,169	15,697
Employee fringe benefits	497,700	603,700	601,874	1,826	518,744	540,744	507,503	33,241
County treasurer	42,600	41,900	42,392	(492)	42,400	42,600	42,515	85
County collector	99,800	99,000	99,351	(351)	99,500	106,000	107,297	(1,297)
Recorder of deeds	71,900	68,300	68,281	19	71,900	70,900	67,914	2,986
Circuit clerk	17,700	18,300	14,247	4,053	6,500	8,500	8,229	271
Associate circuit court	0	0	0	0	10,700	11,300	8,961	2,339
Court administration	9,050	2,750	2,339	411	9,750	9,750	7,362	2,388

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
GENERAL REVENUE - CONTINUED								
DISBURSEMENTS - CONTINUED								
Public administrator	$ 28,800	$ 28,800	$ 28,625	$ 175	$ 27,800	$ 30,000	$ 28,960	$ 1,040
Sheriff	833,980	836,805	834,368	2,437	696,098	727,510	723,201	4,309
Jail	651,500	630,000	612,891	17,109	609,014	613,464	604,314	9,150
Prosecuting attorney	325,300	300,400	303,507	(3,107)	314,008	321,508	310,594	10,914
Juvenile officer	24,800	30,050	29,137	913	20,100	22,100	17,767	4,333
County coroner	28,000	28,000	27,658	342	28,000	28,000	24,247	3,753
Court reporter	3,000	1,200	2,114	(914)	2,000	3,000	1,815	1,185
Data processing	49,700	50,700	52,731	(2,031)	48,450	51,200	50,065	1,135
Federal inmate program	122,500	109,100	105,693	3,407	55,700	56,200	56,257	(57)
Other	266,100	396,200	404,762	(8,562)	288,600	972,852	967,185	5,667
Health and welfare	6,500	10,000	9,627	373	12,300	11,800	10,790	1,010
Transfers out	75,000	85,000	75,000	10,000	75,000	80,000	79,179	821
Total Disbursements	$ 3,740,630	$ 3,940,355	$ 3,908,489	$ 31,866	$ 3,451,400	$ 4,265,914	$ 4,162,214	$ 103,700
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 2,620	$ (490,765)	$ (347,658)	$ 143,107	$ 274,200	$ 87,837	$ 113,687	$ 25,850
CASH, JANUARY 1, AS PREVIOUSLY REPORTED					(633,633)	(633,633)	(633,633)	0
PRIOR PERIOD ADJUSTMENT					221,310	221,310	221,310	0
CASH, JANUARY 1, AS RESTATED	(298,636)	(298,636)	(298,636)	0	(412,323)	(412,323)	(412,323)	0
CASH, DECEMBER 31	$ (296,016)	$ (789,401)	$ (646,294)	$ 143,107	$ (138,123)	$ (324,486)	$ (298,636)	$ 25,850

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
SPECIAL ROAD AND BRIDGE								
RECEIPTS								
Property taxes	$ 525,000	$ 525,000	$ 517,216	$ (7,784)	$ 500,000	$ 500,000	$ 522,132	$ 22,132
Intergovernmental	1,260,600	745,600	1,049,397	303,797	831,200	1,240,050	1,199,509	(40,541)
Interest	300	1,700	1,718	18	1,700	300	317	17
Other	14,000	383,830	382,825	(1,005)	12,000	66,500	92,617	26,117
Emergency watershed program	200,000	775,000	1,046,066	271,066	0	1,250,000	1,302,099	52,099
Transfers in	45,000	0	0	0	800,000	45,000	45,000	0
Total Receipts	$ 2,044,900	$ 2,431,130	$ 2,997,222	$ 566,092	$ 2,144,900	$ 3,101,850	$ 3,161,674	$ 59,824
DISBURSEMENTS								
Salaries	$ 410,000	$ 510,000	$ 511,674	$ (1,674)	$ 350,000	$ 475,000	$ 476,967	$ (1,967)
Employee fringe benefits	141,000	175,000	172,568	2,432	155,000	149,000	138,901	10,099
Supplies	514,000	825,750	789,320	36,430	422,000	644,000	628,525	15,475
Insurance	25,000	59,000	58,971	29	21,000	24,000	20,633	3,367
Road and bridge materials	591,000	485,500	771,678	(286,178)	409,000	676,700	680,298	(3,598)
Equipment repairs	6,000	3,000	2,320	680	80,000	10,000	7,263	2,737
Equipment purchases	50,000	210,000	220,780	(10,780)	341,000	350,000	334,604	15,396
Other	160,000	321,800	318,926	2,874	7,200	9,000	9,840	(840)
Transfers out	0	438,000	438,000	0	0	0	430,000	(430,000)
Total Disbursements	$ 1,897,000	$ 3,028,050	$ 3,284,237	$ (256,187)	$ 1,785,200	$ 2,337,700	$ 2,727,031	$ (389,331)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 147,900	$ (596,920)	$ (287,015)	$ 309,905	$ 359,700	$ 764,150	$ 434,643	$ (329,507)
CASH, JANUARY 1, AS PREVIOUSLY REPORTED	128,978	128,978	128,978	0	(152,186)	(152,186)	(152,186)	0
PRIOR PERIOD ADJUSTMENT	0	0	0	0	(153,479)	(153,479)	(153,479)	0
CASH, JANUARY 1, AS RESTATED	128,978	128,978	128,978	0	(305,665)	(305,665)	(305,665)	0
CASH, DECEMBER 31	$ 276,878	$ (467,942)	$ (158,037)	$ 309,905	$ 54,035	$ 458,485	$ 128,978	$ (329,507)

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
DRAINAGE DISTRICTS (9)								
RECEIPTS								
Property taxes	$ 114,350	$ 112,525	$ 112,168	$ (357)	$ 112,350	$ 112,350	$ 118,570	$ 6,220
Interest	3,120	290	157	(133)	6,400	5,010	3,300	(1,710)
Emergency watershed program	325,000	1,108,000	1,106,639	(1,361)	1,800,000	3,110,000	3,053,165	(56,835)
Transfers in	19,000	438,000	438,000	0	0	0	436,301	436,301
Total Receipts	$ 461,470	$ 1,658,815	$ 1,656,964	$ (1,851)	$ 1,918,750	$ 3,227,360	$ 3,611,336	$ 383,976
DISBURSEMENTS								
Salaries	$ 130,000	$ 121,000	$ 131,761	$ (10,761)	$ 95,000	$ 110,000	$ 105,559	$ 4,441
Social security	7,500	7,700	8,135	(435)	6,200	7,507	6,520	987
Retirement	3,400	3,400	3,012	388	3,400	3,402	2,284	1,118
Medical insurance	15,600	21,000	20,959	41	17,600	17,600	15,730	1,870
Workers compenation	5,000	4,000	3,700	300	0	6,000	4,194	1,806
Unemployment insurance	1,150	1,050	920	130	1,150	1,150	950	200
Medicare	1,700	1,750	1,903	(153)	1,350	1,700	1,468	232
Emergency watershed program	300,000	1,157,000	1,501,518	(344,518)	1,500,000	3,575,000	3,474,142	100,858
Equipment miscellaneous	10,500	1,500	4,551	(3,051)	123,000	11,600	11,427	173
Property insurance	0	1,500	0	1,500	0	0	0	0
Transfers out	0	0	0	0	0	45,000	51,301	(6,301)
Total Disbursements	$ 474,850	$ 1,319,900	$ 1,676,459	$ (356,559)	$ 1,747,700	$ 3,778,959	$ 3,673,575	$ 105,384
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (13,380)	$ 338,915	$ (19,495)	$ (358,410)	$ 171,050	$ (551,599)	$ (62,239)	$ 489,360
CASH, JANUARY 1, AS PREVIOUSLY REPORTED							162,878	
PRIOR PERIOD ADJUSTMENT							(67,831)	
CASH, JANUARY 1, AS RESTATED	32,808	32,808	32,808	0	95,047	95,047	95,047	0
CASH, DECEMBER 31	$ 19,428	$ 371,723	$ 13,313	$ (358,410)	$ 266,097	$ (456,552)	$ 32,808	$ 489,360

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
CAPITAL IMPROVEMENT SALES TAX								
RECEIPTS								
Sales taxes	$ 660,000	$ 660,000	$ 692,592	$ 32,592	$ 690,000	$ 650,000	$ 664,845	$ 14,845
Interest	1,000	1,000	950	(50)	10,000	1,000	921	(79)
Other	0	0	0	0	1,000	1,000	0	(1,000)
Total Receipts	$ 661,000	$ 661,000	$ 693,542	$ 32,542	$ 701,000	$ 652,000	$ 665,766	$ 13,766
DISBURSEMENTS								
Bond expense	$ 3,500	$ 3,500	$ 3,215	$ 285	$ 20,000	$ 5,000	$ 3,275	$ 1,725
Bond interest 1998	200,000	200,000	183,350	16,650	214,000	214,000	198,854	15,146
Bond payment 1998	320,000	320,000	344,917	(24,917)	300,000	300,000	320,209	(20,209)
Bond interest 2000	60,000	65,000	81,538	(16,538)	56,000	56,000	58,505	(2,505)
Bond payment 2000	50,000	53,000	27,558	25,442	60,000	75,000	49,071	25,929
Total Disbursements	$ 633,500	$ 641,500	$ 640,578	$ 922	$ 650,000	$ 650,000	$ 629,914	$ 20,086
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 27,500	$ 19,500	$ 52,964	$ 33,464	$ 51,000	$ 2,000	$ 35,852	$ 33,852
CASH, JANUARY 1	708,464	708,464	708,464	0	672,612	672,612	672,612	0
CASH, DECEMBER 31	$ 735,964	$ 727,964	$ 761,428	$ 33,464	$ 723,612	$ 674,612	$ 708,464	$ 33,852

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
ASSESSMENT								
RECEIPTS								
Intergovernmental	$ 172,182	$ 173,182	$ 170,929	$ (2,253)	$ 210,000	$ 145,000	$ 184,951	$ 39,951
Charges for services	39,000	500	550	50	0	200	149	(51)
Interest	1,000	100	1,038	938	1,500	1,500	1,118	(382)
Transfers in	75,000	75,000	75,000	0	75,000	75,000	75,000	0
Total Receipts	$ 287,182	$ 248,782	$ 247,517	$ (1,265)	$ 286,500	$ 221,700	$ 261,218	$ 39,518
DISBURSEMENTS								
Assessor salary	$ 41,000	$ 41,000	$ 41,000	$ 0	$ 40,000	$ 40,000	$ 40,333	$ (333)
Deputy and clerical salaries	102,180	102,180	102,948	(768)	95,100	95,100	96,347	(1,247)
Office supplies	4,150	11,500	10,969	531	2,300	4,000	3,694	306
Equipment	31,400	15,500	15,445	55	26,500	9,000	6,843	2,157
Mileage and training	6,000	7,000	7,014	(14)	6,000	11,000	10,827	173
Telephone	0	0	0	0	1,850	1,850	0	1,850
Postage	3,300	5,600	5,592	8	3,300	4,000	3,630	370
Contract services	55,500	49,500	52,725	(3,225)	106,000	85,000	81,583	3,417
Social security	8,000	8,500	8,426	74	7,600	7,600	8,094	(494)
Retirement	5,600	6,200	6,190	10	5,200	5,200	4,111	1,089
Medical insurance	20,800	26,000	26,198	(198)	16,000	20,000	18,698	1,302
Workmans compensation	6,000	4,500	4,317	183	11,600	6,000	4,289	1,711
Unemployment insurance	1,000	1,000	920	80	1,000	1,000	950	50
Medicare	1,800	2,000	1,970	30	1,800	1,800	1,833	(33)

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
ASSESSMENT - CONTINUED								
DISBURSEMENTS - CONTINUED								
Miscellaneous	$ 0	$ 20,000	$ 19,988	$ 12	$ 0	$ 48,000	$ 46,058	$ 1,942
Bonds	0	0	0	0	0	500	340	160
Total Disbursements	$ 286,730	$ 300,480	$ 303,702	$ (3,222)	$ 324,250	$ 340,050	$ 327,630	$ 12,420
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 452	$ (51,698)	$ (56,185)	$ (4,487)	$ (37,750)	$ (118,350)	$ (66,412)	$ 51,938
CASH, JANUARY 1	(9,308)	(9,308)	(9,308)	0	57,104	57,104	57,104	0
CASH, DECEMBER 31	$ (8,856)	$ (61,006)	$ (65,493)	$ (4,487)	$ 19,354	$ (61,246)	$ (9,308)	$ 51,938

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
JOHNSON GRASS								
RECEIPTS								
Property taxes	$ 88,000	$ 88,000	$ 87,353	$ (647)	$ 85,000	$ 85,000	$ 88,397	$ 3,397
Interest	500	200	187	(13)	4,000	500	469	(31)
Other	125	0	302	302	0	0	126	126
Total Receipts	$ 88,625	$ 88,200	$ 87,842	$ (358)	$ 89,000	$ 85,500	$ 88,992	$ 3,492
DISBURSEMENTS								
Salaries	$ 60,000	$ 71,000	$ 70,033	$ 967	$ 60,000	$ 60,000	$ 61,121	$ (1,121)
Social security	4,200	4,200	4,310	(110)	4,200	4,200	3,777	423
Retirement	2,000	3,000	3,011	(11)	1,500	2,000	1,724	276
Medical insurance	9,000	10,500	10,426	74	12,000	9,000	7,548	1,452
Workmans compensation	5,000	2,000	1,850	150	0	5,000	4,193	807
Unemployment insurance	1,400	500	460	40	1,400	1,400	614	786
Medicare	1,200	1,200	1,008	192	1,200	1,200	855	345
Equipment purchases	0	0	0	0	2,000	2,000	0	2,000
Other	21,000	25,500	25,011	489	28,500	26,500	19,229	7,271
Total Disbursements	$ 103,800	$ 117,900	$ 116,109	$ 1,791	$ 110,800	$ 111,300	$ 99,061	$ 12,239
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (15,175)	$ (29,700)	$ (28,267)	$ 1,433	$ (21,800)	$ (25,800)	$ (10,069)	$ 15,731
CASH, JANUARY 1	15,508	15,508	15,508	0	25,577	25,577	25,577	0
CASH, DECEMBER 31	$ 333	$ (14,192)	$ (12,759)	$ 1,433	$ 3,777	$ (223)	$ 15,508	$ 15,731

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
EMERGENCY 911								
RECEIPTS								
Property taxes	$ 123,000	$ 135,000	$ 124,137	$ (10,863)	$ 125,000	$ 125,000	$ 121,850	$ (3,150)
Interest	0	50	42	(8)	0	5	1	(4)
Other	4,000	0	0	0	0	4,000	3,719	(281)
Transfers in	0	0	0	0	25,000	0	0	0
Total Receipts	$ 127,000	$ 135,050	$ 124,179	$ (10,871)	$ 150,000	$ 129,005	$ 125,570	$ (3,435)
DISBURSEMENTS								
Salaries	$ 72,178	$ 67,500	$ 67,768	$ (268)	$ 72,178	$ 72,178	$ 69,503	$ 2,675
Social security	4,500	4,500	4,159	341	4,500	4,500	4,116	384
Retirement	2,400	2,400	2,455	(55)	2,400	3,000	3,125	(125)
Medical insurance	12,000	12,500	12,452	48	12,000	12,000	11,799	201
Unemployment insurance	1,400	750	743	7	1,400	1,400	763	637
Medicare	1,100	1,000	973	27	1,100	1,100	917	183
Office supplies	800	300	6,042	(5,742)	0	800	793	7
Equipment miscellaneous	650	4,750	4,551	199	0	650	650	0
Other	7,000	6,000	0	6,000	34,000	5,030	4,970	60
Total Disbursements	$ 102,028	$ 99,700	$ 99,143	$ 557	$ 127,578	$ 100,658	$ 96,636	$ 4,022
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 24,972	$ 35,350	$ 25,036	$ (10,314)	$ 22,422	$ 28,347	$ 28,934	$ 587
CASH, JANUARY 1	(3,324)	(3,324)	(3,324)	0	(32,258)	(32,258)	(32,258)	0
CASH, DECEMBER 31	$ 21,648	$ 32,026	$ 21,712	$ (10,314)	$ (9,836)	$ (3,911)	$ (3,324)	$ 587

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
LAW ENFORCEMENT TRAINING								
RECEIPTS								
Charges for services	$ 10,300	$ 8,000	$ 8,560	$ 560	$ 10,300	$ 10,325	$ 9,655	$ (670)
Interest	100	30	32	2	200	200	140	(60)
Total Receipts	$ 10,400	$ 8,030	$ 8,592	$ 562	$ 10,500	$ 10,525	$ 9,795	$ (730)
DISBURSEMENTS								
Mileage	$ 5,000	$ 6,100	$ 6,004	$ 96	$ 10,000	$ 10,000	$ 9,052	$ 948
Miscellaneous	5,000	500	396	104	0	400	336	64
Total Disbursements	$ 10,000	$ 6,600	$ 6,400	$ 200	$ 10,000	$ 10,400	$ 9,388	$ 1,012
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 400	$ 1,430	$ 2,192	$ 762	$ 500	$ 125	$ 407	$ 282
CASH, JANUARY 1	4,033	4,033	4,033	0	3,626	3,626	3,626	0
CASH, DECEMBER 31	$ 4,433	$ 5,463	$ 6,225	$ 762	$ 4,126	$ 3,751	$ 4,033	$ 282

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
FIRING RANGE								
RECEIPTS								
Property taxes	$ 3,000	$ 2,100	$ 5,584	$ 3,484	$ 3,000	$ 3,000	$ 2,402	$ (598)
Intergovernmental	10,000	1,500	1,343	(157)	3,000	6,000	5,906	(94)
Interest	0	2	2	0	0	10	4	(6)
Transfers in	0	0	0	0	4,000	4,500	4,179	(321)
Total Receipts	$ 13,000	$ 3,602	$ 6,929	$ 3,327	$ 10,000	$ 13,510	$ 12,491	$ (1,019)
DISBURSEMENTS								
Salaries	$ 3,500	$ 4,500	$ 4,056	$ 444	$ 2,000	$ 4,000	$ 3,302	$ 698
Social security	250	300	251	49	300	300	205	95
Contract services	2,500	200	160	40	1,000	1,000	150	850
Medical insurance	0	100	0	100	0	0	0	0
Unemployment insurance	100	100	69	31	125	125	75	50
Medicare	50	0	59	(59)	70	70	48	22
Supplies	5,350	3,350	2,716	634	2,950	7,650	6,792	858
Total Disbursements	$ 11,750	$ 8,550	$ 7,311	$ 1,239	$ 6,445	$ 13,145	$ 10,572	$ 2,573
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 1,250	$ (4,948)	$ (382)	$ 4,566	$ 3,555	$ 365	$ 1,919	$ 1,554
CASH, JANUARY 1	613	613	613	0	(1,306)	(1,306)	(1,306)	0
CASH, DECEMBER 31	$ 1,863	$ (4,335)	$ 231	$ 4,566	$ 2,249	$ (941)	$ 613	$ 1,554

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
PROSECUTING ATTORNEY TRAINING								
RECEIPTS								
Intergovernmental	$ 2,000	$ 2,000	$ 1,614	$ (386)	$ 2,500	$ 2,500	$ 2,193	$ (307)
Total Receipts	$ 2,000	$ 2,000	$ 1,614	$ (386)	$ 2,500	$ 2,500	$ 2,193	$ (307)
DISBURSEMENTS								
Other	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Disbursements	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 2,000	$ 2,000	$ 1,614	$ (386)	$ 2,500	$ 2,500	$ 2,193	$ (307)
CASH, JANUARY 1	18,548	18,548	18,548	0	16,355	16,355	16,355	0
CASH, DECEMBER 31	$ 20,548	$ 20,548	$ 20,162	$ (386)	$ 18,855	$ 18,855	$ 18,548	$ (307)

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
SOLID WASTE TRANSFER STATION								
RECEIPTS								
Charges for services	$ 0	$ 10,400	$ 10,943	$ 543	$ 140,000	$ 162,000	$ 156,805	$ (5,195)
Interest	0	550	0	(550)	0	2,500	2,332	(168)
Total Receipts	$ 0	$ 10,950	$ 10,943	$ (7)	$ 140,000	$ 164,500	$ 159,137	$ (5,363)
DISBURSEMENTS								
Unemployment insurance	$ 0	$ 0	$ 0	$ 0	$ 0	$ 300	$ 211	$ 89
Office	11,700	10,100	9,135	965	35,000	11,560	9,971	1,589
Contract services	0	0	0	0	75,000	12,000	9,969	2,031
Equipment miscellaneous	0	2,000	1,753	247	0	27,000	26,498	502
Other	1,000	0	0	0	0	71,000	70,517	483
Insurance	0	5,500	5,604	(104)	5,000	0	0	0
Total Disbursements	$ 12,700	$ 17,600	$ 16,492	$ 1,108	$ 115,000	$ 121,860	$ 117,166	$ 4,694
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (12,700)	$ (6,650)	$ (5,549)	$ 1,101	$ 25,000	$ 42,640	$ 41,971	$ (669)
CASH, JANUARY 1	94,797	94,797	94,797	0	52,826	52,826	52,826	0
CASH, DECEMBER 31	$ 82,097	$ 88,147	$ 89,248	$ 1,101	$ 77,826	$ 95,466	$ 94,797	$ (669)

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
FEDERAL FORFEITURE								
RECEIPTS								
Intergovernmental	$ 0	$ 8,000	$ 8,000	$ 0	$ 0	$ 85,000	$ 80,372	$ (4,628)
Interest	0	400	379	(21)	60	500	526	26
Transfers in	0	0	0	0	200	200	0	(200)
Total Receipts	$ 0	$ 8,400	$ 8,379	$ (21)	$ 260	$ 85,700	$ 80,898	$ (4,802)
DISBURSEMENTS								
Federal forfeiture	$ 78,000	$ 42,000	$ 40,258	$ 1,742	$ 0	$ 2,500	$ 2,758	$ (258)
Social security	0	200	194	6	0	0	0	0
Unemployment insurance	0	50	11	39	0	0	0	0
Medicare	0	50	46	4	0	0	0	0
Total Disbursements	$ 78,000	$ 42,300	$ 40,509	$ 1,791	$ 0	$ 2,500	$ 2,758	$ (258)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (78,000)	$ (33,900)	$ (32,130)	$ 1,770	$ 260	$ 83,200	$ 78,140	$ (5,060)
CASH, JANUARY 1	78,140	78,140	78,140	0	0	0	0	0
CASH, DECEMBER 31	$ 140	$ 44,240	$ 46,010	$ 1,770	$ 260	$ 83,200	$ 78,140	$ (5,060)

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
DEPUTY SHERIFF SALARY SUPPLEMENT								
RECEIPTS								
Interest	$ 150	$ 60	$ 57	$ (3)	$ 10	$ 150	$ 105	$ (45)
Other	14,000	13,000	12,590	(410)	5,000	14,000	14,140	140
Total Receipts	$ 14,150	$ 13,060	$ 12,647	$ (413)	$ 5,010	$ 14,150	$ 14,245	$ 95
DISBURSEMENTS								
State disbursements	$ 14,150	$ 7,000	$ 6,850	$ 150	$ 2,500	$ 12,000	$ 10,180	$ 1,820
Total Disbursements	$ 14,150	$ 7,000	$ 6,850	$ 150	$ 2,500	$ 12,000	$ 10,180	$ 1,820
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 0	$ 6,060	$ 5,797	$ (263)	$ 2,510	$ 2,150	$ 4,065	$ 1,915
CASH, JANUARY 1	6,280	6,280	6,280	0	2,215	2,215	2,215	0
CASH, DECEMBER 31	$ 6,280	$ 12,340	$ 12,077	$ (263)	$ 4,725	$ 4,365	$ 6,280	$ 1,915

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
BOOTHEEL DRUG TASK FORCE								
RECEIPTS								
Intergovernmental	$ 334,500	$ 264,000	$ 273,726	$ 9,726	$ 153,155	$ 211,800	$ 301,831	$ 90,031
Interest	0	70	0	(70)	0	200	120	(80)
Transfers in	0	0	0	0	20,000	1,000	1,000	0
Total Receipts	$ 334,500	$ 264,070	$ 273,726	$ 9,656	$ 173,155	$ 213,000	$ 302,951	$ 89,951
DISBURSEMENTS								
Salaries	$ 156,500	$ 180,000	$ 178,903	$ 1,097	$ 103,237	$ 144,000	$ 150,480	$ (6,480)
Social security	9,500	11,000	11,033	(33)	9,500	9,500	9,312	188
Retirement	9,500	13,000	12,614	386	10,000	10,000	9,391	609
Medical insurance	12,000	17,500	17,460	40	10,500	12,000	11,797	203
Workmans compensation	4,000	3,200	3,084	116	3,250	3,250	3,240	10
Unemployment insurance	1,500	1,500	1,161	339	1,500	1,500	1,056	444
Medicare	0	2,600	2,580	20	1,700	2,000	2,112	(112)
Liability insurance	3,000	4,000	3,734	266	0	3,000	2,760	240
Office	3,800	1,000	794	206	1,200	1,200	253	947
Equipment miscellaneous	33,600	35,500	35,025	475	11,800	21,000	21,310	(310)
Mileage and training	0	500	390	110	0	0	1,163	(1,163)
Miscellaneous	12,500	24,000	22,982	1,018	0	85,000	82,431	2,569
Total Disbursements	$ 245,900	$ 293,800	$ 289,760	$ 4,040	$ 152,687	$ 292,450	$ 295,305	$ (2,855)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 88,600	$ (29,730)	$ (16,034)	$ 13,696	$ 20,468	$ (79,450)	$ 7,646	$ 87,096
CASH, JANUARY 1	15,799	15,799	15,799	0	8,153	8,153	8,153	0
CASH, DECEMBER 31	$ 104,399	$ (13,931)	$ (235)	$ 13,696	$ 28,621	$ (71,297)	$ 15,799	$ 87,096

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
D.A.R.E.								
RECEIPTS								
Interest	$ 1,500	$ 275	$ 280	$ 5	$ 2,000	$ 1,500	$ 1,400	$ (100)
Other	38,000	38,000	35,582	(2,418)	36,500	35,000	37,000	2,000
Transfers in	0	0	0	0	0	0	0	0
Total Receipts	$ 39,500	$ 38,275	$ 35,862	$ (2,413)	$ 38,500	$ 36,500	$ 38,400	$ 1,900
DISBURSEMENTS								
Salaries	$ 27,200	$ 27,200	$ 26,917	$ 283	$ 27,200	$ 27,200	$ 26,825	$ 375
Social security	1,800	1,800	1,669	131	1,800	1,800	1,663	137
Retirement	2,300	2,300	2,205	95	2,302	2,302	1,908	394
Medical insurance	3,600	5,200	5,213	(13)	3,598	4,000	3,932	68
Unemployment insurance	600	300	230	70	1,000	1,000	328	672
Medicare	500	400	390	10	430	430	373	57
Office	5,000	3,500	3,438	62	8,000	17,000	12,481	4,519
Total Disbursements	$ 41,000	$ 40,700	$ 40,062	$ 638	$ 44,330	$ 53,732	$ 47,510	$ 6,222
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,500)	$ (2,425)	$ (4,200)	$ (1,775)	$ (5,830)	$ (17,232)	$ (9,110)	$ 8,122
CASH, JANUARY 1	45,116	45,116	45,116	0	54,226	54,226	54,226	0
CASH, DECEMBER 31	$ 43,616	$ 42,691	$ 40,916	$ (1,775)	$ 48,396	$ 36,994	$ 45,116	$ 8,122

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
DOMESTIC VIOLENCE								
RECEIPTS								
Intergovernmental	$ 600	$ 700	$ 660	$ (40)	$ 700	$ 600	$ 600	$ 0
Interest	400	100	91	(9)	0	500	472	(28)
Total Receipts	$ 1,000	$ 800	$ 751	$ (49)	$ 700	$ 1,100	$ 1,072	$ (28)
DISBURSEMENTS								
Operations	$ 2,000	$ 2,000	$ 2,000	$ 0	$ 1,200	$ 1,400	$ 1,237	$ 163
Total Disbursements	$ 2,000	$ 2,000	$ 2,000	$ 0	$ 1,200	$ 1,400	$ 1,237	$ 163
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,000)	$ (1,200)	$ (1,249)	$ (49)	$ (500)	$ (300)	$ (165)	$ 135
CASH, JANUARY 1	13,228	13,228	13,228	0	13,393	13,393	13,393	0
CASH, DECEMBER 31	$ 12,228	$ 12,028	$ 11,979	$ (49)	$ 12,893	$ 13,093	$ 13,228	$ 135

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
LAW ENFORCEMENT SALES TAX								
RECEIPTS								
Sales taxes	$ 330,000	$ 330,000	$ 346,300	$ 16,300	$ 345,000	$ 325,000	$ 332,428	$ 7,428
Interest	500	100	80	(20)	1,000	500	289	(211)
Total Receipts	$ 330,500	$ 330,100	$ 346,380	$ 16,280	$ 346,000	$ 325,500	$ 332,717	$ 7,217
DISBURSEMENTS								
Transfers out	$ 330,000	$ 330,000	$ 346,380	$ (16,380)	$ 345,000	$ 320,000	$ 332,717	$ (12,717)
Total Disbursements	$ 330,000	$ 330,000	$ 346,380	$ (16,380)	$ 345,000	$ 320,000	$ 332,717	$ (12,717)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 500	$ 100	$ 0	$ (100)	$ 1,000	$ 5,500	$ 0	$ (5,500)
CASH, JANUARY 1	0	0	0	0	0	0	0	0
CASH, DECEMBER 31	$ 500	$ 100	$ 0	$ (100)	$ 1,000	$ 5,500	$ 0	$ (5,500)

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
SHERIFF'S CIVIL FEES								
RECEIPTS								
Charges for services	$ 40,000	$ 30,000	$ 31,886	$ 1,886	$ 80,000	$ 35,000	$ 39,417	$ 4,417
Interest	0	325	337	12	2,000	2,400	2,335	(65)
Total Receipts	$ 40,000	$ 30,325	$ 32,223	$ 1,898	$ 82,000	$ 37,400	$ 41,752	$ 4,352
DISBURSEMENTS								
Salaries	$ 50,000	$ 35,000	$ 36,594	$ (1,594)	$ 25,000	$ 38,000	$ 37,373	$ 627
Social security	0	0	0	0	0	200	183	17
Retirement	0	0	0	0	0	300	209	91
Unemployment insurance	0	0	0	0	0	100	16	84
Medicare	0	0	0	0	0	100	43	57
Equipment miscellaneous	0	4,000	6,684	(2,684)	15,000	15,000	13,219	1,781
Transfers out	0	3,500	0	3,500	0	0	0	0
Total Disbursements	$ 50,000	$ 42,500	$ 43,278	$ (778)	$ 40,000	$ 53,700	$ 51,043	$ 2,657
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (10,000)	$ (12,175)	$ (11,055)	$ 1,120	$ 42,000	$ (16,300)	$ (9,291)	$ 7,009
CASH, JANUARY 1	55,168	55,168	55,168	0	64,459	64,459	64,459	0
CASH, DECEMBER 31	$ 45,168	$ 42,993	$ 44,113	$ 1,120	$ 106,459	$ 48,159	$ 55,168	$ 7,009

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
RECORDER								
RECEIPTS								
Intergovernmental	$ 9,000	$ 8,500	$ 8,252	$ (248)	$ 9,000	$ 9,000	$ 8,748	$ (252)
Interest	1,500	200	195	(5)	1,500	1,500	1,283	(217)
Total Receipts	$ 10,500	$ 8,700	$ 8,447	$ (253)	$ 10,500	$ 10,500	$ 10,031	$ (469)
DISBURSEMENTS								
Office	$ 4,000	$ 3,000	$ 2,873	$ 127	$ 0	$ 4,000	$ 3,985	$ 15
Transfers out	12,000	24,000	24,000	0	12,000	12,000	0	12,000
Total Disbursements	$ 16,000	$ 27,000	$ 26,873	$ 127	$ 12,000	$ 16,000	$ 3,985	$ 12,015
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (5,500)	$ (18,300)	$ (18,426)	$ (126)	$ (1,500)	$ (5,500)	$ 6,046	$ 11,546
CASH, JANUARY 1	35,044	35,044	35,044	0	28,998	28,998	28,998	0
CASH, DECEMBER 31	$ 29,544	$ 16,744	$ 16,618	$ (126)	$ 27,498	$ 23,498	$ 35,044	$ 11,546

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
ELECTION SERVICE								
RECEIPTS								
Intergovernmental	$ 14,360	$ 10,000	$ 645	$ (9,355)	$ 0	$ 2,200	$ 2,153	$ (47)
Interest	0	0	0	0	0	100	0	(100)
Other	200	325	372	47	0	200	197	(3)
Total Receipts	$ 14,560	$ 10,325	$ 1,017	$ (9,308)	$ 0	$ 2,500	$ 2,350	$ (150)
DISBURSEMENTS								
Equipment miscellaneous	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,400	$ 3,248	$ 152
Transfers out	14,000	10,000	0	10,000	0	0	0	0
Total Disbursements	$ 14,000	$ 10,000	$ 0	$ 10,000	$ 0	$ 3,400	$ 3,248	$ 152
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 560	$ 325	$ 1,017	$ 692	$ 0	$ (900)	$ (898)	$ 2
CASH, JANUARY 1	(515)	(515)	(515)	0	383	383	383	0
CASH, DECEMBER 31	$ 45	$ (190)	$ 502	$ 692	$ 383	$ (517)	$ (515)	$ 2

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
SHELTERED WORKSHOP								
RECEIPTS								
Property taxes	$ 180,000	$ 180,000	$ 175,224	$ (4,776)	$ 168,000	$ 180,000	$ 208,852	$ 28,852
Interest	8,000	1,100	1,130	30	8,000	9,000	8,239	(761)
Total Receipts	$ 188,000	$ 181,100	$ 176,354	$ (4,746)	$ 176,000	$ 189,000	$ 217,091	$ 28,091
DISBURSEMENTS								
Pemiscot progressive industries	$ 168,000	$ 168,000	$ 168,000	$ 0	$ 168,000	$ 253,000	$ 252,432	$ 568
Total Disbursements	$ 168,000	$ 168,000	$ 168,000	$ 0	$ 168,000	$ 253,000	$ 252,432	$ 568
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 20,000	$ 13,100	$ 8,354	$ (4,746)	$ 8,000	$ (64,000)	$ (35,341)	$ 28,659
CASH, JANUARY 1	113,411	113,411	113,411	0	148,752	148,752	148,752	0
CASH, DECEMBER 31	$ 133,411	$ 126,511	$ 121,765	$ (4,746)	$ 156,752	$ 84,752	$ 113,411	$ 28,659

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
PROSECUTING ATTORNEY BAD CHECK								
RECEIPTS								
Charges for services	$ 22,000	$ 24,000	$ 25,365	$ 1,365	$ 38,000	$ 22,000	$ 22,882	$ 882
Interest	2,400	300	252	(48)	2,400	2,400	2,268	(132)
Total Receipts	$ 24,400	$ 24,300	$ 25,617	$ 1,317	$ 40,400	$ 24,400	$ 25,150	$ 750
DISBURSEMENTS								
Salaries	$ 36,000	$ 36,000	$ 30,000	$ 6,000	$ 20,000	$ 36,000	$ 28,950	$ 7,050
Social security	2,500	2,500	1,858	642	1,400	2,500	1,795	705
Retirement	1,400	1,600	1,241	359	700	1,400	955	445
Unemployment insurance	500	300	219	81	500	500	394	106
Medicare	600	600	434	166	300	600	415	185
Office	5,000	700	675	25	7,000	5,000	4,515	485
Other	0	2,500	2,349	151	0	0	0	0
Total Disbursements	$ 46,000	$ 44,200	$ 36,776	$ 7,424	$ 29,900	$ 46,000	$ 37,024	$ 8,976
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (21,600)	$ (19,900)	$ (11,159)	$ 8,741	$ 10,500	$ (21,600)	$ (11,874)	$ 9,726
CASH, JANUARY 1	46,829	46,829	46,829	0	58,703	58,703	58,703	0
CASH, DECEMBER 31	$ 25,229	$ 26,929	$ 35,670	$ 8,741	$ 69,203	$ 37,103	$ 46,829	$ 9,726

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
LAW ENFORCEMENT RESTITUTION								
RECEIPTS								
Interest	$ 0	$ 0	$ 639	$ 639	$ 3,500	$ 4,000	$ 6,778	$ 2,778
Other	115,000	122,600	92,159	(30,441)	110,000	101,000	109,770	8,770
Total Receipts	$ 115,000	$ 122,600	$ 92,798	$ (29,802)	$ 113,500	$ 105,000	$ 116,548	$ 11,548
DISBURSEMENTS								
Payments	$ 50,000	$ 0	$ 0	$ 0	$ 35,000	$ 35,000	$ 37,982	$ (2,982)
Transfers out	77,740	52,000	51,509	491	25,000	60,000	23,500	36,500
Total Disbursements	$ 127,740	$ 52,000	$ 51,509	$ 491	$ 60,000	$ 95,000	$ 61,482	$ 33,518
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (12,740)	$ 70,600	$ 41,289	$ (29,311)	$ 53,500	$ 10,000	$ 55,066	$ 45,066
CASH, JANUARY 1	124,132	124,132	124,132	0	69,066	69,066	69,066	0
CASH, DECEMBER 31	$ 111,392	$ 194,732	$ 165,421	$ (29,311)	$ 122,566	$ 79,066	$ 124,132	$ 45,066

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
MO SMART								
RECEIPTS								
Intergovernmental	$ 62,500	$ 66,600	$ 42,356	$ (24,244)	$ 101,108	$ 34,000	$ 30,927	$ (3,073)
Interest	0	3	5	2	150	150	35	(115)
Transfers in	0	0	0	0	15,200	15,200	22,500	7,300
Total Receipts	$ 62,500	$ 66,603	$ 42,361	$ (24,242)	$ 116,458	$ 49,350	$ 53,462	$ 4,112
DISBURSEMENTS								
Salaries	$ 44,000	$ 49,000	$ 28,381	$ 20,619	$ 43,500	$ 43,500	$ 42,720	$ 780
Social security	2,700	2,500	1,760	740	2,980	2,980	2,649	331
Retirement	2,900	2,500	2,057	443	3,039	3,039	2,814	225
Medical insurance	4,000	4,000	3,392	608	4,000	4,000	3,932	68
Unemployment insurance	500	500	353	147	400	400	342	58
Medicare	600	500	412	88	550	600	591	9
Office	1,200	500	255	245	1,700	0	498	(498)
Other	5,000	2,200	1,778	422	56,180	0	0	0
Total Disbursements	$ 60,900	$ 61,700	$ 38,388	$ 23,312	$ 112,349	$ 54,519	$ 53,546	$ 973
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 1,600	$ 4,903	$ 3,973	$ (930)	$ 4,109	$ (5,169)	$ (84)	$ 5,085
CASH, JANUARY 1	(492)	(492)	(492)	0	(408)	(408)	(408)	0
CASH, DECEMBER 31	$ 1,108	$ 4,411	$ 3,481	$ (930)	$ 3,701	$ (5,577)	$ (492)	$ 5,085

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
SHERIFF'S REVOLVING								
RECEIPTS								
Charges for services	$ 4,000	$ 6,000	$ 6,371	$ 371	$ 5,000	$ 5,000	$ 5,185	$ 185
Interest	0	25	26	1	200	200	118	(82)
Total Receipts	$ 4,000	$ 6,025	$ 6,397	$ 372	$ 5,200	$ 5,200	$ 5,303	$ 103
DISBURSEMENTS								
Office	$ 3,500	$ 4,500	$ 4,437	$ 63	$ 6,000	$ 6,000	$ 5,641	$ 359
Total Disbursements	$ 3,500	$ 4,500	$ 4,437	$ 63	$ 6,000	$ 6,000	$ 5,641	$ 359
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 500	$ 1,525	$ 1,960	$ 435	$ (800)	$ (800)	$ (338)	$ 462
CASH, JANUARY 1	1,497	1,497	1,497	0	1,835	1,835	1,835	0
CASH, DECEMBER 31	$ 1,997	$ 3,022	$ 3,457	$ 435	$ 1,035	$ 1,035	$ 1,497	$ 462

The accompanying Notes to the Financial Statements are in integral part of this statement.

PEMISCOT COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
TAX MAINTENANCE								
RECEIPTS								
Intergovernmental	$ 0	$ 0	$ 29,896	$ 29,896	$ 0	$ 0	$ 30,174	$ 30,174
Total Receipts	$ 0	$ 0	$ 29,896	$ 29,896	$ 0	$ 0	$ 30,174	$ 30,174
DISBURSEMENTS								
County Collector	$ 0	$ 0	$ 32,287	$ (32,287)	$ 0	$ 0	$ 45,000	$ (45,000)
Total Disbursements	$ 0	$ 0	$ 32,287	$ (32,287)	$ 0	$ 0	$ 45,000	$ (45,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 0	$ 0	$ (2,391)	$ (2,391)	$ 0	$ 0	$ (14,826)	$ (14,826)
CASH, JANUARY 1	70,328	70,328	70,328	0	85,154	85,154	85,154	0
CASH, DECEMBER 31	$ 70,328	$ 70,328	$ 67,937	$ (2,391)	$ 85,154	$ 85,154	$ 70,328	$ (14,826)

The accompanying Notes to the Financial Statements are in integral part of this statement.

Other Required Supplementary Information

PEMISCOT COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures 2010	Federal Expenditures 2009	County Match Percentage Required
U.S. DEPARTMENT OF AGRICULTURE					
Passed through State:					
Department of Health and Senior Services:					
Emergency Watershed Program	10.923	2010, 2009	$ 1,106,639	$ 2,804,819	0%
Bootheel Solid-Waste-Recycle Trailer	93.597	2010, 2009	4,760	20,405	0%
Sheriff Vehicle Grant	10.766	0348-0004	64,460		0%
U.S. DEPARTMENT OF JUSTICE					
Passed through Missouri Sheriffs' Association:					
Domestic Cannabis Eradication/Suppression Program	16.000	2008DDBX0163		40,908	0%
Missouri Sheriff's Meth-Amphetamine Relief Team	16.753	2009D1BX0017	37,449		0%
Edward Byrne Memorial Justice Assistance Grant	16.803	2009JAG-RA058	34,133		0%
Passed through State Department of Public Safety:					
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	ERS 172315		67,901	0%
Edward Byrne Memorial Formula Grant Program	16.579	2009JAG-RA026	294,635		0%
Edward Byrne Memorial Formula Grant Program	16.579	2007JAG016		294,635	0%
LLEB Grant	16.592	2009LBGJ059	7,268		0%
Edward Byrne Memorial Justice Assistance Program	16.738	2009JAG-014	193,423		0%
Edward Byrne Memorial Justice Assistance Program	16.738	2008JAG1010		26,587	0%
U.S. DEPARTMENT OF TRANSPORTATION					
Passed through State:					
Highway and Transportation Commission:					
Highway Planning and Construction	20.205	BRO-45	45,275		0%
		BRO-46	415,336		0%
		BRO-47	41,570		0%
Department of Public Safety-MODOT Highway Safety	20.703	10-PT-02-158		6,000	0%
GENERAL SERVICES ADMINISTRATION					
Passed through the Office of Secretary of State:					
Sample Ballot Grant	39.011	231AV110029420	1,105		0%
Election Equipment Warranty Coverage	39.011	231AV100051104	645		0%
Scanner and Printer Grant	39.011	231AV110035952	1,056		0%
ELECTION ASSISTANCE COMMISSION					
Passed through the Office of Secretary of State:					
Help America Vote Act Requirements Payments - HHS	90.401	231AV10003223		598	0%
Election Equipment Grant	90.401	231AV10000142		2,153	0%
Poll Worker Training Grant	90.401	231AV9008286		2,940	0%
U.S. DEPARTMENT OF HOMELAND SECURITY					
Passed through State Department of Public Safety					
Public Assistance Grants	97.036	2006 TORNADO		27,259	0%
Disaster Grant - Flooding - March 2008	97.036	155-99155-00		8,631	0%
Disaster Grant - Ice Storm - January 2009	97.036	155-99155-00		75,805	0%
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 2,247,754	$ 3,378,641	

Notes to the Required Supplementary Information

PEMISCOT COUNTY, MISSOURI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2010 AND 2009

1. Summary of Significant Accounting Policies

   A. Purpose of Schedule and Reporting Entity

      The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and that Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

      The schedule includes all federal awards administered by Pemiscot County, Missouri.

   B. Basis of Presentation

      OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

      > *Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals . . .
>
> *Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants, or contracts, used to buy goods or services from vendors.

   Accordingly, the schedule includes expenditures of both cash and noncash awards.

   C. Basis of Accounting

      The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

2. Subrecipients

   The County provided no federal awards to subrecipients during the years ended December 31, 2010 and 2009.

FEDERAL AWARDS –
SINGLE AUDIT SECTION

Auditors’ Reports

Devereux and Krauss LLP
Certified Public Accountants

307 North Main – St Charles, MO 63301
636-448-7355
FAX 636-947-3155

JAMES P. DEVEREUX, C.P.A., P.C.
GARY L. KRAUSS, P.C.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission
and
Officeholders of Pemiscot County, Missouri

Compliance

We have audited the compliance of Pemiscot County, Missouri, with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Pemiscot County, Missouri's major federal programs for the years ended December 31, 2010 and 2009. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, Pemiscot County, Missouri complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and 2009.

Internal Control Over Compliance

The management of Pemiscot County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control* over compliance is a deficiency, or a combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the County's internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered material weaknesses, as defined above.

This report is intended solely for the information and use of the County Commission, management, audit committee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Devereux & Krauss, LLP

June 3, 2011

Schedule

PEMISCOT COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified	
Internal control over financial reporting:		
• Material weakness identified?	_____ yes	__X__ no
• Significant deficiencies identified that are not considered to be a material weakness?	__X__ yes	_____ none reported
Noncompliance material to the financial statement noted?	_____ yes	__X__ no

Federal Awards

Internal control over major program:		
• Material weaknesses identified?	_____ yes	__X__ no
• Significant deficiencies identified that is not considered to be a material weakness?	_____ yes	__X__ none reported
Type of auditors' report issued on compliance for major program:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	_____ yes	__X__ no

Identification of major program:

CFDA or Other Identifying Number	Program Title
10.923	Emergency Watershed Program
20.205	Highway Planning and Construction

PEMISCOT COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Dollar threshold used to distinguish between Type A and Type B programs: $300,000

Auditee qualified as a low-risk auditee? _____ yes ___X___ no

Section II – Financial Statement Findings

This section includes the audit finding that *Government Auditing Standards* requires to be reported for an audit of financial statements.

10-1 Financal Condition

The General Revenue Fund has continued its deterioration. Cash balances were expected to improve in 2009, however this improvement has not been realized. In 2010, there has been further erosion in the fund balance.

The Special Road and Bridge Fund cash balance improved significantly during 2009; however , it declined somewhat during 2010.

The County Commission needs to address the financial position of the above funds and other funds of the County both short and long-term. Close monitoring of all financial activities is essential.

This is a repeat finding.

We Recommend:

The County Commission monitor the County's financial position and take appropriate and necessary steps to increase revenue and reduce spending to attempt to stabilize the General Revenue and Special Road and Bridge Funds.

Auditee's Response and Plan for Corrective Action:

The County Commission will continue to monitor the County's financial position and take whatever actions they are able to implement.

10-2 Budgetary Practices

In addition to being required by State law, complete and accurate budgets are essential for the County Commission and County Clerk to evaluate County operations and to project the anticipated needs of the County for the upcoming year. Complete and accurate budgets are also necessary to properly inform the County's citizens about the County's finances.

The County Commission approved deficit budgets for several funds, allowed disbursements to exceed budgeted amounts in a number of funds, and a fund was not budgeted. There was no evidence the disbursements were adequately monitored to ensure actual disbursements did not exceed budgeted amounts.

PEMISCOT COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2010 AND 2009

A. Budgeted deficit balances were in the following funds:

Fund	Years Ended December 31,
General Revenue	2010 and 2009
Special Road and Bridge	2010
Drainage Districts (9)	2009
Assessment	2010 and 2009
Johnson Grass	2010 and 2009
Emergency 911	2009
Firing Range	2010 and 2009
Bootheel Drug Task Force	2010 and 2009
Election Service	2010 and 2009
MO Smart	2009

Also, because a budget was not adopted for the Tax Maintenance Fund, for the years ended December 31, 2010 and 2009, expenditures in that fund exceeded budgetary authority to the extent that the budget was not adopted.

Disbursements exceeded final budgeted amounts in the following funds:

Fund	Years Ended December 31,
Special Road and Bridge	2010 and 2009
Drainage Districts (9)	2010
Assessment	2010
Federal Forfeiture	2009
Bootheel Drug Task Force	2009
Law Enforcement Sales Tax	2010 and 2009
Sheriff's Civil Fees	2010

The above findings are repeat findings.

If there are valid reasons which necessitate excess disbursements, budget amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office. In addition Section 50.622, RSMo 2000, provides that counties may amend the annual budget during any year in which the County receives additional funds, which could not be estimated when the budget was adopted and that the County shall follow the same procedures required for adoption of the annual budget to amend the budget.

To allow the budgets to be used as a planning tool and to ensure compliance with State law, budget amendments should be made prior to incurring the actual expenditures, valid reasons, which necessitate excess disbursements, should be provided to support amendments, and public hearings should be held prior to the adoption of all budget amendments.

We Recommend:

The County Commission:

A. Discontinue deficit budgeting.

B. Reduce spending and increase revenue to obtain positive cash balance in all funds.

C. Not authorize disbursements in excess of budgeted amounts. If a necessity exists to exceed a budget, the appropriate procedures should be followed to amend the appropriate budget.

D. Ensure that all funds, regardless of size, are budgeted.

Auditee's Response and Plan for Corrective Action:

A,B They will discontinue practices as soon as possible.
C,D Both will be implemented.

10-3 Payroll and Related Matters

Some employees do not prepare a timesheet, some timesheets are not provided or maintained in the County Clerk's office, and some timesheet information is based on estimated hours worked. Overtime and compensatory time policies are not adequate and do not appear to comply with the Fair Labor Standards Act of 1938 (FLSA). The County accrues straight time off (compensatory time) to employees who work more than the County's normal 40-hour work period, although the FLSA requires compensatory time to be accrued at time and one-half. In addition, timesheets were not always signed by employees or reviewed and signed by the supervisor.

Payrolls are processed twice a month, and the County policy is to have each department submit timesheets or total hours worked for each employee to the County Clerk's office from two to five days in advance of the pay date to enable the payroll to be processed. The time reported for each employee represents actual hours worked from the beginning of the pay period through the date the information is submitted and estimated hours to be worked during the last two to five days of the pay period. No documentation was available to indicate the hours actually worked were subsequently compared to the hours estimated.

Paying County employees for estimated hours may lead to errors, inconsistencies in the calculation of overtime and accumulated leave balances, and the potential for employees to be over/under paid. In addition, detailed timesheets signed by the employee and approved by a supervisor are necessary to monitor overtime, leave, and compensatory time, and are beneficial in demonstrating compliance with County policies and the requirements of the Fair Labor Standards Act of 1938 (FLSA).

The County does not adequately maintain accrued vacation or sick leave for all employees for all departments.

We Recommend:

A. All employees of all departments should submit a timesheet that bears the signature of the employee and reviewed and signed by the supervisor before payment is rendered. In addition, copies of all timesheets should be maintained in the County Clerk's office for safekeeping.

B. If the County continues to use estimated hours worked for the last days of the pay period, the County should establish procedures to obtain documentation from the employees' supervisors for any differences between estimated and actual time worked, and fully document any applicable adjustments to the employees' pay or leave records when actual time worked is different from estimated time worked.

C. The County should adopt overtime and compensatory time policies which comply with the FLSA, and ensure employee overtime and compensatory time calculations do not include nonworking time such as leave and compensatory time used.

D. The County should maintain adequate and accurate records regarding accrued vacations and sick leave and vacation time and sick leave used by employees.

Auditee's Response and Plan for Corrective Action:

A-D All will be implemented.

Section III – Federal Award Findings and Questioned Costs

There are no findings and there are no questioned costs for December 31, 2010 and 2009.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

PEMISCOT COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
DECEMBER 31, 2010 AND 2009

In accordance with *Government Auditing Standards*, this section reports the auditors' follow-up on action taken by Pemiscot County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2008.

08-1 Financial Condition

The County has a poor financial condition in both its General Revenue and Special Road and Bridge Funds. Both funds are at deficit balances and have experienced poor budgeting. In addition the County did not properly roll back the property tax levy as required to reflect excess property tax collections in previous years.

Recommendation:

The County Commission takes appropriate actions (both short term and long term) to correct the poor financial conditions. Additionally, the Commission should take appropriate actions to properly reduce the property tax levy reflecting excess property taxes collected in previous years.

Status:

Not resolved. See finding No. 10-1.

08-2 Budgetary Practices

The County Commission approved deficit budgets for several funds and approved expenditures in excess of budgeted amounts for numerous funds. In addition, numerous fund budgets were not prepared and interest income and fund transfers were not properly classified.

Recommendation:

A. Discontinue deficit budgeting.
B. Ensure budgets are prepared for all county funds.
C. Ensure interest income and fund transfers are properly classified.

Status:

Not resolved. See finding No. 10-2.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133.

PEMISCOT COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133
DECEMBER 31, 2010 AND 2009

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the two years ended December 31, 2008, included several audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

08-3 Schedule of Expenditures of Federal Awards

The County does not have adequate procedures in place to track federal awards resulting in errors and omissions on the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation:

The County Commission and County Clerk ensure complete and accurate schedule of expenditures of federal awards.

Status:

Implemented

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report-
Auditors' Findings

PEMISCOT COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT
DECEMBER 31, 2010 AND 2009

We have audited the accompanying Government-Wide Statements of Net Assets-Cash Basis, Government-Wide Statements of Activities-Cash Basis, Governmental Funds Balance Sheets-Cash Basis, Governmental Funds Statements of Receipts, Disbursements, and Changes in Cash Balances, and Statements of Fiduciary Net Assets-Cash Basis of Pemiscot County, Missouri as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 3, 2011. We also have audited the compliance of Pemiscot County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 3, 2011.

We obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the provisions. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances.

This Management Advisory Report (MAR) presents any findings arising from our audit of the elected county officials and the county board referred to above. In addition, this report includes any findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These MAR Findings resulted from our audit of the financial statements of Pemiscot County, Missouri or of its compliance with the types of compliance requirements applicable to its major federal program but do not meet the criteria for inclusion in the written reports on compliance (and other matters, if applicable) and on internal control over financial reporting or compliance that are required for audits performed in accordance with *Government Auditing Standards* and OMB Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations.* There are no findings to report.

Follow-Up on Prior Audit Findings

PEMISCOT COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT
DECEMBER 31, 2010 AND 2009

In accordance with *Government Auditing Standards*, this section reports the auditors' follow-up on action taken by Pemiscot County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 2008. Any prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the County should consider implementing those recommendations. There were no findings reported on the audit report issued for the two years ended December 31, 2008 to follow up.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Dunklin County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Dunklin County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Devereux and Krauss LLP, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-52

DUNKLIN COUNTY, MISSOURI

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2010 AND 2009

DUNKLIN COUNTY, MISSOURI

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FINANCIAL SECTION

Auditors’ Reports

Devereux and Krauss LLP
Certified Public Accountants

307 North Main – St Charles, MO 63301
636-448-7355
JAMES P. DEVEREUX, C.P.A., P.C. FAX 636-947-3155
GARY L. KRAUSS, P.C., C.P.A.

INDEPENDENT AUDITORS' REPORT ON THE BASIC FINANCIAL STATEMENTS, REQUIRED SUPPLEMENTARY INFORMATION, AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the County Commission
and
Officeholders of Dunklin County, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dunklin County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents. These financial statements are the responsibility of the county of Dunklin's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, Dunklin County, Missouri, prepares its financial statements on the cash basis which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The financial statements do not include financial data for a county legally separate component unit (the Health Center). In addition, several immaterial court funds have not been included. Accounting principles generally accepted in the United States of America require the financial data for those units to be reported with the financial data of the County's primary government unless the County also issues financial statements for Dunklin County, Missouri that include the financial data for these units. The County has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues, and expenses do not include the omitted funds. In addition, the assets, liabilities, fund balances, revenues, and expenditures of the aggregate remaining fund information does not include the omitted funds.

In our opinion, because of the omission discussed previously, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Dunklin County, Missouri as of December 31, 2010 and 2009 or the changes in financial position thereof for the years then ended.

Further, in our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position cash basis of the governmental activities and each major fund of Dunklin County, Missouri as of December 31, 2010 and 2009, and the respective changes in financial position cash basis thereof for the years then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated June 30, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The County has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America, as applicable to the cash basis of accounting, has determined is necessary to supplement, although not required to be part of the basic financial statements.

The budgetary comparison schedules and other supplementary information on pages 32 through 59 are not required parts of the basic financial statements, but are supplementary information required to accompany those financial statements by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements, referred to in the first paragraph, taken as a whole. The accompanying Schedules of Expenditures of Federal Awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the basic financial statements. The accompanying Schedules of Expenditures of Federal Awards are the responsibility of the County. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects when considered, in relation to the basic financial statements, taken as a whole, that were prepared on the basis of accounting discussed in Note 1.

Devereux & Krauss, LLP

June 30, 2011

Devereux and Krauss LLP
Certified Public Accountants

307 North Main – St Charles, MO 63301
636-448-7355
JAMES P. DEVEREUX, C.P.A., P.C. FAX 636-947-3155
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Dunklin County, Missouri

We have audited the accompanying financial statements of Dunklin County, Missouri as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as identified in the table of contents and have issued our report thereon dated June 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Dunklin County, Missouri's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness, and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of control deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 10-1 to be a material weakness.

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 10-2 and 10-3 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of various funds of Dunklin County, Missouri, are free of material misstatements, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 10-2 and 10-3.

There are no other matters reported in the accompanying Management Advisory Report.

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of County Commission, management, audit committee, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Devereux & Krauss, LLP

June 30, 2011

Basic Financial Statements

EXHIBIT A-1

DUNKLIN COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2010

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 5,010,641
TOTAL ASSETS	$ 5,010,641
NET ASSETS	
Unrestricted general fund	$ 1,542,085
Unrestricted reported in non-major funds	1,445,279
Restricted special revenue funds	2,023,277
TOTAL NET ASSETS	$ 5,010,641

The accompanying Notes to the Financial Statements are in integral part of this statement.

EXHIBIT A-2

DUNKLIN COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2009

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 5,223,875
TOTAL ASSETS	$ 5,223,875
NET ASSETS	
Unrestricted general fund	$ 1,917,302
Unrestricted reported in non-major funds	1,335,816
Restricted special revenue funds	1,970,757
TOTAL NET ASSETS	$ 5,223,875

The accompanying Notes to the Financial Statements are in integral part of this statement.

EXHIBIT B-1

DUNKLIN COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2010

	Disbursements	Receipts: Charges for Services	Receipts: Intergovernmental	Net (Disbursements) Receipts and Changes in Cash Balances: Primary Government Governmental Activities
GOVERNMENTAL ACTIVITIES:				
General county government	$ 2,250,256	$ 860,867	$ 1,557,481	$ 168,092
Financial administration	427,016	-	-	(427,016)
Property valuation and recording	449,466	-	-	(449,466)
Administration of justice and law enforcement	4,072,744	60,121	25,200	(3,987,423)
Maintenance of roads	1,223,572	81,111	604,458	(538,003)
Transfers	631,345	-	631,345	-
Other	301,158	604,601	1,114,587	1,418,030
TOTAL GOVERNMENTAL ACTIVITIES	$ 9,355,557	$ 1,606,700	$ 3,933,071	$ (3,815,786)
GENERAL RECEIPTS:				
Taxes:				
Property taxes				$ 409,766
Sales and use taxes				2,895,203
Interest				46,609
Other				250,974
Total General Receipts				$ 3,602,552
Change in Cash Balances				$ (213,234)
NET ASSETS, JANUARY 1				5,223,875
NET ASSETS, DECEMBER 31				$ 5,010,641

The accompanying Notes to the Financial Statements are in integral part of this statement.

EXHIBIT B-2

DUNKLIN COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2009

	Disbursements	Receipts: Charges for Services	Receipts: Intergovernmental	Net (Disbursements) Receipts and Changes in Cash Balances: Primary Government Governmental Activities
GOVERNMENTAL ACTIVITIES:				
General county government	$ 1,802,717	$ 479,295	$ 1,441,486	$ 118,064
Financial administration	391,912	-	-	(391,912)
Property valuation and recording	515,097	-	-	(515,097)
Administration of justice and law enforcement	3,596,387	9,200	-	(3,587,187)
Maintenance of roads	4,746,268	79,373	592,130	(4,074,765)
Transfers	662,959	-	662,959	-
Other	274,213	486,823	4,550,954	4,763,564
TOTAL GOVERNMENTAL ACTIVITIES	$ 11,989,553	$ 1,054,691	$ 7,247,529	$ (3,687,333)
GENERAL RECEIPTS:				
Taxes:				
Property taxes				$ 398,063
Sales and use taxes				2,802,539
Interest				74,687
Other				288,055
Total General Receipts				$ 3,563,344
Change in Cash Balances				$ (123,989)
NET ASSETS, JANUARY 1, AS PREVIOUSLY REPORTED				5,349,040
PRIOR PERIOD ADJUSTMENT				(1,176)
NET ASSETS, JANUARY 1, AS RESTATED				5,347,864
NET ASSETS, DECEMBER 31				$ 5,223,875

The accompanying Notes to the Financial Statements are in integral part of this statement.

EXHIBIT C-1

DUNKLIN COUNTY, MISSOURI
GOVERNMENTAL FUNDS BALANCE SHEET - CASH BASIS
DECEMBER 31, 2010

	General Revenue	Special Road and Bridge	Law Enforcement Sales Tax	Emergency Management	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 1,542,085	$ 667,476	$ 1,355,801	$ -	$ 1,445,279	$ 5,010,641
TOTAL ASSETS	1,542,085	$ 667,476	$ 1,355,801	$ -	$ 1,445,279	$ 5,010,641
FUND BALANCES						
Unreserved	$ 1,542,085	$ -	$ -	$ -	$ -	$ 1,542,085
Unreserved reported in non-major funds	-	-	-	-	1,445,279	1,445,279
Unreserved special revenue funds	-	667,476	1,355,801	-	-	2,023,277
TOTAL FUND BALANCES	$ 1,542,085	$ 667,476	$ 1,355,801	$ -	$ 1,445,279	$ 5,010,641

The accompanying Notes to the Financial Statements are in integral part of this statement.

EXHIBIT C-2

DUNKLIN COUNTY, MISSOURI
GOVERNMENTAL FUNDS BALANCE SHEET - CASH BASIS
DECEMBER 31, 2009

	General Revenue	Special Road and Bridge	Law Enforcement Sales Tax	Emergency Management	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 1,917,302	$ 649,163	$ 1,321,594	$ -	$ 1,335,816	$ 5,223,875
TOTAL ASSETS	1,917,302	$ 649,163	$ 1,321,594	$ -	$ 1,335,816	$ 5,223,875
FUND BALANCES						
Unreserved	$ 1,917,302	$ -	$ -	$ -	$ -	$ 1,917,302
Unreserved reported in non-major funds	-	-	-	-	1,335,816	1,335,816
Unreserved special revenue funds	-	649,163	1,321,594	-	-	1,970,757
TOTAL FUND BALANCES	$ 1,917,302	$ 649,163	$ 1,321,594	$ -	$ 1,335,816	$ 5,223,875

The accompanying Notes to the Financial Statements are in integral part of this statement.

EXHIBIT D-1

DUNKLIN COUNTY, MISSOURI

GOVERNMENTAL FUNDS STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCES

YEAR ENDED DECEMBER 31, 2010

	General Revenue	Special Road and Bridge	Law Enforcement Sales Tax	Emergency Management	Non-Major Governmental Funds	Total Governmental Funds
RECEIPTS						
Property taxes	$ 94,874	$ -	$ -	$ -	$ 314,892	$ 409,766
Sales and use taxes	1,395,513	104,150	1,395,540	-	-	2,895,203
Intergovernmental	1,557,481	604,458	25,200	-	1,114,587	3,301,726
Charges for services	860,867	81,111	60,121	-	604,601	1,606,700
Interest	15,191	4,594	16,828	-	9,996	46,609
Other	232,395	-	-	-	18,579	250,974
Total Receipts	$ 4,156,321	$ 794,313	$ 1,497,689	$ -	$ 2,062,655	$ 8,510,978
DISBURSEMENTS						
General county government	$ 2,075,750	$ -	$ -	$ -	$ 475,664	$ 2,551,414
Financial administration	163,046	-	-	-	263,970	427,016
Property valuation and recording	100,296	-	-	-	349,170	449,466
Administration of justice and enforcement	2,622,316	-	987,569	-	462,859	4,072,744
Maintenance of roads	-	746,000	-	-	477,572	1,223,572
Total Disbursements	$ 4,961,408	$ 746,000	$ 987,569	$ -	$ 2,029,235	$ 8,724,212
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (805,087)	$ 48,313	$ 510,120	$ -	$ 33,420	$ (213,234)
OTHER FINANCING SOURCES (USES)						
Transfers in	$ 530,000	$ -	$ 24,087	$ -	$ 77,258	$ 631,345
Transfers out	(100,130)	(30,000)	(500,000)	-	(1,215)	(631,345)
Net Other Financing Sources (Uses)	$ 429,870	$ (30,000)	$ (475,913)	$ -	$ 76,043	$ -
NET CHANGE IN CASH BALANCES	$ (375,217)	$ 18,313	$ 34,207	$ -	$ 109,463	$ (213,234)
CASH BALANCES, JANUARY 1	1,917,302	649,163	1,321,594	-	1,335,816	5,223,875
CASH BALANCES, DECEMBER 31	$ 1,542,085	$ 667,476	$ 1,355,801	$ -	$ 1,445,279	$ 5,010,641

The accompanying Notes to the Financial Statements are an integral part of this statement.

EXHIBIT D-2

DUNKLIN COUNTY, MISSOURI

GOVERNMENTAL FUNDS STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCES

YEAR ENDED DECEMBER 31, 2009

	General Revenue	Special Road and Bridge	Law Enforcement Sales Tax	Emergency Management	Non-Major Governmental Funds	Total Governmental Funds
RECEIPTS						
Property taxes	$ 91,707	$ -	$ -	$ -	$ 306,356	$ 398,063
Sales and use taxes	1,354,613	93,635	1,354,291	-	-	2,802,539
Intergovernmental	1,441,486	592,130	-	3,733,731	817,223	6,584,570
Charges for services	479,295	79,373	9,200	-	486,823	1,054,691
Interest	26,509	5,968	27,829	-	14,381	74,687
Other	255,316	-	-	-	32,739	288,055
Total Receipts	$ 3,648,926	$ 771,106	$ 1,391,320	$ 3,733,731	$ 1,657,522	$ 11,202,605
DISBURSEMENTS						
General county government	$ 1,650,301	$ -	$ -	$ -	$ 426,629	$ 2,076,930
Financial administration	164,686	-	-	-	227,226	391,912
Property valuation and recording	98,426	-	-	-	416,671	515,097
Administration of justice and enforcement	2,184,276	-	1,039,524	-	372,587	3,596,387
Maintenance of roads	-	800,000	-	3,752,511	193,757	4,746,268
Total Disbursements	$ 4,097,689	$ 800,000	$ 1,039,524	$ 3,752,511	$ 1,636,870	$ 11,326,594
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (448,763)	$ (28,894)	$ 351,796	$ (18,780)	$ 20,652	$ (123,989)
OTHER FINANCING SOURCES (USES)						
Transfers in	$ 570,778	$ -	$ -	$ 18,780	$ 73,401	$ 662,959
Transfers out	(92,181)	(35,000)	(500,000)	-	(35,778)	(662,959)
Net Other Financing Sources (Uses)	$ 478,597	$ (35,000)	$ (500,000)	$ 18,780	$ 37,623	$ -
NET CHANGE IN CASH BALANCES	$ 29,834	$ (63,894)	$ (148,204)	$ -	$ 58,275	$ (123,989)
CASH BALANCES, JANUARY 1, AS PREVIOUSLY REPORTED	1,887,468	713,057	1,469,798	-	1,278,717	5,349,040
PRIOR PERIOD ADJUSTMENT	-	-	-	-	(1,176)	(1,176)
CASH BALANCES, JANUARY 1	1,887,468	713,057	1,469,798	-	1,277,541	5,347,864
CASH BALANCES, DECEMBER 31	$ 1,917,302	$ 649,163	$ 1,321,594	$ -	$ 1,335,816	$ 5,223,875

The accompanying Notes to the Financial Statements are an integral part of this statement.

EXHIBIT E-1

DUNKLIN COUNTY, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS
DECEMBER 31, 2010

ASSETS	
Cash and cash equivalents	$ 99,360
TOTAL ASSETS	$ 99,360
NET ASSETS	
Restricted	$ 99,360
TOTAL NET ASSETS	$ 99,360

The accompanying Notes to the Financial Statements are in integral part of this statement.

EXHIBIT E-2

DUNKLIN COUNTY, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS
DECEMBER 31, 2009

ASSETS	
Cash and cash equivalents	$ 106,064
TOTAL ASSETS	$ 106,064
NET ASSETS	
Restricted	$ 106,064
TOTAL NET ASSETS	$ 106,064

The accompanying Notes to the Financial Statements are in integral part of this statement.

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Dunklin, Missouri ("County") is governed by a three-member board of commissioners, established in 1845. In addition to the three board members, there are six elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Sheriff, and Prosecuting Attorney.

These financial statements are presented on the cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the Government-Wide Financial Statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

These financial statements present financial accountability of Dunklin County, Missouri as applied using the cash basis of accounting.

The County's operations include tax assessments and collections, state/county courts, county recorder, police and fire protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Dunklin County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

The financial statements do not include financial data for a County legally separate component unit (the Health Center). In addition, several immaterial court funds have not been included.

B. Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Assets-Cash Basis and the Statement of Activities-Cash Basis present financial information about the primary government of Dunklin County, Missouri only and not any of its component units. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The County does not have any business type activities. These Government-Wide Financial Statements exclude fiduciary activities.

The Statement of Net Assets-Cash Basis presents the financial condition of the governmental activities of the primary government of Dunklin County, Missouri at year-end. The Statement of Activities-Cash Basis presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as program revenues include: (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

the operational or capital requirements of a particular program. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenue not properly included among program revenues are presented instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements:

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. The County does not have proprietary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The County has determined that the General Revenue Fund, Special Road and Bridge Fund, Law Enforcement Sales Tax Fund, and Emergency Management Fund are major governmental funds. All other governmental funds are reported in one column labeled "Non-major Governmental Funds." If applicable, the total fund balances for all governmental funds are reconciled to total net assets. The net change in fund balance for all governmental funds, if applicable, is reconciled to the total change in net assets as shown on the Government-Wide Statement of Activities-Cash Basis in the basic financial statements.

The fund financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net assets, revenues and expenditures.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various fund, summarized by type, are in the basic financial statements. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

The following are the County's governmental major funds:

General Revenue Fund – The General Revenue Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Road and Bridge Fund – A special revenue fund used to account for receipts of the County property tax levy and related expenditures for road maintenance and improvement projects.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

Law Enforcement Sales Tax Fund – A special fund used to account for receipts of the County property tax levy and related expenditures.

Emergency Management Fund – This fund was created to handle the federal funds related to primarily the ice storm of 2008.

The other governmental funds of the County are considered non-major funds. They include special revenue funds, which account for the proceeds of specific revenue sources that generally are legally restricted to expenditures for specific purposes.

The remaining funds cash balances consist of:

	2010	2009
Prosecuting Attorney Undispursed Restitution	$ 90	$ 90
Crime Victims Compensation	42,426	42,015
Financial Institution	104,566	98,906
Surplus Certificate Bids	211	211
Total	$147,293	$141,222

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations. The Principal County and Schools Fund is the only fiduciary fund with ending cash balances of $99,360 in 2010 and $106,064 in 2009.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are prepared using the cash basis of accounting. This basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions except that the purchase of investments are recorded as assets; and as receivables and revenue in the fund statements as applicable; and receipts of proceeds of tax anticipation notes are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash basis of accounting, assets (such as accounts receivable and capital assets), revenues (such as revenue for billed or provided services not yet collected), liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2010 and 2009, for purposes of taxation were:

	2010	2009
Real Estate	$201,469,660	$200,549,040
Personal Property	$ 74,157,659	$ 74,247,886
Railroad and Utilities	$ 17,531,581	$ 17,409,634
Locally Assess RE & PP	$ 263,362	$ 268,382

The County Commission approved tax levies per $100 of assessed valuation of tangible taxable property for the calendar years for purposes of County taxation, as follows.

	2010	2009
General Revenue Fund	.6157	.6156
Road and Bridge	.5857	.5856

E. Deposits and Investments

Disclosures are provided below to comply with GASB Statement No. 40, *Deposit and Investment Risk Disclosures.* For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions. Investments are securities and other assets acquired primarily for the purpose of obtaining income or profit.

Deposits

In addition to depositing in demand accounts, political subdivisions such as counties have the authority to place excess funds in certificates of deposit. To protect the safety of county deposits, depositaries are required to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities must be of the types specified by Missouri statutes, for the collateralization of state funds and held by either the county or a financial institution other than the depositary bank. Certificates of deposit must also be insured by the FDIC for 100 percent of their principal and accrued interest. Custodial credit risk is the risk that, if a depositary bank fails, Dunklin County, Missouri will not be able to recover its deposits or recover collateral securities that are in an outside party's possession.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Deposits and Investments (continued)

Investments

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. At December 31, 2010 and 2009, the County had no such investments. In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depositary accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has adopted such a policy.

F. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as "Due from other funds" or "Due to other funds" on the Governmental Funds Balance Sheet-Cash Basis.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

G. Restricted Fund Balance

Restricted fund balance represents the portion of fund balance that is not available for appropriation or are legally restricted for a specific purpose.

H. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. All other net assets are reported as unrestricted. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

I. Use of Estimates in Financial Statements

Preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various County funds in accordance with Sections 50.525 through 50.745, RSMo, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the County did not adopt formal budgets for the following funds:

Fund	Years Ended December 31,
Emergency Management	2009
DC Sheriff Revolving	2010 and 2009
HAVA	2009

Although Section 50.740, RSMo, requires a balanced budget, state law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balances. The County reported a deficit budget balance in the Sheriff's Commissions Fund at December 31, 2009.

Section 50.740, RSMo, prohibits expenditures in excess of the approved budgets. However, expenditures exceeded budgeted amounts for the following funds:

Fund	Years Ended December 31,
General Revenue	2010 and 2009
Special Road and Bridge	2010
Law Enforcement Sales Tax	2010 and 2009
Senate Bill 40	2009
Recorders Users	2009
Prosecuting Attorney Training	2010
Emergency 911	2010
Victims of Domestic Violence and Domestic Violence Shelters	2009
Prosecuting Attorney Bad Check	2009
DC Law Enforcement Restitution	2010 and 2009
Prosecuting Attorney Delinquent Tax	2010
Pilot Program	2010
County Clerk Discretionary	2010
Sheriff's Civil Fees	2010
Drainage and Levee District	2009
Off System Bridge	2010
Sheriff's Commissions	2010 and 2009
Remaining	2010 and 2009
CERF Collection	2010
Tax Maintenance	2010 and 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Budgets and Budgetary Practices (continued)

Also, because a budget was not adopted for several funds, expenditures in that fund exceeded budgetary authority to the extent that the budget was not adopted. These funds are as follows:

Fund	Years Ended December 31,
Emergency Management	2009
DC Sheriff Revolving	2010 and 2009
HAVA	2009

K. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the County. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. Dunklin County, Missouri published all funds for 2010 and 2009.

2. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the Governmental Funds Balance Sheet-Cash Basis arising from cash transactions as "Cash and Equivalents" under each fund's caption.

Deposits – Missouri statues require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010, the carrying amount of the County's deposits was $5,010,641, the bank balance was $5,391,278. At December 31, 2009, the carrying amount of the County's deposits was $5,223,875, the bank balance was $5,435,578.

Custodial Credit Risk - Deposits

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2010 and 2009, as follows:

	2010 and 2009 Maturity	2010 Book Balance	2009 Book Balance
Deposits:			
Checking and Now Accounts	N/A	$5,010,641	$5,223,875
Investments	N/A	-	-
Total Deposits		$5,010,641	$5,223,875
Included in the following fund financial statement captions:			
Governmental Funds Balance Sheet-Cash Basis			
Cash and Cash Equivalents		$5,010,641	$5,223,875
Investments		-	-
Total		$5,010,641	$5,223,875

2. DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be guaranteed. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk at year end.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, not registered in the name of the government, or held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. The county's investments are not exposed to custodial credit risk at December 31, 2010 and 2009.

Investment Interest Rate Risk

The County does not have a policy in place that minimizes the risk that the market value of securities in the portfolio will decline due to changes in interest rates. Structuring the investments portfolio so that securities mature to meet cash requirements for ongoing operations would avoid the need to sell securities on the open market prior to maturity. Maturities of investments held at December 31, 2010 and 2009 are provided in the above schedules.

Investment Credit Risk

The County does not have a policy in place to minimize credit risk or the risk of loss due to the failure of the security.

Concentration of Investment Credit Risk

Concentration of credit risk must be disclosed for any single investment that represents 5% or more of total investments (excluding investments issued by or guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments).

The County does not have a policy in place to minimize the risk of loss resulting from over concentration of assets.

3. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2010 and 2009 are as follows:

	2010 Transfers In (Out)	2009 Transfers In (Out)
Major Funds		
General Revenue	$429,870	$478,597
Special Road and Bridge	(30,000)	(35,000)
Law Enforcement Sales Tax	(475,913)	(500,000)
Emergency Management	0	18,780
Non-major Funds	76,043	37,623
Total	$ -	$ - .

4. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in any county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56,800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of any active member upon the member's death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five, with reduced benefit, is allowed for the police department, and the age sixty for all other departments in the County. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State Statutes, the Plan is funded through fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in the CERF. During 2010 and 2009, the County collected and remitted to CERF, employee contributions of $0 for 2010 and $0 for 2009.

5. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with State Statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed $7,752 for the year ended December 31, 2010 and $7,752 for 2009.

6. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

7. CLAIMS, COMMITMENTS AND CONTINGENCIES

A. Litigation

The County does not have any material litigation issues for years ended December 31, 2010 and 2009.

B. Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuing service. Upon termination from county employment, an employee is not reimbursed for unused vacation and overtime if applicable. Sick time is accrued at one half day per month after the first 90 days of employment. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, would be immaterial. A provision has not been made in the accompanying financial statements for any potential refund of grant monies.

8. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have not been any significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

9. Justice Center Lease

The County and UMB Bank (the "Trustee") have a lease/purchase agreement whereby Dunklin County, Missouri leases the Justice Center and contents from the Trustee for lease payments through 2024. The County Commission must renew the lease annually. Additionally, the County has a purchase option that essentially follows an amortization table of the Trustee to retire the Certificate of Participation Bonds issued to fund the Justice Center.

The original amount of bonds total $9,260,000. Lease payments are as follows:

	Bonds to be retired		Interest Rate
2011	$ 385,000	plus	3.40
2012	$ 400,000	plus	3.60
2013	$ 415,000	plus	3.50
2014	$ 430,000	plus	3.70
2015	$ 445,000	plus	3.75
2016	$ 460,000	plus	5.00
2017	$ 485,000	plus	5.00
2019	$1,035,000	plus	5.00
2021	$1,150,000	plus	5.00
2024	$1,945,000	plus	5.00

The County and Kennett National Bank (the "Bank") have a lease/purchase agreement whereby Dunklin County, Missouri leases the remaining Justice Center costs $1,250,000 from the Bank for lease payments through 2024. The County Commission must renew the lease annually. Additionally the County has a purchase option that essentially follows an amortization table of the Bank to retire the Certification of Participation Bonds issued to fund the Justice Center's additional costs. Lease payments include funds to retire the bonds plus interest.

Lease payments including interest are as follows:

Year	Payment
2011	$713,363
2012	$715,273
2013	$715,873
2014	$716,348
2015	$715,438
2016	$713,750
2017	$715,750
2018	$711,500
2019	$711,250
2020	$719,750
2021	$711,500
2022	$712,250
2023	$716,500
2024	$714,000

10. Subsequent Events

The County evaluates subsequent events through the date that the County's financial statements are issued. As of June 30, 2011, there were no subsequent events. The adoption of FASB ASC 855-10-50-1 did not have a material impact on the County's financial statements.

Required Supplementary Information

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - VARIOUS FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
TOTALS - VARIOUS FUNDS								
RECEIPTS	$ 8,285,137	$ 8,285,137	$ 9,142,323	$ 857,186	$ 8,081,999	$ 8,081,999	$ 11,865,564	$ 3,783,565
DISBURSEMENTS	8,451,512	8,440,700	9,355,557	914,857	8,083,394	8,167,750	11,989,553	(3,821,803)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (166,375)	$ (155,563)	$ (213,234)	$ (57,671)	$ (1,395)	$ (85,751)	$ (123,989)	$ 7,605,368
CASH, JANUARY 1, AS PREVIOUSLY REPORTED							5,349,040	
PRIOR PERIOD ADJUSTMENT							(1,176)	
CASH, JANUARY 1, AS RESTATED	5,223,875	5,223,875	5,223,875	0	5,347,864	5,347,864	5,347,864	0
CASH, DECEMBER 31	$ 5,057,500	$ 5,068,312	$ 5,010,641	$ (57,671)	$ 5,346,469	$ 5,262,113	$ 5,223,875	$ 7,605,368

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
GENERAL REVENUE								
RECEIPTS								
Property taxes	$ 90,000	$ 90,000	$ 94,874	$ 4,874	$ 99,000	$ 99,000	$ 91,707	$ (7,293)
Sales and use taxes	1,350,000	1,350,000	1,395,513	45,513	1,400,000	1,400,000	1,354,613	(45,387)
Intergovernmental	1,625,867	1,625,867	1,557,481	(68,386)	1,301,465	1,301,465	1,441,486	140,021
Charges for services	459,803	459,803	860,867	401,064	485,348	485,348	479,295	(6,053)
Interest	27,000	27,000	15,191	(11,809)	50,000	50,000	26,509	(23,491)
Other	305,345	305,345	232,395	(72,950)	207,300	207,300	255,316	48,016
Transfers in	530,000	530,000	530,000	0	560,000	560,000	570,778	10,778
Total Receipts	$ 4,388,015	$ 4,388,015	$ 4,686,321	$ 298,306	$ 4,103,113	$ 4,103,113	$ 4,219,704	$ 116,591
DISBURSEMENTS								
County commission	$ 376,884	$ 376,884	$ 543,861	$ (166,977)	$ 233,970	$ 233,970	$ 257,784	$ (23,814)
County clerk	151,275	151,275	150,813	462	153,776	153,776	147,342	6,434
Elections	110,420	110,420	101,143	9,277	48,000	48,000	41,624	6,376
Buildings and grounds	165,318	165,318	148,320	16,998	234,008	234,008	184,101	49,907
Employee fringe benefits	707,500	707,500	793,706	(86,206)	658,000	658,000	674,120	(16,120)
County treasurer	154,738	154,738	163,046	(8,308)	87,491	87,491	164,686	(77,195)
Recorder of deeds	100,990	100,990	100,296	694	102,130	102,130	98,426	3,704
Circuit clerk	68,950	68,950	76,261	(7,311)	67,900	67,900	77,119	(9,219)
Court administration	14,700	14,700	25,593	(10,893)	14,700	14,700	19,371	(4,671)

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
GENERAL REVENUE - CONTINUED								
DISBURSEMENTS - CONTINUED								
Public administrator	$ 138,516	$ 138,516	$ 128,126	$ 10,390	$ 127,816	$ 127,816	$ 130,781	$ (2,965)
Sheriff	729,130	729,130	687,810	41,320	680,840	680,840	673,544	7,296
Jail	1,082,458	1,082,458	1,106,271	(23,813)	1,026,571	1,026,571	1,105,106	(78,535)
Prosecuting attorney	270,030	270,030	275,838	(5,808)	265,738	265,738	270,933	(5,195)
Juvenile officer	109,213	109,213	98,044	11,169	88,900	88,900	82,347	6,553
County coroner	33,675	33,675	29,760	3,915	31,900	31,900	32,975	(1,075)
Paternity unit	118,212	118,212	115,378	2,834	122,650	122,650	118,428	4,222
Public health and welfare	18,825	18,825	18,142	683	17,500	17,500	19,002	(1,502)
DTS payments	0	0	399,000	(399,000)	0	0	0	0
Emergency fund	132,000	132,000	0	132,000	125,000	125,000	0	125,000
Transfers out	27,500	27,500	100,130	(72,630)	33,500	93,356	92,181	1,175
Total Disbursements	$ 4,510,334	$ 4,510,334	$ 5,061,538	$ (551,204)	$ 4,120,390	$ 4,180,246	$ 4,189,870	$ (9,624)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (122,319)	$ (122,319)	$ (375,217)	$ (252,898)	$ (17,277)	$ (77,133)	$ 29,834	$ 106,967
CASH, JANUARY 1	1,917,302	1,917,302	1,917,302	0	1,887,468	1,887,468	1,887,468	0
CASH, DECEMBER 31	$ 1,794,983	$ 1,794,983	$ 1,542,085	$ (252,898)	$ 1,870,191	$ 1,810,335	$ 1,917,302	$ 106,967

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
SPECIAL ROAD AND BRIDGE								
RECEIPTS								
Sales taxes	$ 90,000	$ 90,000	$ 104,150	$ 14,150	$ 110,000	$ 110,000	$ 93,635	$ (16,365)
Intergovernmental	590,000	590,000	604,458	14,458	615,000	615,000	592,130	(22,870)
Charges for services	78,000	78,000	81,111	3,111	82,000	82,000	79,373	(2,627)
Interest	5,000	5,000	4,594	(406)	10,000	10,000	5,968	(4,032)
Total Receipts	$ 763,000	$ 763,000	$ 794,313	$ 31,313	$ 817,000	$ 817,000	$ 771,106	$ (45,894)
DISBURSEMENTS								
Road and bridge materials	$ 700,000	$ 700,000	$ 746,000	$ (46,000)	$ 800,000	$ 800,000	$ 800,000	$ 0
Transfers out	35,000	35,000	30,000	5,000	35,000	35,000	35,000	0
Total Disbursements	$ 735,000	$ 735,000	$ 776,000	$ (41,000)	$ 835,000	$ 835,000	$ 835,000	$ 0
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 28,000	$ 28,000	$ 18,313	$ (9,687)	$ (18,000)	$ (18,000)	$ (63,894)	$ (45,894)
CASH, JANUARY 1	649,163	649,163	649,163	0	713,057	713,057	713,057	0
CASH, DECEMBER 31	$ 677,163	$ 677,163	$ 667,476	$ (9,687)	$ 695,057	$ 695,057	$ 649,163	$ (45,894)

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
LAW ENFORCEMENT SALES TAX								
RECEIPTS								
Sales taxes	$ 1,380,000	$ 1,380,000	$ 1,395,540	$ 15,540	$ 1,380,000	$ 1,380,000	$ 1,354,291	$ (25,709)
Intergovernmental	0	0	25,200	25,200	0	0	0	0
Charges for services	0	0	60,121	60,121	55,200	55,200	9,200	(46,000)
Interest	28,000	28,000	16,828	(11,172)	45,000	45,000	27,829	(17,171)
Transfers in	0	0	24,087	24,087	0	0	0	0
Total Receipts	$ 1,408,000	$ 1,408,000	$ 1,521,776	$ 113,776	$ 1,480,200	$ 1,480,200	$ 1,391,320	$ (88,880)
DISBURSEMENTS								
Building renovation	$ 0	$ 0	$ 5,231	$ (5,231)	$ 0	$ 0	$ 1,300	$ (1,300)
Maintenance	15,000	15,000	8,057	6,943	15,000	15,000	120,594	(105,594)
Debt service	800,000	800,000	765,909	34,091	800,000	800,000	795,010	4,990
Patrol cars	60,000	60,000	122,294	(62,294)	60,000	60,000	47,968	12,032
Insurance	83,000	83,000	85,661	(2,661)	50,000	50,000	72,290	(22,290)
Bank charges	2,500	2,500	417	2,083	2,500	2,500	2,362	138
Office	0	0	0	0	1,000	1,000	0	1,000
Transfers out	500,000	500,000	500,000	0	500,000	500,000	500,000	0
Total Disbursements	$ 1,460,500	$ 1,460,500	$ 1,487,569	$ (27,069)	$ 1,428,500	$ 1,428,500	$ 1,539,524	$ (111,024)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (52,500)	$ (52,500)	$ 34,207	$ 86,707	$ 51,700	$ 51,700	$ (148,204)	$ (199,904)
CASH, JANUARY 1	1,321,594	1,321,594	1,321,594	0	1,469,798	1,469,798	1,469,798	0
CASH, DECEMBER 31	$ 1,269,094	$ 1,269,094	$ 1,355,801	$ 86,707	$ 1,521,498	$ 1,521,498	$ 1,321,594	$ (199,904)

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
EMERGENCY MANAGEMENT								
RECEIPTS								
Intergovernmental -FEMA award	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,733,731	$ 3,733,731
Transfers in	0	0	0	0	0	0	18,780	18,780
Total Receipts	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,752,511	$ 3,752,511
DISBURSEMENTS								
Salaries	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 80,133	$ (80,133)
Overtime	0	0	0	0	0	0	74,231	(74,231)
Fringe benefits	0	0	0	0	0	0	17,023	(17,023)
Car allowance	0	0	0	0	0	0	24,196	(24,196)
Emergency watershed	0	0	0	0	0	0	3,556,928	(3,556,928)
Total Disbursements	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,752,511	$ (3,752,511)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
CASH, JANUARY 1	0	0	0	0	0	0	0	0
CASH, DECEMBER 31	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
SENATE BILL 40								
RECEIPTS								
Property taxes	$ 300,000	$ 300,000	$ 309,212	$ 9,212	$ 317,000	$ 317,000	$ 300,492	$ (16,508)
Interest	3,900	3,900	3,245	(655)	6,000	6,000	3,939	(2,061)
Other	20,000	20,000	18,579	(1,421)	0	0	32,739	32,739
Total Receipts	$ 323,900	$ 323,900	$ 331,036	$ 7,136	$ 323,000	$ 323,000	$ 337,170	$ 14,170
DISBURSEMENTS								
Cotton Boll Sheltered Workshop	$ 162,677	$ 152,677	$ 152,677	$ 0	$ 125,000	$ 125,000	$ 125,000	$ 0
Dunklin Day Activity Center	91,513	91,513	88,372	3,141	95,276	95,276	95,280	(4)
Cotton Boll Sheltered Group Homes	58,249	58,249	58,249	0	51,460	51,460	51,460	0
Office supplies	2,612	1,800	1,860	(60)	2,000	2,000	2,473	(473)
Total Disbursements	$ 315,051	$ 304,239	$ 301,158	$ 3,081	$ 273,736	$ 273,736	$ 274,213	$ (477)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 8,849	$ 19,661	$ 29,878	$ 10,217	$ 49,264	$ 49,264	$ 62,957	$ 13,693
CASH, JANUARY 1	307,267	307,267	307,267	0	244,310	244,310	244,310	0
CASH, DECEMBER 31	$ 316,116	$ 326,928	$ 337,145	$ 10,217	$ 293,574	$ 293,574	$ 307,267	$ 13,693

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
ASSESSMENT								
RECEIPTS								
Intergovernmental	$ 335,332	$ 335,332	$ 332,618	$ (2,714)	$ 350,000	$ 350,000	$ 316,065	$ (33,935)
Charges for services	4,900	4,900	4,987	87	4,500	4,500	4,744	244
Interest	1,100	1,100	725	(375)	1,600	1,600	1,097	(503)
Transfers in	15,000	15,000	15,000	0	15,000	15,000	15,000	0
Total Receipts	$ 356,332	$ 356,332	$ 353,330	$ (3,002)	$ 371,100	$ 371,100	$ 336,906	$ (34,194)
DISBURSEMENTS								
Assessor salary	$ 43,417	$ 43,417	$ 43,417	$ 0	$ 43,000	$ 43,000	$ 43,000	$ 0
Deputy and clerical salaries	150,839	150,839	150,807	32	152,171	152,171	150,807	1,364
Fringe benefits	64,570	64,570	72,851	(8,281)	60,000	60,000	63,500	(3,500)
Office supplies	13,600	13,600	9,527	4,073	5,500	5,500	5,992	(492)
Equipment	15,400	15,400	6,130	9,270	0	4,200	4,125	75
Assessor's bond	0	0	0	0	75	75	266	(191)
Mileage and training	6,500	6,500	3,223	3,277	6,500	6,500	6,642	(142)
Telephone	2,300	2,300	2,031	269	1,900	1,900	1,885	15
Postage	8,000	8,000	8,235	(235)	13,500	13,500	14,244	(744)
Tuition and training	3,000	3,000	1,493	1,507	1,800	1,800	2,468	(668)
Equipment repair	1,500	1,500	0	1,500	6,000	800	56	744
MAP maintenance	10,000	10,000	12,240	(2,240)	51,500	51,500	51,568	(68)
Appraisal service	34,000	34,000	25,000	9,000	34,000	34,000	29,044	4,956
Office furniture	0	0	0	0	0	1,000	716	284
Total Disbursements	$ 353,126	$ 353,126	$ 334,954	$ 18,172	$ 375,946	$ 375,946	$ 374,313	$ 1,633
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 3,206	$ 3,206	$ 18,376	$ 15,170	$ (4,846)	$ (4,846)	$ (37,407)	$ (32,561)
CASH, JANUARY 1	29,550	29,550	29,550	0	66,957	66,957	66,957	0
CASH, DECEMBER 31	$ 32,756	$ 32,756	$ 47,926	$ 15,170	$ 62,111	$ 62,111	$ 29,550	$ (32,561)

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
JOHNSON GRASS								
RECEIPTS								
Property taxes	$ 0	$ 0	$ 5,680	$ 5,680	$ 2,000	$ 2,000	$ 5,864	$ 3,864
Interest	2,300	2,300	1,699	(601)	6,000	6,000	2,828	(3,172)
Total Receipts	$ 2,300	$ 2,300	$ 7,379	$ 5,079	$ 8,000	$ 8,000	$ 8,692	$ 692
DISBURSEMENTS								
Chemicals	$ 2,000	$ 2,000	$ 900	$ 1,100	$ 2,500	$ 2,500	$ 1,560	$ 940
Spraying	19,000	19,000	19,354	(354)	18,500	18,500	16,834	1,666
Office	500	500	307	193	700	700	332	368
Total Disbursements	$ 21,500	$ 21,500	$ 20,561	$ 939	$ 21,700	$ 21,700	$ 18,726	$ 2,974
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (19,200)	$ (19,200)	$ (13,182)	$ 6,018	$ (13,700)	$ (13,700)	$ (10,034)	$ 3,666
CASH, JANUARY 1	169,314	169,314	169,314	0	179,348	179,348	179,348	0
CASH, DECEMBER 31	$ 150,114	$ 150,114	$ 156,132	$ 6,018	$ 165,648	$ 165,648	$ 169,314	$ 3,666

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
RECORDERS USERS								
RECEIPTS								
Charges for services	$ 12,775	$ 12,775	$ 14,237	$ 1,462	$ 15,000	$ 15,000	$ 14,251	$ (749)
Interest	1,070	1,070	652	(418)	2,000	2,000	1,068	(932)
Total Receipts	$ 13,845	$ 13,845	$ 14,889	$ 1,044	$ 17,000	$ 17,000	$ 15,319	$ (1,681)
DISBURSEMENTS								
Recording system	$ 30,000	$ 30,000	$ 14,216	$ 15,784	$ 35,000	$ 35,000	$ 42,358	$ (7,358)
Total Disbursements	$ 30,000	$ 30,000	$ 14,216	$ 15,784	$ 35,000	$ 35,000	$ 42,358	$ (7,358)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (16,155)	$ (16,155)	$ 673	$ 16,828	$ (18,000)	$ (18,000)	$ (27,039)	$ (9,039)
CASH, JANUARY 1	63,834	63,834	63,834	0	90,873	90,873	90,873	0
CASH, DECEMBER 31	$ 47,679	$ 47,679	$ 64,507	$ 16,828	$ 72,873	$ 72,873	$ 63,834	$ (9,039)

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
PROSECUTING ATTORNEY TRAINING								
RECEIPTS								
Charges for services	$ 600	$ 600	$ 714	$ 114	$ 1,000	$ 1,000	$ 601	$ (399)
Interest	2	2	1	(1)	0	0	2	2
Transfers in	0	0	1,215	1,215	0	0	0	0
Total Receipts	$ 602	$ 602	$ 1,930	$ 1,328	$ 1,000	$ 1,000	$ 603	$ (397)
DISBURSEMENTS								
Mileage	$ 0	$ 0	$ 401	$ (401)	$ 0	$ 0	$ 0	$ 0
Tuition	500	500	855	(355)	620	620	560	60
Lodging and meals	0	0	814	(814)	380	380	0	380
Total Disbursements	$ 500	$ 500	$ 2,070	$ (1,570)	$ 1,000	$ 1,000	$ 560	$ 440
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 102	$ 102	$ (140)	$ (242)	$ 0	$ 0	$ 43	$ 43
CASH, JANUARY 1	200	200	200	0	157	157	157	0
CASH, DECEMBER 31	$ 302	$ 302	$ 60	$ (242)	$ 157	$ 157	$ 200	$ 43

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
LAW ENFORCEMENT TRAINING								
RECEIPTS								
Intergovernmental	$ 1,175	$ 1,175	$ 0	$ (1,175)	$ 1,200	$ 1,200	$ 0	$ (1,200)
Charges for services	2,375	2,375	2,787	412	2,400	2,400	2,357	(43)
Interest	20	20	3	(17)	150	150	20	(130)
Total Receipts	$ 3,570	$ 3,570	$ 2,790	$ (780)	$ 3,750	$ 3,750	$ 2,377	$ (1,373)
DISBURSEMENTS								
Tuition and training	$ 800	$ 800	$ 1,395	$ (595)	$ 4,000	$ 4,000	$ 710	$ 3,290
Mileage and meals	1,500	1,500	900	600	1,000	1,000	2,361	(1,361)
Certifications	0	0	0	0	500	500	0	500
Targets	300	300	129	171	100	100	147	(47)
Ammunition	750	750	788	(38)	250	250	0	250
Total Disbursements	$ 3,350	$ 3,350	$ 3,212	$ 138	$ 5,850	$ 5,850	$ 3,218	$ 2,632
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 220	$ 220	$ (422)	$ (642)	$ (2,100)	$ (2,100)	$ (841)	$ 1,259
CASH, JANUARY 1	1,299	1,299	1,299	0	2,140	2,140	2,140	0
CASH, DECEMBER 31	$ 1,519	$ 1,519	$ 877	$ (642)	$ 40	$ 40	$ 1,299	$ 1,259

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
DC SHERIFF REVOLVING								
RECEIPTS								
Charges for services	$ 0	$ 0	$ 6,764	$ 6,764	$ 0	$ 0	$ 7,575	$ 7,575
Total Receipts	$ 0	$ 0	$ 6,764	$ 6,764	$ 0	$ 0	$ 7,575	$ 7,575
DISBURSEMENTS								
Sheriff's expenses	$ 0	$ 0	$ 6,722	$ (6,722)	$ 0	$ 0	$ 21,667	$ (21,667)
Total Disbursements	$ 0	$ 0	$ 6,722	$ (6,722)	$ 0	$ 0	$ 21,667	$ (21,667)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 0	$ 0	$ 42	$ 42	$ 0	$ 0	$ (14,092)	$ (14,092)
CASH, JANUARY 1	0	0	0	0	14,092	14,092	14,092	0
CASH, DECEMBER 31	$ 0	$ 0	$ 42	$ 42	$ 14,092	$ 14,092	$ 0	$ (14,092)

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
EMERGENCY 911								
RECEIPTS								
Charges for services	$ 115,000	$ 115,000	$ 186,297	$ 71,297	$ 130,000	$ 130,000	$ 125,274	$ (4,726)
Interest	1,000	1,000	973	(27)	1,300	1,300	1,193	(107)
Total Receipts	$ 116,000	$ 116,000	$ 187,270	$ 71,270	$ 131,300	$ 131,300	$ 126,467	$ (4,833)
DISBURSEMENTS								
Salaries	$ 12,100	$ 12,100	$ 11,850	$ 250	$ 11,500	$ 11,500	$ 11,500	$ 0
Office	300	300	695	(395)	150	150	322	(172)
Telephone	64,000	64,000	54,982	9,018	84,000	84,000	53,134	30,866
Equipment	0	0	600	(600)	750	750	0	750
Mileage	2,000	2,000	2,334	(334)	1,500	1,500	2,379	(879)
County dispatching	25,000	25,000	25,000	0	18,000	18,000	18,000	0
Mapping and addressing	1,000	1,000	8,500	(7,500)	1,000	1,000	0	1,000
Fringe benefits	1,100	1,100	1,132	(32)	1,100	1,100	0	1,100
Postage	150	150	0	150	150	150	1,083	(933)
Loan repayment	0	0	77,080	(77,080)	0	0	0	0
Transfers out	24,500	24,500	0	24,500	0	0	0	0
Total Disbursements	$ 130,150	$ 130,150	$ 182,173	$ (52,023)	$ 118,150	$ 118,150	$ 86,418	$ 31,732
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (14,150)	$ (14,150)	$ 5,097	$ 19,247	$ 13,150	$ 13,150	$ 40,049	$ 26,899
CASH, JANUARY 1	101,681	101,681	101,681	0	61,632	61,632	61,632	0
CASH, DECEMBER 31	$ 87,531	$ 87,531	$ 106,778	$ 19,247	$ 74,782	$ 74,782	$ 101,681	$ 26,899

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
VICTIMS OF DOMESTIC VIOLENCE AND DOMESTIC VIOLENCE SHELTERS								
RECEIPTS								
Charges for services	$ 3,800	$ 3,800	$ 4,630	$ 830	$ 4,250	$ 4,250	$ 4,112	$ (138)
Intergovernmental	53	53	0	(53)	20	20	57	37
Interest	0	0	31	31	0	0	0	0
Other	0	0	0	0	50	50	0	(50)
Total Receipts	$ 3,853	$ 3,853	$ 4,661	$ 808	$ 4,320	$ 4,320	$ 4,169	$ (151)
DISBURSEMENTS								
Victims of domestic violence	$ 1,600	$ 1,600	$ 1,600	$ 0	$ 1,000	$ 1,000	$ 2,000	$ (1,000)
Domestic violence shelter	2,000	2,000	2,000	0	3,500	3,500	4,400	(900)
Total Disbursements	$ 3,600	$ 3,600	$ 3,600	$ 0	$ 4,500	$ 4,500	$ 6,400	$ (1,900)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 253	$ 253	$ 1,061	$ 808	$ (180)	$ (180)	$ (2,231)	$ (2,051)
CASH, JANUARY 1	2,293	2,293	2,293	0	4,524	4,524	4,524	0
CASH, DECEMBER 31	$ 2,546	$ 2,546	$ 3,354	$ 808	$ 4,344	$ 4,344	$ 2,293	$ (2,051)

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
PROSECUTING ATTORNEY BAD CHECK								
RECEIPTS								
Charges for services	$ 40,000	$ 40,000	$ 32,414	$ (7,586)	$ 48,000	$ 48,000	$ 38,266	$ (9,734)
Interest	1,700	1,700	976	(724)	2,400	2,400	2,031	(369)
Total Receipts	$ 41,700	$ 41,700	$ 33,390	$ (8,310)	$ 50,400	$ 50,400	$ 40,297	$ (10,103)
DISBURSEMENTS								
Salaries	$ 32,084	$ 32,084	$ 33,454	$ (1,370)	$ 30,000	$ 30,000	$ 31,694	$ (1,694)
Office	2,400	2,400	1,054	1,346	500	500	3,319	(2,819)
MOPS fees	6,000	6,000	4,760	1,240	7,450	7,450	5,606	1,844
Clerk software	2,148	2,148	672	1,476	800	800	2,148	(1,348)
Computer	1,500	1,500	2,430	(930)	1,000	1,000	625	375
Furniture and other	0	0	0	0	1,000	1,000	100	900
Supplement training	9,000	9,000	9,570	(570)	8,000	8,000	7,386	614
Retirement	7,752	7,752	7,752	0	7,752	7,752	7,752	0
Fringe benefits	10,039	10,039	11,314	(1,275)	9,250	9,250	10,011	(761)
Repairs	750	750	0	750	0	0	0	0
Total Disbursements	$ 71,673	$ 71,673	$ 71,006	$ 667	$ 65,752	$ 65,752	$ 68,641	$ (2,889)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (29,973)	$ (29,973)	$ (37,616)	$ (7,643)	$ (15,352)	$ (15,352)	$ (28,344)	$ (12,992)
CASH, JANUARY 1	120,023	120,023	120,023	0	148,367	148,367	148,367	0
CASH, DECEMBER 31	$ 90,050	$ 90,050	$ 82,407	$ (7,643)	$ 133,015	$ 133,015	$ 120,023	$ (12,992)

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
DC LAW ENFORCEMENT RESTITUTION								
RECEIPTS								
Charges for services	$ 90,000	$ 90,000	$ 91,149	$ 1,149	$ 48,000	$ 48,000	$ 89,860	$ 41,860
Intergovernmental	1,800	1,800	1,472	(328)	2,000	2,000	1,754	(246)
Total Receipts	$ 91,800	$ 91,800	$ 92,621	$ 821	$ 50,000	$ 50,000	$ 91,614	$ 41,614
DISBURSEMENTS								
Equipment miscellaneous	$ 35,000	$ 35,000	$ 39,768	$ (4,768)	$ 35,000	$ 35,000	$ 38,796	$ (3,796)
Mileage, meals and lodging	3,000	3,000	1,683	1,317	2,000	2,000	2,108	(108)
Tuition	5,000	5,000	1,090	3,910	5,000	5,000	4,332	668
Maintenance and supplies	4,000	4,000	0	4,000	2,000	2,000	2,533	(533)
Expert witness	3,000	3,000	152	2,848	1,000	1,000	2,792	(1,792)
Buy money	3,000	3,000	0	3,000	3,000	3,000	0	3,000
Deputy salary	0	0	19,117	(19,117)	0	0	0	0
Fringe benefits	0	0	5,868	(5,868)	0	0	0	0
Deputy overtime	0	0	1,064	(1,064)	0	0	0	0
Transfers out	0	0	1,215	(1,215)	0	0	0	0
Total Disbursements	$ 53,000	$ 53,000	$ 69,957	$ (16,957)	$ 48,000	$ 48,000	$ 50,561	$ (2,561)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 38,800	$ 38,800	$ 22,664	$ (16,136)	$ 2,000	$ 2,000	$ 41,053	$ 39,053
CASH, JANUARY 1	137,794	137,794	137,794	0	96,741	96,741	96,741	0
CASH, DECEMBER 31	$ 176,594	$ 176,594	$ 160,458	$ (16,136)	$ 98,741	$ 98,741	$ 137,794	$ 39,053

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
PROSECUTING ATTORNEY DELINQUENT								
RECEIPTS								
Intergovernmental	$ 4,500	$ 4,500	$ 3,244	$ (1,256)	$ 9,000	$ 9,000	$ 5,451	$ (3,549)
Interest	700	700	505	(195)	0	0	726	726
Total Receipts	$ 5,200	$ 5,200	$ 3,749	$ (1,451)	$ 9,000	$ 9,000	$ 6,177	$ (2,823)
DISBURSEMENTS								
Office	$ 1,100	$ 1,100	$ 2,249	$ (1,149)	$ 1,500	$ 1,500	$ 1,099	$ 401
Equipment miscellaneous	0	0	0	0	2,000	2,000	0	2,000
Total Disbursements	$ 1,100	$ 1,100	$ 2,249	$ (1,149)	$ 3,500	$ 3,500	$ 1,099	$ 2,401
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 4,100	$ 4,100	$ 1,500	$ (2,600)	$ 5,500	$ 5,500	$ 5,078	$ (422)
CASH, JANUARY 1	50,630	50,630	50,630	0	45,552	45,552	45,552	0
CASH, DECEMBER 31	$ 54,730	$ 54,730	$ 52,130	$ (2,600)	$ 51,052	$ 51,052	$ 50,630	$ (422)

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
PILOT PROGRAM								
RECEIPTS								
Intergovernmental	$ 21,633	$ 21,633	$ 15,273	$ (6,360)	$ 87,226	$ 87,226	$ 43,194	$ (44,032)
Transfers in	0	0	7,777	7,777	0	0	23,695	23,695
Total Receipts	$ 21,633	$ 21,633	$ 23,050	$ 1,417	$ 87,226	$ 87,226	$ 66,889	$ (20,337)
DISBURSEMENTS								
Juvenile pilot program								
Salary	$ 0	$ 0	$ 0	$ 0	$ 28,000	$ 28,000	$ 15,654	$ 12,346
Fringe benefits	0	0	0	0	2,300	2,300	1,435	865
Office telephone	0	0	0	0	200	200	126	74
Meals and lodging	0	0	0	0	3,500	3,500	1,931	1,569
Pension and retirement	0	0	0	0	300	300	548	(248)
Medical insurance	0	0	0	0	5,100	5,100	3,401	1,699
Dental insurance	0	0	0	0	300	300	109	191
Paralegal and investigator								
Salary	14,904	14,904	15,404	(500)	30,000	30,000	29,808	192
Fringe benefits	1,246	1,246	1,412	(166)	2,400	2,400	2,494	(94)
Office telephone	108	108	108	0	200	200	216	(16)
Meals and lodging	1,875	1,875	1,680	195	3,500	3,500	3,935	(435)
Cell phone	480	480	0	480	250	250	1,043	(793)
Pension and retirement	2,920	2,920	693	2,227	5,600	5,600	5,840	(240)
Medical insurance	100	100	3,589	(3,489)	350	350	349	1
Dental insurance	0	0	164	(164)	0	0	0	0
Total Disbursements	$ 21,633	$ 21,633	$ 23,050	$ (1,417)	$ 82,000	$ 82,000	$ 66,889	$ 15,111
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 0	$ 0	$ 0	$ 0	$ 5,226	$ 5,226	$ 0	$ (5,226)
CASH, JANUARY 1	0	0	0	0	0	0	0	0
CASH, DECEMBER 31	$ 0	$ 0	$ 0	$ 0	$ 5,226	$ 5,226	$ 0	$ (5,226)

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
COUNTY CLERK DISCRETIONARY								
RECEIPTS								
Intergovernmental	$ 2,800	$ 2,800	$ 5,392	$ 2,592	$ 3,000	$ 3,000	$ 5,021	$ 2,021
Interest	50	50	44	(6)	150	150	52	(98)
Transfers in	0	0	1,305	1,305	0	0	0	0
Total Receipts	$ 2,850	$ 2,850	$ 6,741	$ 3,891	$ 3,150	$ 3,150	$ 5,073	$ 1,923
DISBURSEMENTS								
Salaries	$ 2,200	$ 2,200	$ 4,108	$ (1,908)	$ 2,000	$ 2,000	$ 1,743	$ 257
Supplies	600	600	1,576	(976)	1,000	1,000	722	278
Computer	1,000	1,000	778	222	600	600	572	28
Fringe benefits	120	120	15	105	70	70	109	(39)
Total Disbursements	$ 3,920	$ 3,920	$ 6,477	$ (2,557)	$ 3,670	$ 3,670	$ 3,146	$ 524
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,070)	$ (1,070)	$ 264	$ 1,334	$ (520)	$ (520)	$ 1,927	$ 2,447
CASH, JANUARY 1	4,068	4,068	4,068	0	2,141	2,141	2,141	0
CASH, DECEMBER 31	$ 2,998	$ 2,998	$ 4,332	$ 1,334	$ 1,621	$ 1,621	$ 4,068	$ 2,447

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
SHERIFF'S CIVIL FEES								
RECEIPTS								
Charges for services	$ 31,000	$ 31,000	$ 48,295	$ 17,295	$ 34,000	$ 34,000	$ 32,821	$ (1,179)
Interest	1,000	1,000	664	(336)	2,000	2,000	1,063	(937)
Total Receipts	$ 32,000	$ 32,000	$ 48,959	$ 16,959	$ 36,000	$ 36,000	$ 33,884	$ (2,116)
DISBURSEMENTS								
Office	$ 28,000	$ 28,000	$ 57,896	$ (29,896)	$ 30,000	$ 30,000	$ 27,940	$ 2,060
Transfers out	0	0	0	0	25,000	25,000	0	25,000
Total Disbursements	$ 28,000	$ 28,000	$ 57,896	$ (29,896)	$ 55,000	$ 55,000	$ 27,940	$ 27,060
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 4,000	$ 4,000	$ (8,937)	$ (12,937)	$ (19,000)	$ (19,000)	$ 5,944	$ 24,944
CASH, JANUARY 1	72,527	72,527	72,527	0	66,583	66,583	66,583	0
CASH, DECEMBER 31	$ 76,527	$ 76,527	$ 63,590	$ (12,937)	$ 47,583	$ 47,583	$ 72,527	$ 24,944

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
DRAINAGE AND LEVEE DISTRICT								
RECEIPTS								
Intergovernmental	$ 143,507	$ 143,507	$ 101,659	$ (41,848)	$ 74,940	$ 74,940	$ 133,720	$ 58,780
Total Receipts	$ 143,507	$ 143,507	$ 101,659	$ (41,848)	$ 74,940	$ 74,940	$ 133,720	$ 58,780
DISBURSEMENTS								
Drainage district and levee disbursements	$ 95,000	$ 95,000	$ 82,844	$ 12,156	$ 95,200	$ 95,200	$ 154,995	$ (59,795)
Total Disbursements	$ 95,000	$ 95,000	$ 82,844	$ 12,156	$ 95,200	$ 95,200	$ 154,995	$ (59,795)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 48,507	$ 48,507	$ 18,815	$ (29,692)	$ (20,260)	$ (20,260)	$ (21,275)	$ (1,015)
CASH, JANUARY 1	57,527	57,527	57,527	0	78,802	78,802	78,802	0
CASH, DECEMBER 31	$ 106,034	$ 106,034	$ 76,342	$ (29,692)	$ 58,542	$ 58,542	$ 57,527	$ (1,015)

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
HAVA								
RECEIPTS								
Intergovernmental	$ 10,200	$ 10,200	$ 90	$ (10,110)	$ 0	$ 0	$ 10,253	$ 10,253
Transfers in	0	0	0	0	0	0	1,295	1,295
Total Receipts	$ 10,200	$ 10,200	$ 90	$ (10,110)	$ 0	$ 0	$ 11,548	$ 11,548
DISBURSEMENTS								
Computer and other election	$ 10,200	$ 10,200	$ 0	$ 10,200	$ 0	$ 0	$ 11,575	$ (11,575)
Total Disbursements	$ 10,200	$ 10,200	$ 0	$ 10,200	$ 0	$ 0	$ 11,575	$ (11,575)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 0	$ 0	$ 90	$ 90	$ 0	$ 0	$ (27)	$ (27)
CASH, JANUARY 1	0	0	0	0	27	27	27	0
CASH, DECEMBER 31	$ 0	$ 0	$ 90	$ 90	$ 27	$ 27	$ 0	$ (27)

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
OFF SYSTEM BRIDGE								
RECEIPTS								
Intergovernmental	$ 265,000	$ 265,000	$ 374,167	$ 109,167	$ 200,000	$ 200,000	$ 20,036	$ (179,964)
Total Receipts	$ 265,000	$ 265,000	$ 374,167	$ 109,167	$ 200,000	$ 200,000	$ 20,036	$ (179,964)
DISBURSEMENTS								
Bridges	$ 265,000	$ 265,000	$ 374,167	$ (109,167)	$ 200,000	$ 200,000	$ 20,036	$ 179,964
Total Disbursements	$ 265,000	$ 265,000	$ 374,167	$ (109,167)	$ 200,000	$ 200,000	$ 20,036	$ 179,964
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
CASH, JANUARY 1	0	0	0	0	0	0	0	0
CASH, DECEMBER 31	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
SHERIFF'S COMMISSIONS								
RECEIPTS								
Intergovernmental	$ 23,930	$ 23,930	$ 132,080	$ 108,150	$ 0	$ 0	$ 79,820	$ 79,820
Interest	0	0	478	478	0	0	362	362
Total Receipts	$ 23,930	$ 23,930	$ 132,558	$ 108,628	$ 0	$ 0	$ 80,182	$ 80,182
DISBURSEMENTS								
Deputy sheriff state fees	$ 15,600	$ 15,600	$ 15,290	$ 310	$ 0	$ 12,000	$ 15,560	$ (3,560)
Concealed weapons	4,000	4,000	999	3,001	0	1,000	3,839	(2,839)
Inmate telephone	0	0	25,850	(25,850)	0	0	19,795	(19,795)
Transfers out	0	0	0	0	0	0	35,778	(35,778)
Total Disbursements	$ 19,600	$ 19,600	$ 42,139	$ (22,539)	$ 0	$ 13,000	$ 74,972	$ (61,972)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 4,330	$ 4,330	$ 90,419	$ 86,089	$ 0	$ (13,000)	$ 5,210	$ 18,210
CASH, JANUARY 1	5,210	5,210	5,210	0	0	0	0	0
CASH, DECEMBER 31	$ 9,540	$ 9,540	$ 95,629	$ 86,089	$ 0	$ (13,000)	$ 5,210	$ 18,210

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REMAINING								
RECEIPTS								
Intergovernmental	$ 112,900	$ 112,900	$ 148,592	$ 35,692	$ 106,700	$ 106,700	$ 201,852	$ 95,152
Transfers in	0	0	51,961	51,961	0	0	33,411	33,411
Total Receipts	$ 112,900	$ 112,900	$ 200,553	$ 87,653	$ 106,700	$ 106,700	$ 235,263	$ 128,563
DISBURSEMENTS								
State tax	$ 92,000	$ 92,000	$ 94,825	$ (2,825)	$ 98,000	$ 98,000	$ 98,927	$ (927)
Financial institution tax	20,000	20,000	99,485	(79,485)	1,000	1,000	43,282	(42,282)
Surplus certificate bids	300	300	172	128	6,000	6,000	12,814	(6,814)
Total Disbursements	$ 112,300	$ 112,300	$ 194,482	$ (82,182)	$ 105,000	$ 105,000	$ 155,023	$ (50,023)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 600	$ 600	$ 6,071	$ 5,471	$ 1,700	$ 1,700	$ 80,240	$ 78,540
CASH, JANUARY 1	141,222	141,222	141,222	0	60,982	60,982	60,982	0
CASH, DECEMBER 31	$ 141,822	$ 141,822	$ 147,293	$ 5,471	$ 62,682	$ 62,682	$ 141,222	$ 78,540

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
CERF COLLECTIONS								
RECEIPTS								
Charges for services	$ 139,000	$ 139,000	$ 168,029	$ 29,029	$ 163,000	$ 163,000	$ 137,695	$ (25,305)
Total Receipts	$ 139,000	$ 139,000	$ 168,029	$ 29,029	$ 163,000	$ 163,000	$ 137,695	$ (25,305)
DISBURSEMENTS								
CERF disbursements	$ 139,000	$ 139,000	$ 168,029	$ (29,029)	$ 163,000	$ 163,000	$ 137,695	$ 25,305
Total Disbursements	$ 139,000	$ 139,000	$ 168,029	$ (29,029)	$ 163,000	$ 163,000	$ 137,695	$ 25,305
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
CASH, JANUARY 1	0	0	0	0	0	0	0	0
CASH, DECEMBER 31	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

The accompanying Notes to the Financial Statements are in integral part of this statement.

DUNKLIN COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED

	2010				2009			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
TAX MAINTENANCE								
RECEIPTS								
Charges for services	$ 16,000	$ 16,000	$ 44,298	$ 28,298	$ 41,800	$ 41,800	$ 29,267	$ (12,533)
Total Receipts	$ 16,000	$ 16,000	$ 44,298	$ 28,298	$ 41,800	$ 41,800	$ 29,267	$ (12,533)
DISBURSEMENTS								
Office	$ 250	$ 250	$ 3,837	$ (3,587)	$ 1,000	$ 1,000	$ 231	$ 769
Salaries	60,000	60,000	65,101	(5,101)	40,000	40,000	57,674	(17,674)
Fringe benefits	7,000	7,000	0	7,000	0	0	6,915	(6,915)
Office furniture	25	25	0	25	1,500	1,500	25	1,475
Copier	0	0	0	0	0	6,000	0	6,000
File cabinets	400	400	0	400	0	2,500	0	2,500
Flooring	0	0	0	0	0	1,000	0	1,000
Tuition and training	300	300	550	(250)	0	2,000	7,358	(5,358)
Total Disbursements	$ 67,975	$ 67,975	$ 69,488	$ (1,513)	$ 42,500	$ 54,000	$ 72,203	$ (18,203)
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (51,975)	$ (51,975)	$ (25,190)	$ 26,785	$ (700)	$ (12,200)	$ (42,936)	$ (30,736)
CASH, JANUARY 1	71,377	71,377	71,377	0	114,313	114,313	114,313	0
CASH, DECEMBER 31	$ 19,402	$ 19,402	$ 46,187	$ 26,785	$ 113,613	$ 102,113	$ 71,377	$ (30,736)

The accompanying Notes to the Financial Statements are in integral part of this statement.

Other Required Supplementary Information

SCHEDULE 4

DUNKLIN COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures 2010	Federal Expenditures 2009	County Match Percentage Required
U.S. DEPARTMENT OF AGRICULTURE					
Passed through State:					
Office of Administration:					
National Resources Conservation - Kennett Ditches	10.901		$ 157,183	$	0%
USA Rural Development Grant	10.868		25,200		45%
U.S. DEPARTMENT OF JUSTICE					
Passed through State:					
Department of Public Safety:					
National Criminal History Improvement Program	16.554	RF-08-004		34,561	0%
Family Drug Court	16.585	62958-58	49,875	62,959	0%
LLEB Grant	16.738		6,088	7,575	0%
U.S. DEPARTMENT OF TRANSPORTATION					
Passed through State:					
Highway and Transportation Commission:					
Highway Planning and Construction	20.205	BRO - BO35-31		20,036	0%
		BRO - BO35-33	334,046		0%
		BRO - BO35-34	40,121		0%
ELECTION ASSISTANCE COMMISSION					
Passed through the Office of Secretary of State:					
Help America Vote Act Requirements Payments	90.401	EAC-HAVA		10,253	0%
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through State:					
Department of Social Services:					
Child Support Enforcement	93.563	29.069.01	163,576	156,867	0%
Community Services Block Grant	93.569	HCP-23		6,465	0%
Homeless Prevention	93.150	ER16410017A	115,088	16,958	0%
Sheltered Workshop	13.763		37,158	32,739	0%
U.S. DEPARTMENT OF HOMELAND SECURITY					
Passed through State Department of Public Safety:					
Disaster Grants - Public Assistance Grants (President Declared Disasters)	97.036			3,733,731	0%
Emergency Management Performance Grants	97.042		9,120	11,221	0%
Homeland Security Grant Program	97.067			-	0%
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 937,455	$ 4,093,365	

Notes to the Supplementary Schedule

DUNKLIN COUNTY, MISSOURI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2010 AND 2009

1. Summary of Significant Accounting Policies

   A. Purpose of Schedule and Reporting Entity

      The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and that Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

      The schedule includes all federal awards administered by Dunklin County, Missouri.

   B. Basis of Presentation

      OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

      > *Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals . . .
>
> *Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants, or contracts, used to buy goods or services from vendors.

   Accordingly, the schedule includes expenditures of both cash and noncash awards.

   C. Basis of Accounting

      The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

2. Subrecipients

   The County provided no federal awards to subrecipients during the years ended December 31, 2010 and 2009.

FEDERAL AWARDS –
SINGLE AUDIT SECTION

Auditors’ Reports

Devereux and Krauss LLP
Certified Public Accountants

307 North Main – St Charles, MO 63301
636-448-7355
FAX 636-947-3155

JAMES P. DEVEREUX, C.P.A., P.C.
GARY L. KRAUSS, P.C.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission
and
Officeholders of Dunklin County, Missouri

Compliance

We have audited the compliance of Dunklin County, Missouri, with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Dunklin County, Missouri's major federal programs for the years ended December 31, 2010 and 2009. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, Dunklin County, Missouri complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and 2009.

Internal Control Over Compliance

The management of Dunklin County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the County's internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above.

This report is intended solely for the information and use of the County Commission, management, audit committee, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Devereux & Krauss, LLP

June 30, 2011

Schedule

DUNKLIN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified	
Internal control over financial reporting:		
• Material weakness identified?	X yes	____ no
• Significant deficiencies identified that are not considered to be a material weakness?	X yes	____ none reported
Noncompliance material to the financial statement noted?	____ yes	X no

Federal Awards

Internal control over major program:		
• Material weaknesses identified?	____ yes	X no
• Significant deficiencies identified that is not considered to be a material weakness?	____ yes	X none reported
Type of auditors' report issued on compliance for major program:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	____ yes	X no

Identification of major program:

CFDA or Other Identifying Number	Program Title
20.205	Highway Planning and Construction
97.036	Disaster Grants - Public Assistance Grants (President declared disasters)

DUNKLIN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Dollar threshold used to distinguish between Type A and Type B programs: $300,000

Auditee qualified as a low-risk auditee? _____ yes ___X___ no

Section II – Financial Statement Findings

This section includes the audit finding that *Government Auditing Standards* requires to be reported for an audit of financial statements.

10-1 Classification Issue

The County misclassified advances as federal revenues and repayments of those advances as expenditures. The County engaged the services of a vendor to provide services resulting from a severe storm. Financially, the vendor found it advantageous to advance Dunklin County, Missouri funds to cover the services rather than purchase a bond guaranteeing those services. The County erroneously treated the advance as additional funds and the repayment as additional expense.

We Recommend:

The County seek appropriate advice whenever they question as to how a transaction should be recorded.

Auditee's Response and Plan for Corrective Action:

The County will seek advice whenever there is a question as to how to record a transaction.

10-2 Budgetary Procedures and Published Financial Statements

In addition to being required by State law, complete and accurate budgets are essential for the County Commission and County Clerk to evaluate County operations and to protect the anticipated needs of the County for the upcoming year. Complete and accurate budgets are also necessary to properly inform the County's citizens about the County's finances.

The County Commission approved a deficit budget balance for a fund, allowed disbursements to exceed budgeted amounts in a number of funds and some funds were not budgeted. There was no evidence the County Commission or the County Clerk, monitored disbursements adequately to ensure actual disbursements did not exceed budgeted amounts.

A. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balances. The County budgeted a deficit balance in the Sheriff's Commissions Fund at December 31, 2009.

10-2 Budgetary Procedures and Published Financial Statements (continued)

B. Actual disbursements exceeded final budgeted amounts in the following funds:

Fund	Years Ended December 31,
General Revenue	2010 and 2009
Special Road and Bridge	2010
Law Enforcement Sales Tax	2010 and 2009
Senate Bill 40	2009
Recorders Users	2009
Prosecuting Attorney Training	2010
Emergency 911	2010
Victims of Domestic Violence and Domestic Violence Shelters	2009
Prosecuting Attorney Bad Check	2009
DC Law Enforcement Restitution	2010 and 2009
Prosecuting Attorney Delinquent Tax	2010
Pilot Program	2010
County Clerk Discretionary	2010
Sheriff's Civil Fees	2010
Drainage and Levee Districts	2009
Off System Bridge	2010
Sheriff's Commissions	2010 and 2009
Remaining	2010 and 2009
CERF Collection	2010
Tax Maintenance	2010 and 2009

Also, because a budget was not adopted for several funds, expenditures in that fund exceeded budgetary authority to the extent that the budget was not adopted. These funds are as follows:

Fund	Years Ended December 31,
Emergency Management	2009
DC Sheriff Revolving	2010 and 2009
HAVA	2009

C. The following funds were not budgeted:

Fund	Years Ended December 31,
Emergency Management	2009
DC Sheriff Revolving	2010 and 2009
HAVA	2009

The above findings are repeat findings.

10-2 Budgetary Procedures and Published Financial Statements (continued)

If there are valid reasons which necessitate excess disbursements, budget amendments should be made following the same process by which the annual budget is approved, including public hearings and filing the amended budget with the State Auditor's office. In addition Section 50.622, RSMo 2000, provides that counties may amend the annual budget during any year in which the County receives additional funds, which could not be estimated when the budget was adopted and that the County shall follow the same procedures required for adoption of the annual budget to amend the budget.

To allow the budgets to be used as a planning tool and to ensure compliance with State law, budget amendments should be made prior to incurring the actual expenditures, valid reasons, which necessitate excess disbursements, should be provided to support amendments, and public hearings should be held prior to the adoption of all budget amendments.

We Recommend:

The County Commission:

A. Discontinue deficit budgeting and reduce spending and increase revenue to obtain a positive cash balance in all funds.

B. And all County officials ensure disbursements not be authorized in excess of budgeted amounts. If a necessity exists to exceed a budget, the appropriate procedures should be followed to amend the appropriate budget.

C. And all County officials should ensure that all funds, regardless of size, are budgeted.

Auditee's Response and Plan for Corrective Action:

A. They will discontinue deficit budgeting as soon as possible.
B-C. All will be implemented.

10-3 Payroll and Related Matters

Some employees do not prepare a timesheet, and some timesheet information is based on estimated hours worked. Overtime and compensatory time policies are not adequate and do not appear to comply with the Fair Labor Standards Act of 1938 (FLSA). The County accrues straight time off (compensatory time) to employees who work more than the County's normal 40-hour work period, although the FLSA requires compensatory time to be accrued at time and one-half. In addition, timesheets were not always signed by employees or reviewed and signed by the supervisor. The timesheets turned in by the clean up personnel were not signed by a supervisor.

Payrolls are processed once a month, and the County policy is to have each department submit timesheets or total hours worked for each employee to the County Clerk's office from two to five days in advance of the pay date to enable the payroll to be processed. The time reported for each employee represents actual hours worked from the beginning of the pay period through the date the information is submitted and estimated hours to be worked during the last two to five days of the pay period. No documentation was available to indicate the hours actually worked were subsequently compared to the hours estimated.

10-3 Payroll and Related Matters (continued)

Paying County employees for estimated hours may lead to errors, inconsistencies in the calculation of overtime and accumulated leave balances, and the potential for employees to be over/under paid. In addition, detailed timesheets signed by the employee and approved by a supervisor are necessary to monitor overtime, leave, and compensatory time, and are beneficial in demonstrating compliance with County policies and the requirements of the Fair Labor Standards Act of 1938 (FLSA).

Certain County departments are not using the same methods of paying employees in their department. The majority of the departments prorate the employee's monthly salary per the hours worked for the period. For example, if there are 170 hours in the pay period and an employee works only 85 hours, the employee would be paid for only half of their normal monthly salary. However, there are several instances where employees are being paid for the entire month for only working a small percentage of the required hours. In these cases, the County is overpaying these employees and not utilizing public funds in a prudent manner.

The County Clerk's office does not adequately maintain accrued vacation or sick leave for all employees for all departments.

We Recommend:

A. All employees of all departments should submit a timesheet that bears the signature of the employee and reviewed and signed by the supervisor before payment is rendered. In addition, copies of all timesheets should be maintained in the County Clerk's office for safekeeping.

B. If the County continues to use estimated hours worked for the last days of the pay period, the County should establish procedures to obtain documentation from the employees' supervisors for any differences between estimated and actual time worked, and fully document any applicable adjustments to the employees' pay or leave records when actual time worked is different from estimated time worked.

C. The County should adopt overtime and compensatory time policies which comply with the FLSA, and ensure employee overtime and compensatory time calculations do not include nonworking time such as leave and compensatory time used.

D. The County Clerk should maintain adequate and accurate records regarding accrued vacations and sick leave and vacation time and sick leave used by employees.

E. The proper proration of monthly payrolls should be adopted by all departments in the County as the proper method of payment of all employees.

Auditee's Response and Plan for Corrective Action:

A-E All will be implemented.

Section III – Federal Award Findings and Questioned Costs

There are no findings and there are no questioned cost for December 31, 2010 and 2009.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

DUNKLIN COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*
DECEMBER 31, 2010 AND 2009

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Dunklin County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2008.

08-1 Budgetary Procedures and Published Financial Statements

Budgets were not prepared for several county funds, actual disbursements exceeded the budget in several funds, and the budgets for some funds did not reasonably reflect the anticipated financial activity and balances.

Recommendation:

The County Commission:

A. And other County officials need to discontinue deficit budgeting.

B. And other County officials review budget to actual reports carefully and refrain from approving disbursements which exceed budgeted amounts. If valid reasons necessitate excess disbursements, the original budget should be formally amended and filed with the State Auditor's office.

C. And other county officials ensure budgets are prepared for all county funds.

Status:

A-C Not resolved. See finding No. 10-2.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133.

DUNKLIN COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133
DECEMBER 31, 2010 AND 2009

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the two years ended December 31, 2008, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report-
Auditors' Findings

DUNKLIN COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT
DECEMBER 31, 2010 AND 2009

We have audited the accompanying Government-Wide Statements of Net Assets - Cash Basis, Government-Wide Statements of Activities - Cash Basis, Governmental Funds Balance Sheets - Cash Basis, Governmental Funds Statements of Receipts, Disbursements, and Changes in Cash Balances, and Statements of Fiduciary Net Assets - Cash Basis of Dunklin County, Missouri as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated June 30, 2011. We also have audited the compliance of Dunklin County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 30, 2011.

We obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the provisions. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances.

This Management Advisory Report (MAR) presents any findings arising from our audit of the elected county officials and the county board referred to above. In addition, this report includes any findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These MAR Findings resulted from our audit of the financial statements of Dunklin County, Missouri or of its compliance with the types of compliance requirements applicable to its major federal program but do not meet the criteria for inclusion in the written reports on compliance (and other matters, if applicable) and on internal control over financial reporting or compliance that are required for audits performed in accordance with *Government Auditing Standards* and OMB Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations.* There are no findings to report.

Follow-Up on Prior Audit Findings

DUNKLIN COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009

In accordance with *Government Auditing Standards*, this section reports the auditors' follow-up on action taken by Dunklin County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 2008. Any prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations. There were no findings reported on the audit report issued for the two years ended December 31, 2008 to follow up.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Carroll County, Missouri

The Office of the State Auditor, in cooperation with Carroll County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-51

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

ANNUAL FINANCIAL REPORT

CARROLL COUNTY, MISSOURI

For the Years Ended
December 31, 2010 and 2009

CARROLL COUNTY, MISSOURI

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CARROLL COUNTY, MISSOURI

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INTRODUCTORY SECTION

CARROLL COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Nelson Heil

District Two Commissioner – David Martin

District One Commissioner – Jim Stewart

Other Elected Officials

Assessor – Devin Ford-Frazier

Circuit Clerk/Ex-Officio Recorder of Deeds – Cheryl Mansur

Collector-Treasurer – Alta O'Neal

Coroner – Steven Bittiker

County Clerk – Peggy McGaugh

Prosecuting Attorney – Joyce Wendel

Public Administrator – Linda Leabo

Sheriff – Troy Hofstetter

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CERTIFIED PUBLIC ACCOUNTANTS
McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Carroll County, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Carroll County, Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Carroll County, Missouri's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described in Note 1, the basic financial statements of Carroll County, Missouri were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The financial statements do not include financial data for the Carroll County Health Center, a legally separate component unit of the County. Accounting principles generally accepted in the United States of America require the financial data for this component unit to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The assets, liabilities, net assets, revenues, and expenses of the aggregate discretely presented component unit are not reasonably determinable.

In our opinion, except for the effect of the omission of the discretely presented component unit, as discussed above, the financial statements referred to above present fairly, in all material respects, the respective financial position — cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of Carroll County, Missouri, as of December 31, 2010 and 2009 and for the years then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 6, 2011 on our consideration of Carroll County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages iv through viii and 17 through 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statement, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carroll County, Missouri's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

(Original Signed by Auditor)

McBride, Lock & Associates
May 6, 2011

CARROLL COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

This discussion and analysis of Carroll County's financial performance provides an overview of the County's financial activity for the years ended December 31, 2010 and 2009. The information below, prepared by the County's management, should be read in conjunction with the financial statements that immediately follow.

OVERVIEW OF THE FINANCIAL STATEMENTS

The contents of this report comply with the presentation requirements of Statement No. 34 of the Governmental Accounting Standards Board, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as applicable to the cash basis of accounting. The County's basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. The notes are an integral part of the government-wide and fund financial statements and provide more detail about the information presented in the statements. This report also contains other financial information in addition to the basic financial statements.

The county has elected to present its financial statements on the cash basis of accounting, a basis of accounting other than accounting principles generally accepted in the United States of America. "Basis of accounting" refers to when financial events are recorded. Under the cash basis of accounting, revenues are recorded when received rather than when earned, and expenses are recorded when paid rather than when the related liabilities are incurred. Therefore, when reviewing the financial information and discussion in this report, the reader should recall the limitations resulting from use of the cash basis of accounting.

Government-Wide Financial Statements

The Government-Wide Statement of Net Assets and the Government-Wide Statement of Activities report information about the County as a whole. These statements present the County's net assets and show how they have changed. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health or position is improving or deteriorating. However, to assess the County's overall financial health, the reader needs to consider additional non-financial factors. The government-wide financial statements report only governmental activities—activities such as general government operations, public safety, and health and welfare that are usually financed through taxes and intergovernmental receipts. The County has no business-type activities—activities financed wholly or partially by fees charged to external parties for goods or services.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the County as a whole. Some funds are required to be established by state law or by bond covenants. However, the County Commission establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, or other sources of receipts. The fund financial statements include only governmental funds, which

focus on the flow of money into and out of those funds and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed view of the County's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether more or fewer financial resources can be spent in the near future to finance the County's programs.

The County as Trustee

The County is the trustee, or fiduciary, for its trust and agency funds that are used to account for assets held by the County's elected officials in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. The County's fiduciary assets are reported in a separate Statement of Fiduciary Net Assets. Fiduciary funds are excluded from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Other Information

The report also includes, as required supplementary information, this Management's Discussion and Analysis and the Budgetary Comparison Schedule - General Fund and Major Special Revenue Funds - Cash Basis. Such information is intended to supplement the government-wide financial statements, fund financial statements, and notes to the financial statements, but is not a part of those statements.

In addition, the report includes the Schedule of Expenditures of Federal Awards, required for audits of federal program expenditures conducted in accordance with Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

FINANCIAL HIGHLIGHTS

The County’s net assets continue to remain stable or increase. The net assets in total governmental funds on December 31, 2010 increased by a grand total of $396,126 in the one-year from December 31, 2009.

THE COUNTY AS A WHOLE

	2010	2009	2008
Net Assets	$ 3,201,400	$ 2,805,274	$ 2,675,546
Program Receipts	2,509,424	2,357,016	2,641,023
General Receipts	2,007,375	1,766,602	2,206,883
Disbursements	4,120,673	3,977,379	4,546,959
Change in Net Assets	396,126	146,239	300,947

THE COUNTY'S FUNDS

Highlights from 2010

In January of 2010 it looked like the County's budget was one of shrinking assessed valuation of approximately five million dollars due to the diversion of State-assessed value from KCP&L, an anticipated reduction in local sales tax of $100,000 reflecting fewer taxable goods being purchased in the County; an unprecedented appropriation for funding of the Federal Government and State of Missouri's August Primary and November General elections that included inflated costs due to equipment mandated by the Help America Vote Act (HAVA) as well as numerous other State and Federal unfunded mandates. However on a good note, the TransCanada Keystone Pipeline project infused County General Revenue with an additional $19,639,561 from Locally Assessed Construction Work in Progress valuation. The closing of the Carroll County Jail allowed for a total savings in excess of $100,000 by eliminating salaries and benefits of jailers, utility costs and ongoing jail maintenance. Therefore at year-end, things were not as bad as anticipated and the County ended the year with a positive change in net assets of nearly $ 400,000.

Road and Bridge

Federal Bridge Replacement Off-System program (BRO) monies are federal fuel tax dollars allocated for replacement of bridges. The amount budgeted in 2010 on specific previously obligated bridge projects was $650,000, an estimated reduction of $515,000 with future funding of the program unknown. Funding of the estimated expenditures of $1,637,624 versus the estimated revenues of $1,464,485 was made possible by the cost saving measures taken in previous years that allowed a carry-over balance in the fund.

Highlights from 2009

A significant change in revenues collected through the State Assessed Railroad and Utilities tax was due to the increased valuation for the new Rockies Express pipeline that was completed in 2008. An increase of $855,047 in valuation brought in a total of $27,966 to County General Revenue. In addition to that, the collection of local use tax was boosted significantly during the time the company purchased items and bought goods in the County. The anticipated revenue for the Use Tax in the 2008 budget was $150,000, with actual tax collected being $562,391. This positive difference of $412,391 certainly went a long way in helping to balance the 2009 budget.

The significant change in the Assessment fund in 2009 was a settlement and release of claim agreement by and between Assessor Devin Ford Frazier and the County in the amount of $26,569 as un-liquidated back pay to settle in full all claims for the dispute over the proper level of pay due to an Official as a result of the application of the elected officials' pay principles determined in the Court of Appeals case of Goodwin vs. Carroll County.

A significant change in County Revenue in 2009 was the decision to house prisoners from the Carroll County Jail to the 222 bed facility in Henrietta, Missouri operated by Ray County. The Carroll County Commission and the newly elected Sheriff took a look at the rising costs and diminishing revenues associated with operating the facility along with the suggestions of MOPERM, the Counties liability insurance carrier, to reach this decision.

In December 2009 the Circuit Clerk and Associate Division II offices were consolidated by the Supreme Court. This consolidation affected all clerical functions of the Circuit Court into a single office to include the Office of the Circuit Clerk, Associate Division, Probate Division and Juvenile Division which will now be known as "Circuit Court". The appointing authority exercising control over these State-paid deputies and Division clerks is the Associate Circuit Judge Kevin Walden. Very little change to the revenues or expenditures of the Carroll County 2010 budget was noted other than the elimination of redundant funds that were combined. Other redundant departmental revenues and expenditures combined for budgetary purposes were the Sheriff and Jail departments which are now combined together as one.

CAPITAL ASSET AND DEBT ADMINISTRATION

The County continues to pay quarterly payments of $9,299 on a lease/purchase plan with Baystone Financial services for a Hyundai Excavator. The total cost was $134,600 in 2006 and was completed in April of 2010. The County paid off the energy loan for the courthouse windows with the Department of Natural Resources in 2010.

The Carroll County Clerk, Assessor and Collector-Treasurer continue to make payments on a lease purchase for the upgrade of hardware and software associated with a computer system purchased in 2007. The total cost of the equipment and software was $80,000 paid to Tyler Technologies. Quarterly payments of $4,050 continue to be required until June of 2013.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

County Revenue
The second pipeline project, Keystone/TransCanada Line, began in 2009 with locally assessed value for new construction being put on the books for 2010 and State assessed valuation to be added to the State-assessed values in 2011. This valuation is expected to increase our State-assessed valuation considerably.

Road and Bridge
The Road and Bridge funds are anticipated to be majorly affected by the Federal cuts and withholding of State funds. Until the fate of the Bridge Replacement Off-System program is known, fewer federal bridges will be programmed and further reductions may be necessary.

Assessment Fund
The Assessment fund will most likely be the hardest fund hit proportionately due to the State of Missouri General Assembly slashing the per parcel reimbursement of the expenses of the Assessor's office from $5.99 per parcel to $4.00 per parcel in 2010 and confirmed to be $3.84 per parcel for fiscal year 2011-12. This level of funding does not begin to meet fifty percent of the expenditures in the office of the Assessor.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

Questions about this report or requests for additional information should be addressed to Peggy McGaugh, Carroll County Clerk, 8 South Main, Suite 6, Carrollton, Missouri 64633, Phone 660-542-0615.

FINANCIAL SECTION

Exhibit A

CARROLL COUNTY, MISSOURI
COMPARATIVE GOVERNMENT-WIDE STATEMENTS OF NET ASSETS - CASH BASIS
DECEMBER 31, 2009 AND 2010

	December 31,	
	2009	2010
ASSETS		
Cash and cash equivalents	$ 2,805,274	$ 3,201,400
Total Assets	$ 2,805,274	$ 3,201,400
NET ASSETS		
Restricted	$ 1,684,483	$ 1,798,035
Unrestricted	1,120,791	1,403,365
Total Net Assets	$ 2,805,274	$ 3,201,400

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2010

	Disbursements	Program Receipts: Charges for Services	Program Receipts: Intergovernmental	Excess Disbursements Over Program Receipts and Changes in Net Assets: Governmental Activities
GOVERNMENTAL ACTIVITIES				
General county government	$ 1,181,910	$ 437,866	$ 282,115	$ (461,929)
Public safety	1,253,941	87,720	4,176	(1,162,045)
Judicial	29,161	40,863	631	12,333
Public works	1,496,972	39,582	1,597,647	140,257
Health and welfare	158,689	-	18,824	(139,865)
Total Governmental Activities	$ 4,120,673	$ 606,031	$ 1,903,393	$ (1,611,249)
GENERAL RECEIPTS				
Taxes				
Property taxes				$ 709,946
Sales taxes				695,242
Emergency Telephone System Tax				500,637
Interest				7,218
Other				94,332
Total General Receipts				2,007,375
Changes in Cash Balances				396,126
NET ASSETS, JANUARY 1				2,805,274
NET ASSETS, DECEMBER 31				$ 3,201,400

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2009

	Disbursements	Program Receipts: Charges for Services	Program Receipts: Intergovernmental	Excess Disbursements Over Program Receipts and Changes in Net Assets: Governmental Activities
GOVERNMENTAL ACTIVITIES				
General county government	$ 1,154,265	$ 401,542	$ 261,585	$ (491,138)
Public safety	1,140,133	92,396	-	(1,047,737)
Judicial	17,029	46,363	738	30,072
Public works	1,520,281	44,200	1,510,192	34,111
Health and welfare	145,671	-	-	(145,671)
Total Governmental Activities	$ 3,977,379	$ 584,501	$ 1,772,515	$ (1,620,363)
GENERAL RECEIPTS				
Taxes				
Property taxes				$ 664,058
Sales taxes				482,732
Emergency Telephone System Tax				486,849
Interest				14,120
Other				118,843
Total General Receipts				1,766,602
Changes in Cash Balances				146,239
NET ASSETS, JANUARY 1				2,659,035
NET ASSETS, DECEMBER 31				$ 2,805,274

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit C

CARROLL COUNTY, MISSOURI
COMPARATIVE GOVERNMENT-WIDE STATEMENTS OF NET ASSETS - CASH BASIS
DECEMBER 31,

	GENERAL		ROAD AND BRIDGE		COURTHOUSE RESTORATION		EMERGENCY ENHANCED 9-1-1		OTHER GOVERNMENTAL		TOTAL	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
ASSETS												
Cash and cash equivalents	$ 1,120,791	$ 1,403,365	$ 705,550	$ 878,294	$ 298,235	$ 256,766	$ 322,110	$ 236,937	$ 358,588	$ 426,038	$ 2,805,274	$ 3,201,400
Total Assets	$ 1,120,791	$ 1,403,365	$ 705,550	$ 878,294	$ 298,235	$ 256,766	$ 322,110	$ 236,937	$ 358,588	$ 426,038	$ 2,805,274	$ 3,201,400
NET ASSETS												
Unreserved	$ 1,120,791	$ 1,403,365	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,120,791	$ 1,403,365
Unreserved, reported in special revenue funds	-	-	705,550	878,294	298,235	256,766	322,110	236,937	-	-	1,325,895	1,371,997
Unreserved, reported in non-major special revenue funds	-	-	-	-	-	-	-	-	358,588	426,038	358,588	426,038
Total Net Assets	$ 1,120,791	$ 1,403,365	$ 705,550	$ 878,294	$ 298,235	$ 256,766	$ 322,110	$ 236,937	$ 358,588	$ 426,038	$ 2,805,274	$ 3,201,400

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit D

CARROLL COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31,

	GENERAL		ROAD AND BRIDGE		COURTHOUSE RESTORATION		EMERGENCY ENHANCED 9-1-1		OTHER GOVERNMENTAL		TOTAL	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
RECEIPTS												
Property taxes	$ 392,627	$ 433,058	$ 78,969	$ 76,535	$ -	$ -	$ -	$ -	$ 192,462	$ 200,353	$ 664,058	$ 709,946
Sales taxes	482,732	695,242	-	-	-	-	486,849	500,637	-	-	969,581	1,195,879
Intergovernmental	64,574	47,792	1,391,254	1,531,843	-	26,737	-	-	316,687	297,021	1,772,515	1,903,393
Charges for services	469,685	490,738	44,200	39,582	-	-	-	-	70,616	75,711	584,501	606,031
Interest	3,993	1,577	606	540	3,091	717	5,286	3,969	1,144	415	14,120	7,218
Other	39,548	68,080	7,256	14,967	-	-	3,813	-	68,226	11,285	118,843	94,332
Transfers in	56,711	76,666	-	-	-	-	-	-	5,777	5,325	62,488	81,991
Total Receipts	$ 1,509,870	$ 1,813,153	$ 1,522,285	$ 1,663,467	$ 3,091	$ 27,454	$ 495,948	$ 504,606	$ 654,912	$ 590,110	$ 4,186,106	$ 4,598,790
DISBURSEMENTS												
General government	$ 855,051	$ 885,340	$ -	$ -	$ 20,663	$ 68,923	$ -	$ -	$ 278,551	$ 227,647	$ 1,154,265	$ 1,181,910
Public safety	605,301	639,914	-	-	-	-	488,339	589,779	46,493	24,248	1,140,133	1,253,941
Judicial	-	-	-	-	-	-	-	-	17,029	29,161	17,029	29,161
Public works	-	-	1,365,658	1,425,712	-	-	-	-	154,623	71,260	1,520,281	1,496,972
Health and welfare	-	-	-	-	-	-	-	-	145,671	158,689	145,671	158,689
Transfers out	5,777	5,325	55,000	65,011	-	-	-	-	1,711	11,655	62,488	81,991
Total Disbursements	$ 1,466,129	$ 1,530,579	$ 1,420,658	$ 1,490,723	$ 20,663	$ 68,923	$ 488,339	$ 589,779	$ 644,078	$ 522,660	$ 4,039,867	$ 4,202,664
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 43,741	$ 282,574	$ 101,627	$ 172,744	$ (17,572)	$ (41,469)	$ 7,609	$ (85,173)	$ 10,834	$ 67,450	$ 146,239	$ 396,126
CASH, JANUARY 1	1,077,050	1,120,791	603,923	705,550	315,807	298,235	314,501	322,110	347,754	358,588	2,659,035	2,805,274
												-
CASH, DECEMBER 31	$ 1,120,791	$ 1,403,365	$ 705,550	$ 878,294	$ 298,235	$ 256,766	$ 322,110	$ 236,937	$ 358,588	$ 426,038	$ 2,805,274	$ 3,201,400

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit E

CARROLL COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
FIDUCIARY (AGENCY) FUNDS
December 31,

	2009	2010
Assets		
Cash and cash equivalents	$ 4,410,545	$ 4,686,008
Total Assets	$ 4,410,545	$ 4,686,008
Liabilities		
Due to Others	$ 4,410,545	$ 4,686,008
Total Liabilities	$ 4,410,545	$ 4,686,008

The accompanying Notes to the Financial Statements are an integral part of these statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Carroll County, Missouri ("County"), is governed by a three-member board of commissioners. In addition to the three board members, there are eight elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk/Recorder, Collector-Treasurer, Coroner, Prosecuting Attorney, Public Administrator, and Sheriff.

As discussed further in Note 1, these financial statements are presented on the cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, except as described in Note 1.A., Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Carroll County, Missouri which, except as described in the following paragraph, consists of all funds, organizations, institutions, agencies, departments, and offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

The financial statements do not include financial data for the Carroll County Health Center, a legally separate component unit of the County, as required by accounting principles generally accepted in the United States of America.

B. Basis of Presentation

Government-wide Financial Statements:

The statements of net assets and the statements of activities present financial information about Carroll County, Missouri. All County activities are governmental activities generally financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of net assets presents the financial condition of the governmental activities of the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. This comparison identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Direct expenses are those that are specifically associated with a particular function. *Program revenues* are (a) charges to those who purchase, use, or directly benefit from goods, services or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes, unrestricted interest earnings and other miscellaneous revenue not properly included among program revenues are presented instead as *general revenues.*

Fund Financial Statements:

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The County has determined that the General Fund, Road and Bridge, Courthouse Restoration, and Emergency Enhanced 911 are major governmental funds. All other governmental funds are reported in one column labeled "Non-major Governmental Funds".

The fund financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net assets, revenues and expenditures.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type are in the basic financial statements. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The measurement focus is upon determination of and changes in financial position. The following are the County's governmental major funds:

General Fund — The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Road and Bridge Fund — A special revenue fund used to account for receipts of State distributions and Federal grants and related expenditures for road maintenance and improvement projects.

Courthouse Restoration Fund – A special revenue fund used to account for receipts of sales tax monies that are restricted to major restoration and improvement projects of the County Courthouse building and grounds.

Emergency Enhanced 911 – A special revenue fund used to account for receipts of sales tax monies that are restricted to the operations of the emergency response system.

The other governmental funds of the County are considered non-major funds and are primarily special revenue funds, which account for the proceeds of specific revenue sources that generally are legally restricted to expenditures for specific purposes.

Fiduciary Fund Types

Agency — Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are prepared using the cash basis of accounting.

This basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions except that purchases of investments are recorded as assets; funds collected through the agency funds and not yet remitted are recorded as liabilities in the agency funds; and receipts of proceeds of short-term debt are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds, and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while all government-wide financials would be presented on the accrual basis of accounting.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1 the budget is legally enacted by a vote of the County Commission.

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Adoption of a formal budget is required by law, and the County adopted a formal budget for all funds.

9. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds.

Fund	2010	2009
Assessment	X	N/A
Community Development Block Grant	X	X
Johnson Grass	N/A	X
Emergency Watershed Protection	N/A	X

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2010 and 2009, for purposes of taxation was:

	2010	2009
Real Estate	$ 144,501,500	$ 118,796,831
Personal Property	35,637,896	34,104,490

During 2010 and 2009 the County Commission approved a tax levy per $100 of assessed valuation of tangible taxable property for the calendar year 2010 and 2009, for purposes of County taxation, as follows:

	2010	2009
General Revenue	0.2497	0.2542
Johnson Grass	0.0100	0.0100
Senate Bill 40	0.0963	0.0968

The Special Road and Bridge fund does not have a tax levy, however, the fund keeps a commission equal to 5 cents per $100 of assessed valuation from each of the townships' Road and Bridge levy.

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the fund's average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements so that reimbursed expenditures are reported only in the funds incurring the costs.

H. Net Assets/Fund Equity

On the Government-wide financial statements, equity is classified as net assets and displayed in two-components: restricted and unrestricted. Net assets represent the difference between assets and liabilities. Under the cash basis of accounting, liabilities other than loans from other funds and short-term borrowings are not recorded. Therefore, net assets generally equal the cash and cash equivalents balance. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net assets are reported as unrestricted.

On the fund financial statements, equity is classified as fund balance and displayed in two components: reserved and unreserved. Any portion of a fund balance that is not appropriate for expenditure or is legally segregated for a specific future use is reported as reserved. All other fund balances are reported as unreserved.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash and Cash Equivalents" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amounts of the County's deposits were $3,201,400 and $2,805,274, respectively, and the bank balances were $8,202,264 and $7,536,507, respectively. Of the bank balances, $572,488 and $637,566 for December 31, 2010 and 2009, respectively, were covered by federal depository insurance and the remainder was covered by collateral held at the Federal Reserve Bank and the County’s safekeeping bank agent in the County’s name.

At December 31, 2010 and 2009, the County Collector held cash representing collections of property taxes on behalf of various taxing districts in the County, including the Senate Bill 40 Board. These amounts, all of which were secured by pledged collateral, amounted to $4,649,449 and $4,368,063 at December 31, 2010 and 2009, respectively.

3. INTERFUND TRANSFERS

The County made the following interfund transfers during 2010 and 2009:

	Year Ended December 31, 2010	
	Transfers In	
Transfers Out	General	Non-Major
General	$ -	$ 5,325
Road and Bridge	65,011	-
Non-Major Governmental Funds	11,655	-

	Year Ended December 31, 2009	
	Transfers In	
Transfers Out	General	Non-Major
General	$ -	$ 5,777
Road and Bridge	55,000	-
Non-Major Governmental Funds	1,711	-

4. COUNTY EMPLOYEES' RETIREMENT FUND - CERF

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by Counties and remitted to CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. The County employees fund these contributions. During 2010 and 2009, the County collected and remitted to CERF employee contributions of approximately $37,629 and $37,960, respectively, for the years then ended.

5. DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS

A. Plan Description

Carroll County offers employees the opportunity to participate in the CERF defined contribution plan and Internal Revenue Code (IRC) Section 457 deferred compensation plan. The plans' provisions and contribution requirements were established by and may be amended only by the Missouri General Assembly. Pension plan members are eligible to participate.

B. Contributions

Pension plan members are required to contribute 0.7 percent of gross compensation to the defined contribution plan. Contributions of $34,230 and $31,180 were made during the years ended December 31, 2010 and 2009, respectively. Participation in the deferred compensation plan is voluntary, and the employee elects the contribution level, subject to the limitations of IRC Sections 401(a) and 457. The CERF Board of Directors decides if matching contributions from the pension plan trust funds for a calendar year will be made to the defined contribution plan accounts of those who participated in the deferred compensation plan. The amount of any matching contribution is determined by the Board and is limited to 50 percent of a member's voluntary contributions to the deferred compensation plan, up to 3 percent of the member's compensation.

C. Administration

Maintenance of individual member accounts and custody of assets have been contracted to a third-party administrator and investment custodian, respectively. The County sends member contributions directly to the third-party administrator. Members may select from several options for investing their contributions and their share of matching contributions.

6. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

7. CLAIMS, COMMITMENTS, AND CONTINGENCIES

A. Compensated Absences

The County provides regular full-time employees with up to fifteen days of sick time – to accrue at 1.25 days for each calendar month worked. Upon termination, the employee is not compensated for accrued sick time. Vacation time is accrued for full-time employees at the rate of ten days per year for employees with one to five years of service; eleven days per year with six years of service; twelve days per year with seven years of service; thirteen days with eight years of service; fourteen days with nine years of service; and fifteen days with ten or more years of service, up to a maximum of 30 days. Upon termination, the employee is compensated for accrued vacation time up to a maximum of 30 days.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

C. Taxable Industrial Revenue Bonds

In April 2008, the County issued $88,500,000 in taxable industrial revenue bonds to finance the acquisition, construction, and equipping of a dry-mill ethanol plant to be leased to Show Me Ethanol, LLC. The bonds will be repaid in various installments beginning in April 2009 from lease payments pursuant to the terms of a Lease Agreement dated April 1, 2008, between the County and Show Me Ethanol. Because the bonds are secured and paid solely from lease payments generated by the project, the bonds do not constitute a liability of the County.

8. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and

expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

9. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2009, to exclude the Law Library, Time Payment Fee, Circuit Court Interest, Associate Circuit Court Interest, Deputy Sheriff Salary Supplemental, and Law Enforcement Training - POST funds. The effect of the aforementioned change in reporting entity is to decrease cash balances of the governmental funds as previously reported at December 31, 2008 by the amount representing cash balances of the excluded funds.

The E-911 fund included within the report is effected by Missouri House Bill 1492 that revised the State statutes regarding emergency service boards. This Board is currently defined as a political subdivision of the state. Therefore, they will not subsequently be included in the scope of the County for reporting purposes. The change was effective as of August 28, 2010. In accordance with this consideration, the emergency service board should not be included as part of the Carroll County reporting entity subsequent to December 31, 2010.

10. LONG TERM DEBT

The County had the following long-term debt outstanding at December 31, 2010:

A. $37,232 in loans from a bank to finance a lease agreement for the acquisition of a new computer system. The lease is paid in equal quarterly installments of $4,050 through June 1, 2013, with interest at 6.243% annually. The schedule of remaining payments and interest is listed below:

Payment Date	Principal Due	Interest Due	Total Due
March 1, 2011	$ 3,469	$ 581	$ 4,050
June 1, 2011	3,523	527	4,050
September 1, 2011	3,578	472	4,050
December 1, 2011	3,634	416	4,050
March 1, 2012	3,691	359	4,050
June 1, 2012	3,749	301	4,050
September 1, 2012	3,807	243	4,050
December 1, 2012	3,866	184	4,050
March 1, 2013	3,927	123	4,050
June 1, 2013	3,988	62	4,050

11. COOPERATIVE VENTURES

The County has representatives on the governing board of the Carroll County Economic Development Board, which was created to promote the growth and stability of the local economy in Carroll County. The Board also consists of members from the town of Carrollton, Carrollton Municipal Utilities, and the Carrollton Area Chamber of Commerce. The County disbursed $2,500 to the Board in 2010, and $7,000 in 2009.

12. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2010 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through May 6, 2011, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CARROLL COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
GENERAL AND MAJOR SPECIAL REVENUE FUNDS

	GENERAL FUND Year Ended December 31,			
	2009		2010	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ 380,000	$ 392,627	$ 378,500	$ 433,058
Sales taxes	495,500	482,732	590,000	695,242
Intergovernmental	68,525	64,574	72,909	47,792
Charges for services	495,175	469,685	466,800	490,738
Interest	10,000	3,993	3,500	1,577
Other	39,031	39,548	37,682	68,080
Transfers in	55,000	56,711	75,074	76,666
Total Receipts	$ 1,543,231	$ 1,509,870	$ 1,624,465	$ 1,813,153
DISBURSEMENTS				
County Commission	$ 147,277	$ 118,649	$ 133,090	$ 114,117
County Clerk	127,644	119,174	129,094	122,583
Elections	117,855	74,015	182,580	102,936
Buildings and grounds	130,015	85,962	131,165	82,913
Employee fringe benefits	254,500	196,577	264,500	211,247
Collector	123,149	114,614	124,028	119,918
Recorder of Deeds	50,318	25,404	22,643	22,035
Circuit Clerk	12,250	8,723	20,015	15,201
Court administration	87,290	84,796	80,895	67,955
Public Administrator	27,705	27,137	26,575	26,385
Sheriff	349,264	310,758	559,503	513,472
Jail	286,213	170,115	-	-
Prosecuting Attorney	202,434	102,271	100,689	97,750
Juvenile Officer	14,157	5,501	14,157	7,377
Coroner	22,291	16,656	21,091	21,316
Other general revenue	-	-	-	49
Transfers out	1,000	5,777	9,200	5,325
Emergency fund	45,700	-	51,000	-
Total Disbursements	$ 1,999,062	$ 1,466,129	$ 1,870,225	$ 1,530,579
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (455,831)	$ 43,741	$ (245,760)	$ 282,574
CASH, JANUARY 1	1,077,050	1,077,050	1,120,791	1,120,791
CASH, DECEMBER 31	$ 621,219	$ 1,120,791	$ 875,031	$ 1,403,365

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
GENERAL AND MAJOR SPECIAL REVENUE FUNDS

	ROAD AND BRIDGE FUND				COURTHOUSE RESTORATION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2009		2010		2009		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 79,544	$ 78,969	$ 78,375	$ 76,535	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,708,300	1,391,254	1,338,610	1,531,843	26,737	-	26,737	26,737
Charges for services	20,000	44,200	40,000	39,582	-	-	-	-
Interest	10,000	606	1,000	540	5,000	3,091	2,000	717
Other	6,000	7,256	6,500	14,967	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 1,823,844	$ 1,522,285	$ 1,464,485	$ 1,663,467	$ 31,737	$ 3,091	$ 28,737	$ 27,454
DISBURSEMENTS								
Salaries	$ 176,961	$ 175,606	$ 184,198	$ 168,860	$ -	$ -	$ -	$ -
Employee fringe benefits	54,685	53,518	58,548	56,815	-	-	-	-
Materials and Supplies	332,123	321,722	236,478	216,978	-	-	-	-
Services and Other	72,059	69,059	70,950	70,152	1,000	1,815	150	755
Capital Outlay	50,000	42,424	50,000	21,136	-	-	-	-
Construction	1,015,000	703,329	972,450	891,771	155,000	18,848	82,738	68,168
Transfers out	55,020	55,000	65,000	65,011	-	-	-	-
Total Disbursements	$ 1,755,848	$ 1,420,658	$ 1,637,624	$ 1,490,723	$ 156,000	$ 20,663	$ 82,888	$ 68,923
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 67,996	$ 101,627	$ (173,139)	$ 172,744	$ (124,263)	$ (17,572)	$ (54,151)	$ (41,469)
CASH, JANUARY 1	603,923	603,923	705,550	705,550	315,807	315,807	298,235	298,235
CASH, DECEMBER 31	$ 671,919	$ 705,550	$ 532,411	$ 878,294	$ 191,544	$ 298,235	$ 244,084	$ 256,766

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
GENERAL AND MAJOR SPECIAL REVENUE FUNDS

	EMERGENCY ENHANCED 9-1-1			
	Year Ended December 31,			
	2009		2010	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ -	$ -	$ -	$ -
Sales taxes	500,000	486,849	500,000	500,637
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	3,000	5,286	3,500	3,969
Other	-	3,813	98,000	-
Transfers in	-	-	-	-
Total Receipts	$ 503,000	$ 495,948	$ 601,500	$ 504,606
DISBURSEMENTS				
Salaries	378,000	263,565	380,000	272,314
Employee fringe benefits	-	109,291	-	132,455
Materials and Supplies	15,000	12,212	15,000	12,065
Services and Other	65,500	62,932	64,500	39,735
Capital Outlay	35,000	40,339	133,000	133,210
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	$ 493,500	$ 488,339	$ 592,500	$ 589,779
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 9,500	$ 7,609	$ 9,000	$ (85,173)
CASH, JANUARY 1	314,501	314,501	322,110	322,110
CASH, DECEMBER 31	$ 324,001	$ 322,110	$ 331,110	$ 236,937

The accompanying Notes to the Financial Statements are an integral part of these statements.

COMPLIANCE SECTION

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Carroll County, Missouri

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Carroll County, Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise Carroll County, Missouri's basic financial statements and have issued our report thereon dated May 6, 2011. The report on the basic financial statements was qualified because of the omission of the Health Center, a legally separate component unit of the County. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Carroll County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Carroll County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Carroll County, Missouri's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses, as defined above. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and recommendations as items 1 through 4, that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Carroll County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed certain instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 5 and 6.

We also noted a certain matter that we reported to management of Carroll County, Missouri, in the findings and recommendations section as item 7.

Carroll County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Carroll County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
May 6, 2011

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission and
Officeholders of Carroll County, Missouri

Compliance

We have audited Carroll County, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Carroll County, Missouri's major federal programs for the years ended December 31, 2010 and 2009. Carroll County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Carroll County, Missouri's management. Our responsibility is to express an opinion on Carroll County, Missouri's compliance based on our audits.

We conducted our audits of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Carroll County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinion. Our audits do not provide a legal determination of Carroll County, Missouri's compliance with those requirements.

In our opinion, Carroll County, Missouri complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and 2009.

Internal Control Over Compliance

Management of Carroll County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered Carroll County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Carroll County, Missouri's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
May 6, 2011

CARROLL COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31, 2009	2010
	U.S DEPARTMENT OF AGRICULTURE			
	Passed through state Office of Administration:			
10.923	Emergency Watershed Protection Program	OMB 0348-0004	$ 4,540	$ 48,300
	U.S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
	Department of Economic Development -			
14.228	Community Development Block Grants/State's Program			
	DeWitt Levee	2007-EM-06	31,704	1,250
	Opportunity Enterprises Sewer Project	98-PF-754	82,558	10,444
	Cherry Valley Levee Distict	2007-EM-05	-	8,036
	Department of Social Services -			
14.231	Emergency Shelter Grants Program		-	7,759
14.257	Homelessness Prevention and Rapid Re-housing Program ARRA	ER1640007A	-	18,825
	U.S. DEPARTMENT OF JUSTICE			
	Passed through state Department of Public Safety:			
16.738	Edward Byrne Memorial Justice Assistance Grant Program	2008-LBGJ2-001	-	4,176
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
	Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO-017(40)	2,665	-
		BRO-017(46)	-	1,565
		BRO-017(47)	4,088	-
		BRO-017(50)	31,713	-
		BRO-017(51)	147,029	93,340
		BRO-017(52)	250,459	-
		BRO-017(54)	71,263	199,366
		BRO-017(55)	-	26,919
		BRO-017(56)	32,468	362,826
		BRO-017(57)	-	31,274
		BRO-017(58)	-	31,599
		BRO-017(59)	-	28,585
	Emergency Management Agency -			
20.615	Enhanced 911 Act of 2009	NHTSA 2008 0142	-	98,000
	Department of Public Safety -			
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	HM-HMP-009-09-01-00	-	1,000
	GENERAL SERVICES ADMINISTRATION			
	Passed through state Office of Administration -			
39.003	Donation of Federal Surplus Personal Property	N/A	29,821	2,928
	ELECTION ASSISTANCE COMMISSION			
	Passed through the Office of Secretary of State -			
90.401	Help America Vote Act Requirements Payments	SOSEIA210Z	550	479
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Passed through State:			
	Department of Social Services -			
93.563	Child Support Enforcement	N/A	10,367	9,726
	Department of Health and Senior Services -			
93.617	Voting Access for Individuals with Disabilities	75-1536-0-1-506	-	878
	U.S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through state Department of Public Safety:			
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	1773-DRMO	101,567	-
		1708-DRMO	4,970	-
	Total Expenditures of Federal Awards		$ 805,762	$ 987,275

See accompanying notes to the Schedule of Expenditures of Federal Awards.

CARROLL COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – SUBRECIPIENTS

During the years ended December 31, 2010 and 2009 the County passed through federal funds under the Emergency Watershed Protection Program (CFDA #10.923) to subawardees consisting of County levee districts in the amounts of $48,300 and $ 4,540, respectively.

CARROLL COUNTY, MISSOURI
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2010 AND 2009

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of Auditors' Report Issued: Unqualified

Internal Control Over Financial Reporting:

- Material weakness(es) identified? ___ Yes _X_ No

- Significant deficiencies identified that are not considered to be material weaknesses? _X_ Yes ___ None Reported

- Noncompliance material to financial statements noted? _X_ Yes ___ No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified? ___ Yes _X_ No

- Significant deficiencies identified that are not considered to be material weaknesses? ___ Yes _X_ None Reported

Type of Auditor's Report Issued on Compliance For Major Programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(A) of Circular A-133? ___ Yes _X_ No

Identification of Major Programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.205	Highway and Transportation – Highway Planning and Construction

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: $300,000

Auditee Qualified as low-risk: ___ Yes _X_ No

SECTION II – FINANCIAL STATEMENTS FINDINGS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

1. Fee Office Receipts
2. Sheriff's Internal Controls
3. Transfers
4. E-911 Cash Balances and Interest Revenues
5. Investment Policy
6. Budgetary Controls
7. Custody of E-911 Records

Summary Schedule of Prior Audit Findings:

1. Fee Office Receipts
2. County Clerk's Controls and Procedures
3. Sheriff's Internal Controls
4. Sheriff's Bank Reconciliation Procedures
5. Investment Policy
6. Budgetary Controls
7. Transfers
8. Custody of E-911 Records

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV – FOLLOW-UP ON PRIOR YEAR'S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESS IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Fee Office Receipts

Condition: Several County fee offices use a form of "One Write" system which is intended to provide both a receipt for the customer and a record of receipts written, in journal form, with only one "writing" of the transaction. However, this system requires the receipt number to be copied from the receipt onto a receipt ledger, allowing for the possibility of defalcation or errors such as transposing numbers that could lead to duplicate or missing receipt numbers on the receipt ledgers. Once a receipt is issued, there is no copy of the pre-numbered receipt kept by the fee offices in order to follow up on any discrepancies noted on a receipt ledger.

The integrity of receipt numbers allows an independent party to account for the numerical sequence of receipts and verify that all dollars recorded on receipts are transmitted for deposit in the bank. It is a key internal control over the collection and deposit of revenues.

Recommendation: We recommend that all offices which issue receipts use a system that either includes pre-printed receipt numbers on both the ledger sheet and the receipt, or requires the receipt number to be hand-written and simultaneously recorded on both the receipt and ledger.

County Response: The Treasurer's Office has not experienced any problem in balancing with the monthly bank statement and the County Clerk's Office by using the "One Write Receipt System". The employees in the Treasurer's Office take pride in keeping track of receipts in numerical sequence, and the office currently has a good supply of the costly "One Write Receipts" on hand, however, copies of the receipts issued will be made prior to distribution to the client until the supply of unused receipts are exhausted. Both the Assessor and County Clerk also have a large amount of unused receipts on hand.

Auditor's Evaluation: The response is appropriate to correct the concern.

2. Sheriff's Internal Controls

Condition: Internal controls help to prevent and detect misappropriation of funds. One type of internal control that can detect misappropriation of funds is the separation of various aspects of a transaction. For example, a person who has access to blank checks and the ability to write checks should not also reconcile the bank account. This is because, in the event of a check forgery, the person reconciling the bank account may notice the unauthorized disbursement and forged signature. However, if this person is in a position to have committed the forgery, this detective internal control will not be effective.

During our audit procedures at the Sheriff's Department, we noted that accounting duties are not segregated as described above. The office manager is primarily responsible for preparing checks, bank reconciliations, and maintaining the accounting records for the Sheriff's fee account.

The Sheriff reviews the bank statements at the end of the month. However, this review does not include reviewing supporting documentation related to the checks written by the office manager to ensure that the check was written for the correct amount, to a legitimate payee, and for goods or services that are necessary and have been received.

Recommendation: We recommend that the Sheriff's office implement procedures to segregate the functions of authorizing purchases, maintaining the accounting records, and reconciling the bank account. This could be accomplished by having the Sheriff become the authorized signer on the Sheriff's fee account, which would give him the duty of authorizing expenditures while the office manager records them in the accounting records and reconciles the bank account.

County Response: I concur that I will now approve the information prior to the Office Manager issuing checks.

Auditor's Evaluation: The response is appropriate to correct the concern.

3. Transfers

Condition: As recorded in the financial statements published with the County's annual budget, transfers from other funds did not equal transfers to other funds during either 2009 or 2010. In 2009, a receipt of a worker's compensation refund was recorded as a transfer in to the Johnson Grass fund with no accompanying transfer out of a County fund. In 2010, a transfer out of the General Revenue fund was recorded for a payroll deduction error that occurred in 2009 with no accompanying transfer in from a County fund. Transfers in and out should only be recorded for transactions between County funds and should agree at year end.

Recommendation: We recommend that the County only record transfers for transactions between County funds and ensure that all transfers to a fund are accompanied by a recorded transfer from the sending fund.

County Response: The two entries reported as transfers were receipts and not transfers and were reported in the wrong place on the Budget. The County will record a Journal Entry for the minor transfers between funds rather than a formal Court Order and the entries will be reported in the proper locations in the future.

Auditor's Evaluation: The response is appropriate to correct the concern.

4. E-911 Cash Balances and Interest Revenues

Condition: The cash balances reported by the E-911 Board on their annual budgets did not agree to supporting documentation at December 31, 2009 and December 31, 2010. The Board reported a cash balance of $322,484 at December 31, 2009, while only $322,110 was supported by bank records, a variance of $374. The Board reported a cash balance of $237,377 at December 31, 2010, while only $236,937 was supported by bank records, a variance of $440. The differences appear to have been caused by issues with recording interest revenue from the Board's various Certificates of Deposit.

There were also variances between the cash balances and interest revenue reported by the Board on their 2010 budget and the published financial statements for the year ended December 31, 2009. The Board reported interest revenue during 2009 of $5,660 and a cash balance of $322,484 on their 2010 budget, however, their financial statements reported interest revenue of $5,725 and a cash balance of $322,550. The December 31, 2009 cash balance was corrected to agree with the budget on the 2010 financial statements.

Recommendation: We recommend that the E-911 Board ensure that cash balances and interest revenues are properly supported by bank records and that the amounts reported in the annual budgets and the published financial statements are consistent.

E-911 Board Response: The Carroll County E-911 Board will work closely with banks to obtain exact cash balances and interest revenues thereby reflecting these figures in the annual budget and published financial statement.

Auditor's Evaluation: The response is appropriate to correct the concern.

ITEMS OF NONCOMPLIANCE

5. Investment Policy

Condition: The County has not adopted an investment policy. The purpose of an investment policy is to establish the investment scope, objectives, delegation of authority, internal controls, standards of prudence, authorized investments and transactions, diversification mandate, risk tolerance, safekeeping and custodial procedures, and reporting requirements for the investment of cash funds. At the County, such a policy may establish criteria to determine when the investment of cash deposits should be considered, assigning responsibility for monitoring collateral, addressing procedures for overseeing and securing deposits in bond reserve accounts, procedures for bidding bank depositories, as well as policies and procedures specific to individual investment decisions. Section 110.270, RSMo 2007, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2007, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy should commit the County to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through

repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

We recognize that the County has no investments, however, creating an investment policy is an effort best accomplished with due consideration to all relevant factors, and not in a limited amount of time when the need is finally recognized. Such a policy also provides guidance for incoming Treasurers and can foster continuity in the County's investment strategies and self-imposed limits.

Adopting an investment is not only a prudent business practice, it is also required by state statutes.

Recommendation: We recommend the County adopt an investment policy and review compliance with this policy at least annually.

County Response: An Investment Policy was adopted by the Commissioners in May of 2011.

Auditor's Evaluation: The response is appropriate to correct the concern.

6. Budgetary Controls

Condition: The expenditures of the Johnson Grass, Community Development Block Grant, and Emergency Watershed Protection funds exceeded their budgeted amounts during 2009. The expenditures of the Assessment and Community Development Block Grant funds exceeded their budgeted amounts during 2010.

Recommendation: We recommend that the County Commission amend the budget when circumstances arise that were unforeseen during the budgeting process in order to maintain strict compliance with budgetary law.

County Response: The agreement to administer the pass through funds for both CDBG and EWP projects between the agencies and the commission was done without knowing how many projects and the dollar amount required to be budgeted, but were deemed to be worthy projects.

Auditor's Evaluation: The response is not appropriate to correct the concern. Expenditure budgets should be monitored throughout the year and budget amendments should be adopted if necessary to comply with budgetary law.

OTHER MATTERS

7. Custody of E-911 Records

Condition: The Board Treasurer's custody of Enhanced 911 invoices and bank records is not appropriate. The Treasurer stores invoices and bank records at his personal residence and transports documents to County E-911 facilities as needed. The procedure does not provide for adequate safekeeping of county documents. RSMo 67.1937 states the governing body of the county shall provide for the proper and safekeeping of its permanent records. Furthermore, the procedure prohibits the documents from being readily available for annual audits.

Recommendation: We recommend that the Enhanced 911 Board and staff store all E-911 documents at county facilities, ensuring safe and proper storage.

E-911 Board Response: The Carroll County E-911 Board will store all E-911 documents at the Carroll County E-911 facility located at 2 N. Monroe, Carrollton, MO.

Auditor's Evaluation: The response is appropriate to correct the concern.

CARROLL COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Carroll County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2008 and 2007.

1. The Treasurer's and Assessor's offices use a OneWrite system for recording receipts which requires receipt number to be manually entered into a receipt log rather than leaving a carbon copy of the pre-numbered receipts that have been issued. An instance was noted where the Assessor's receipt ledger included the same receipt number twice, with different amount and payer's.

   Status – Not resolved. This system is still in use in several County fee offices, however, no issues were noted with duplicate receipt numbers in the current audit. See Finding 1.

2. The reconciliation of the County Clerk's bank account does not identify deposits in transit or outstanding checks.

   Status – Resolved.

3. The duties of receipt of cash, check writing, and reconciling bank accounts are not properly segregated in the Sheriff's office. The office manager is primarily responsible for all of these duties.

   Status – Partially resolved. The Sheriff's office implemented a procedure to have the Sheriff review the office manager's receipt ledger on a monthly basis and reconcile it to deposit slips. The Sheriff also reviews the bank statements each month. However, controls can still be strengthened over the disbursement process. See Finding 2

4. The Sheriff's account bank reconciliations include deposits in transit that are several years old as well as checks that have already cleared the bank but have not been removed.

   Status – Resolved.

5. The County has not adopted a proper investment policy in accordance with state statutes.

   Status – Not resolved. See Finding 5.

6. The actual expenditure of the EDA 98 Grant fund exceeded the budgeted amount for 2008.

   Status – Not resolved. Although the EDA 98 Grant fund had no activity during the current audit period, other funds were determined to have exceeded their budgets. See Finding 6.

7. Transfers in recorded on the budget did not equal transfers out in 2007 or 2008.

   Status – Partially resolved. Significant improvement was made in the recording of interfund transfers in the County's budgets in 2009 and 2010, however, transfers in did not equal transfers out in either year. See Finding 3.

8. The Treasurer of the Enhanced 911 Board maintains invoices and bank records at his personal residence.

   Status – Partially resolved. Copies of invoices are maintained at the E-911 facility, however, the original invoices and all bank records are still maintained by the Treasurer at his personal residence. See Finding 7.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Laclede County, Missouri

The Office of the State Auditor, in cooperation with Laclede County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Davis, Lynn & Moots, P.C., Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-50

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LACLEDE COUNTY, MISSOURI

BASIC FINANCIAL STATEMENTS

Years Ended December 31, 2010 and 2009

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DAVIS, LYNN & MOOTS, P.C.
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INDEPENDENT AUDITORS' REPORT

Laclede County Commission
Laclede County
Lebanon, Missouri

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Laclede County, Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Laclede County, Missouri's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note A, the basic financial statements of the Primary Government of Laclede County, Missouri and the Developmentally Disabled Board were prepared on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The financial statements do not include financial data for Laclede County Health Center, a legally separate component unit of the County. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The assets, liabilities, net assets, revenues, and expenses of the aggregate discretely presented component units are not reasonably determinable.

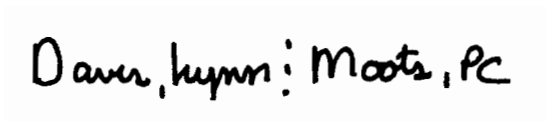
In our opinion, because of the omission of the discretely presented component unit, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of Laclede County, Missouri, as of December 31, 2010 and 2009, or the changes in financial position thereof for the years then ended.

Further, in our opinion, the basic financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Laclede County, Missouri, as of December 31, 2010 and 2009, and the respective changes in modified cash basis financial position and cash flows, where applicable, thereof for the years then ended, in conformity with the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Budgetary Comparison Schedules are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures that consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. Laclede County, Missouri has not presented the Management Discussion and Analysis (MD&A) that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Laclede County, Missouri's basic financial statements. The accompanying other financial information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole on the basis of accounting described in Note A.



DAVIS, LYNN & MOOTS, P.C.
June 27, 2011

LACLEDE COUNTY, MISSOURI
STATEMENTS OF NET ASSETS – MODIFIED CASH BASIS
December 31, 2010 and 2009

	Primary Government		Component Unit	
	Governmental Activities		Developmentally Disabled Board	
	2010	2009	2010	2009
ASSETS				
Cash and cash equivalents	$ 7,996,112	$ 4,880,554	$ 52,136	$ 41,076
Investments	-	2,255,000	-	-
TOTAL ASSETS	$ 7,996,112	$ 7,135,554	$ 52,136	$ 41,076
NET ASSETS				
Unrestricted	$ 7,996,112	$ 7,135,554	$ 52,136	$ 41,076
TOTAL NET ASSETS	$ 7,996,112	$ 7,135,554	$ 52,136	$ 41,076

See accompanying notes.

LACLEDE COUNTY, MISSOURI
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
Year Ended December 31, 2010

Functions/Programs	Disbursements	Program Receipts: Charges for Services	Program Receipts: Operating Grants and Contributions	Program Receipts: Capital Grants and Contributions	Primary Government: Net (Disbursements), Receipts, and Changes in Net Assets: Total Governmental Activities	Component Unit: Developmentally Disabled Board
Primary Government						
Governmental Activities						
General government	$ (2,212,305)	$ 961,854	$ 83,398	$ -	$ (1,167,053)	$ -
Judicial	(607,474)	643,747	-	-	36,273	-
Public safety	(2,511,864)	590,105	45,106	16,490	(1,860,163)	-
Intergovernmental agreements	(343,252)	-	-	-	(343,252)	-
Highways and roads	(1,750,267)	15,639	37,490	-	(1,697,138)	-
Disaster recovery	(102,404)	-	412,704	-	310,300	-
Other	(151,366)	-	-	-	(151,366)	-
TOTAL GOVERNMENTAL ACTIVITIES	(7,678,932)	2,211,345	578,698	16,490	(4,872,399)	-
TOTAL PRIMARY GOVERNMENT	$ (7,678,932)	$ 2,211,345	$ 578,698	$ 16,490	(4,872,399)	-
Component Unit						
Developmentally Disabled Board	$ (287,753)	$ -	$ -	$ -	-	(287,753)
TOTAL COMPONENT UNIT	$ (287,753)	$ -	$ -	$ -	-	(287,753)
General Receipts:						
Ad valorem taxes					515,659	258,460
Sales tax					3,676,143	-
Motor vehicle sales and gas taxes					801,460	-
Telephone tax					407,517	-
Other taxes					166,638	39,490
Interest					109,987	863
Other receipts					55,553	-
Total General Receipts					5,732,957	298,813
Increase in Net Assets					860,558	11,060
Net Assets, Beginning of year					7,135,554	41,076
Net Assets, End of year					$ 7,996,112	$ 52,136

See accompanying notes.

LACLEDE COUNTY, MISSOURI
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
Year Ended December 31, 2009

Functions/Programs	Disbursements	Program Receipts: Charges for Services	Program Receipts: Operating Grants and Contributions	Program Receipts: Capital Grants and Contributions	Net (Disbursements), Receipts, and Changes in Net Assets: Total Governmental Activities	Component Unit: Developmentally Disabled Board
Primary Government						
Governmental Activities						
General government	$ (1,909,932)	$ 983,169	$ 4,958	$ -	$ (921,805)	$ -
Judicial	(586,791)	423,021	-	-	(163,770)	-
Public safety	(2,598,326)	680,003	51,158	5,463	(1,861,702)	-
Intergovernmental agreements	(307,422)	-	-	-	(307,422)	-
Highways and roads	(1,651,450)	1,574	39,284	-	(1,610,592)	-
Disaster recovery	(162,556)	-	221,743	-	59,187	-
Capital outlay	(25,000)	-	-	25,000	-	-
Other	(127,995)	-	-	-	(127,995)	-
TOTAL GOVERNMENTAL ACTIVITIES	(7,369,472)	2,087,767	317,143	30,463	(4,934,099)	-
TOTAL PRIMARY GOVERNMENT	$ (7,369,472)	$ 2,087,767	$ 317,143	$ 30,463	(4,934,099)	-
Component Unit						
Developmentally Disabled Board	$ (263,166)	$ -	$ -	$ -	-	(263,166)
TOTAL COMPONENT UNIT	$ (263,166)	$ -	$ -	$ -	-	(263,166)
General Receipts:						
Ad valorem taxes					437,050	248,426
Sales tax					3,553,092	-
Motor vehicle sales tax					767,744	-
Telephone tax					421,812	-
Other taxes					150,525	37,857
Interest					84,246	57
Other receipts					84,692	-
Total General Receipts					5,499,161	286,340
Increase in Net Assets					565,062	23,174
Net Assets, Beginning of year, as restated					6,570,492	17,902
Net Assets, End of year					$ 7,135,554	$ 41,076

See accompanying notes.

LACLEDE COUNTY, MISSOURI
STATEMENT OF ASSETS AND FUND BALANCES – GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
December 31, 2010

	General Fund	Road and Bridge Fund	Law Enforcement Sales Tax Fund	Capital Improvement Fund	County Development Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 1,855,601	$ 415,945	$ 1,036,384	$ 2,017,852	$ 1,097,372	$ 1,556,700	$ 7,979,854
TOTAL ASSETS	$ 1,855,601	$ 415,945	$ 1,036,384	$ 2,017,852	$ 1,097,372	$ 1,556,700	$ 7,979,854
FUND BALANCES							
Fund Balances							
Unreserved, reported in:							
General Fund	$ 1,855,601	$ -	$ -	$ -	$ -	$ -	$ 1,855,601
Special Revenue Fund	-	415,945	1,036,384	2,017,852	1,097,372	1,556,700	6,124,253
TOTAL FUND BALANCES	$ 1,855,601	$ 415,945	$ 1,036,384	$ 2,017,852	$ 1,097,372	$ 1,556,700	$ 7,979,854

Fund Balance Governmental Funds	$ 7,979,854
Some of the amounts reported for Governmental activities in the Statement of Net Assets are different because internal service fund assets are included with Governmental activities.	16,258
Net Assets of Governmental Activities	$ 7,996,112

See accompanying notes.

LACLEDE COUNTY, MISSOURI
STATEMENT OF ASSETS AND FUND BALANCES – GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
December 31, 2009

	General Fund	Road and Bridge Fund	Law Enforcement Sales Tax Fund	Capital Improvement Fund	County Development Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 690,003	$ 401,019	$ 522,431	$ 1,032,793	$ 640,907	$ 1,579,991	$ 4,867,144
Investments	1,000,000	-	500,000	500,000	255,000	-	2,255,000
TOTAL ASSETS	$ 1,690,003	$ 401,019	$ 1,022,431	$ 1,532,793	$ 895,907	$ 1,579,991	$ 7,122,144
FUND BALANCES							
Fund Balances							
Unreserved, reported in:							
General Fund	$ 1,690,003	$ -	$ -	$ -	$ -	$ -	$ 1,690,003
Special Revenue Fund	-	401,019	1,022,431	1,532,793	895,907	1,579,991	5,432,141
TOTAL FUND BALANCES	$ 1,690,003	$ 401,019	$ 1,022,431	$ 1,532,793	$ 895,907	$ 1,579,991	$ 7,122,144

Fund Balance Governmental Funds	$ 7,122,144
Some of the amounts reported for Governmental activities in the Statement of Net Assets are different because internal service fund assets are included with Governmental activities.	13,410
Net Assets of Governmental Activities	$ 7,135,554

See accompanying notes.

LACLEDE COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
Year Ended December 31, 2010

	General Fund	Road and Bridge Fund	Law Enforcement Sales Tax Fund	Capital Improvement Fund	County Development Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
RECEIPTS							
Taxes	$ 2,506,870	$ 795,588	$ -	$ -	$ 1,837,137	$ 427,822	$ 5,567,417
Collector's commission	317,605	-	-	-	-	-	317,605
Licenses and permits	30,633	-	-	-	-	-	30,633
Intergovernmental receipts	107,972	37,490	-	412,704	-	37,022	595,188
Fees and charges	1,271,364	15,639	-	-	-	569,833	1,856,836
Interest	30,425	4,353	19,133	24,759	12,580	18,737	109,987
Other	12,100	36,966	5,442	-	-	7,316	61,824
TOTAL RECEIPTS	4,276,969	890,036	24,575	437,463	1,849,717	1,060,730	8,539,490
DISBURSEMENTS							
Current							
General government	1,786,375	-	-	-	-	428,778	2,215,153
Judicial	542,843	-	-	-	-	64,631	607,474
Public safety	1,590,608	-	10,622	-	-	496,510	2,097,740
Intergovernmental agreements	-	-	-	-	343,252	-	343,252
Highways and roads	-	1,750,267	-	-	-	-	1,750,267
Disaster recovery	-	-	-	102,404	-	-	102,404
Other	151,366	-	-	-	-	-	151,366
TOTAL DISBURSEMENTS	4,071,192	1,750,267	10,622	102,404	343,252	989,919	7,267,656
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	205,777	(860,231)	13,953	335,059	1,506,465	70,811	1,271,834
OTHER FINANCING SOURCES (USES)							
Operating transfers in (out)	(40,179)	875,157	-	150,000	(1,305,000)	(94,102)	(414,124)
TOTAL OTHER FINANCING SOURCES (USES)	(40,179)	875,157	-	150,000	(1,305,000)	(94,102)	(414,124)

See accompanying notes.

LACLEDE COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS – MODIFIED CASH BASIS (CONTINUED)
Year Ended December 31, 2010

	General Fund	Road and Bridge Fund	Law Enforcement Sales Tax Fund	Capital Improvement Fund	County Development Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	165,598	14,926	13,953	485,059	201,465	(23,291)	857,710
FUND BALANCE, January 1	1,690,003	401,019	1,022,431	1,532,793	895,907	1,579,991	7,122,144
FUND BALANCE, December 31	$ 1,855,601	$ 415,945	$ 1,036,384	$ 2,017,852	$ 1,097,372	$ 1,556,700	$ 7,979,854

Excess of Receipts and Other Sources Over Disbursements and Other (Uses)	$ 857,710
Some of the amounts reported for Governmental activities in the Statement of Activities are different because the Internal Service Fund receipts and disbursements are included with Governmental activities.	2,848
Increase in Net Assets	$ 860,558

See accompanying notes.

LACLEDE COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
Year Ended December 31, 2009

	General Fund	Road and Bridge Fund	Law Enforcement Sales Tax Fund	Capital Improvement Fund	County Development Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
RECEIPTS							
Taxes	$ 2,355,458	$ 761,513	$ -	$ -	$ 1,775,279	$ 437,973	$ 5,330,223
Collector's commission	305,703	-	-	-	-	-	305,703
Licenses and permits	29,396	-	-	-	-	-	29,396
Intergovernmental receipts	42,112	39,284	-	221,743	-	44,467	347,606
Fees and charges	1,142,561	1,574	-	-	-	602,721	1,746,856
Interest	4,786	934	12,992	11,936	5,561	48,037	84,246
Other	39,110	42,599	-	-	-	8,795	90,504
TOTAL RECEIPTS	3,919,126	845,904	12,992	233,679	1,780,840	1,141,993	7,934,534
DISBURSEMENTS							
Current							
General government	1,575,677	-	-	-	-	332,090	1,907,767
Judicial	545,303	-	-	-	-	41,488	586,791
Public safety	1,554,744	-	96,737	-	-	504,147	2,155,628
Intergovernmental agreements	-	-	-	-	307,422	-	307,422
Highways and roads	-	1,651,450	-	-	-	-	1,651,450
Disaster recovery	-	79,999	-	82,557	-	-	162,556
Capital outlay	-	-	-	-	-	25,000	25,000
Other	127,995	-	-	-	-	-	127,995
TOTAL DISBURSEMENTS	3,803,719	1,731,449	96,737	82,557	307,422	902,725	6,924,609
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	115,407	(885,545)	(83,745)	151,122	1,473,418	239,268	1,009,925
OTHER FINANCING SOURCES (USES)							
Operating transfers in (out)	(354,561)	1,117,631	-	100,000	(1,205,000)	(100,768)	(442,698)
TOTAL OTHER FINANCING SOURCES (USES)	(354,561)	1,117,631	-	100,000	(1,205,000)	(100,768)	(442,698)

See accompanying notes.

LACLEDE COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS – MODIFIED CASH BASIS (CONTINUED)
Year Ended December 31, 2009

	General Fund	Road and Bridge Fund	Law Enforcement Sales Tax Fund	Capital Improvement Fund	County Development Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(239,154)	232,086	(83,745)	251,122	268,418	138,500	567,227
FUND BALANCE, January 1, as restated	1,929,157	168,933	1,106,176	1,281,671	627,489	1,441,491	6,554,917
FUND BALANCE, December 31	$ 1,690,003	$ 401,019	$ 1,022,431	$ 1,532,793	$ 895,907	$ 1,579,991	$ 7,122,144

Excess of Receipts and Other Sources Over Disbursements and Other (Uses)	$ 567,227
Some of the amounts reported for Governmental activities in the Statement of Activities are different because the Internal Service Fund receipts and disbursements are included with Governmental activities.	(2,165)
Increase in Net Assets	$ 565,062

See accompanying notes.

LACLEDE COUNTY, MISSOURI
STATEMENTS OF NET ASSETS – PROPRIETARY FUND – MODIFIED CASH BASIS
December 31, 2010 and 2009

	Internal Service Fund	
	2010	2009
ASSETS		
Current Assets		
Cash and cash equivalents	$ 16,258	$ 13,410
TOTAL ASSETS	$ 16,258	$ 13,410
Net Assets		
Unrestricted	$ 16,258	$ 13,410
TOTAL NET ASSETS	$ 16,258	$ 13,410

See accompanying notes.

LACLEDE COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET ASSETS – PROPRIETARY FUND – MODIFIED CASH BASIS
Years ended December 31, 2010 and 2009

	Internal Service Fund	
	2010	2009
OPERATING RECEIPTS		
Charges for services	$ 47,983	$ 39,280
TOTAL OPERATING RECEIPTS	47,983	39,280
OPERATING DISBURSEMENTS		
Insurance claims and disbursements	459,402	484,215
TOTAL OPERATING DISBURSEMENTS	459,402	484,215
OPERATING (LOSS)	(411,419)	(444,935)
NONOPERATING RECEIPTS		
Interest receipts	143	72
TOTAL NONOPERATING RECEIPTS	143	72
OTHER FINANCING SOURCES		
Operating transfers in	414,124	442,698
NET INCOME (LOSS)	2,848	(2,165)
NET ASSETS, January 1	13,410	15,575
NET ASSETS, December 31	$ 16,258	$ 13,410

See accompanying notes.

LACLEDE COUNTY, MISSOURI
STATEMENTS OF CASH FLOWS – PROPRIETARY FUND – MODIFIED CASH BASIS
Years ended December 31, 2010 and 2009

	Internal Service Fund	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 47,983	$ 39,280
Cash paid to suppliers	(459,402)	(484,215)
NET CASH (USED) BY OPERATING ACTIVITIES	(411,419)	(444,935)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers in	414,124	442,698
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	414,124	442,698
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	143	72
NET CASH PROVIDED BY INVESTING ACTIVITIES	143	72
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,848	(2,165)
CASH AND CASH EQUIVALENTS, Beginning of year	13,410	15,575
CASH AND CASH EQUIVALENTS, End of year	$ 16,258	$ 13,410
RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES:		
Operating (loss)	$ (411,419)	$ (444,935)
NET CASH (USED) BY OPERATING ACTIVITIES	$ (411,419)	$ (444,935)

See accompanying notes.

LACLEDE COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES – ARISING FROM CASH TRANSACTONS – AGENCY FUNDS
December 31, 2010

	Sheriff's Office Jail Fund	Sheriff's Office Inmate Security Fund	Sheriff's Office Commissary Fund	Sheriff's Office Bond Fund	Special Election Fund	Collector of Revenue Fund	Collector Tax Installment Fund	Land Sales Surplus Fund
ASSETS								
Cash and cash equivalents	$ 266	$ 6,181	$ 47,147	$ 1	$ 917	$ 13,693,749	$ 617	$ 7,047
TOTAL ASSETS	$ 266	$ 6,181	$ 47,147	$ 1	$ 917	$ 13,693,749	$ 617	$ 7,047
LIABILITIES								
Due to others	$ -	$ 6,181	$ 47,147	$ 1	$ -	$ -	$ 617	$ -
Due to other funds	266	-	-	-	-	1,189,545	-	-
Due to other governments	-	-	-	-	917	12,504,204	-	7,047
TOTAL LIABILITIES	$ 266	$ 6,181	$ 47,147	$ 1	$ 917	$ 13,693,749	$ 617	$ 7,047

See accompanying notes.

LACLEDE COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES – ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS (CONTINUED)
December 31, 2010

	Unclaimed Fee Fund	Fines and Forfeitures Fund	Circuit Clerk Fund	Recorder's User Fee Fund	Prosecuting Attorney Restitution Fund	Prosecuting Attorney Bad Check Fund	Total
ASSETS							
Cash and cash equivalents	$ 6,812	$ 129,973	$ 270,417	$ 14,885	$ 3,459	$ 6,527	$ 14,187,998
TOTAL ASSETS	$ 6,812	$ 129,973	$ 270,417	$ 14,885	$ 3,459	$ 6,527	$ 14,187,998
LIABILITIES							
Due to others	$ 6,812	$ -	$ 210,535	$ -	$ 1,621	$ 6,131	$ 279,045
Due to other funds	-	-	40,933	12,348	1,753	396	1,245,241
Due to other governments	-	129,973	18,949	2,537	85	-	12,663,712
TOTAL LIABILITIES	$ 6,812	$ 129,973	$ 270,417	$ 14,885	$ 3,459	$ 6,527	$ 14,187,998

See accompanying notes.

LACLEDE COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES – ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS
December 31, 2009

	Sheriff's Office Jail Fund	Sheriff's Office Inmate Security Fund	Sheriff's Office Commissary Fund	Sheriff's Office Forfeiture Fund	Sheriff's Office Bond Fund	Collector's Protest Fund	Collector of Revenue Fund
ASSETS							
Cash and cash equivalents	$ 11,702	$ 2,625	$ 58,743	$ 5,144	$ 2	$ 66	$ 14,056,695
TOTAL ASSETS	$ 11,702	$ 2,625	$ 58,743	$ 5,144	$ 2	$ 66	$ 14,056,695
LIABILITIES							
Due to others	$ -	$ 2,625	$ 58,743	$ 5,144	$ 2	$ 66	$ -
Due to other funds	-	-	-	-	-	-	1,176,495
Due to other governments	11,702	-	-	-	-	-	12,880,200
TOTAL LIABILITIES	$ 11,702	$ 2,625	$ 58,743	$ 5,144	$ 2	$ 66	$ 14,056,695

See accompanying notes.

LACLEDE COUNTY, MISSOURI
STATEMENT OF ASSETS AND LIABILITIES – ARISING FROM CASH TRANSACTIONS –AGENCY FUNDS (CONTINUED)
December 31, 2009

	Collector Tax Installment Fund	Special Election Fund	Land Sales Surplus Fund	Unclaimed Fee Fund	Fines and Forfeitures Fund	Circuit Clerk Fund	Recorder's User Fee Fund	Total
ASSETS								
Cash and cash equivalents	$ 124	$ 857	$ 11,220	$ 10,927	$ 133,919	$ 404,004	$ 17,486	$ 14,713,514
TOTAL ASSETS	$ 124	$ 857	$ 11,220	$ 10,927	$ 133,919	$ 404,004	$ 17,486	$ 14,713,514
LIABILITIES								
Due to others	$ 124	$ -	$ 11,220	$ 10,927	$ -	$ 328,521	$ -	$ 417,372
Due to other funds	-	-	-	-	-	51,876	14,612	1,242,983
Due to other governments	-	857	-	-	133,919	23,607	2,874	13,053,159
TOTAL LIABILITIES	$ 124	$ 857	$ 11,220	$ 10,927	$ 133,919	$ 404,004	$ 17,486	$ 14,713,514

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Laclede County, Missouri (the County) is a county of the 3rd class and operates under a three member County Commission.

The accounting methods and procedures adopted by the primary government of Laclede County, Missouri, and the Developmentally Disabled Board conform to the modified cash basis of accounting as applied to governmental entities. The following is a summary of the more significant policies.

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is accountable for the component unit and the primary government is able to impose its will or the component unit may provide financial benefits or impose a burden on the primary government. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The County is a primary government, which is governed by a three member county commission. As required by accounting principles generally accepted in the United States of America, the County has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The financial statements of Laclede County Health Center are not included in these financial statements as required by accounting principles generally accepted in the United States of America. The component unit discussed below is included in the County's reporting entity because of the significance of its operational or financial relationship with the County.

Component Unit

Developmentally Disabled Board

The Developmentally Disabled Board, which is governed by a board of directors appointed by the County Commission, provides disability services to the residents of Laclede County. The Developmentally Disabled Board is included in the financial statements of the County as a component unit due to its financial relationship with the County.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements display information about the primary government and its component unit. Interfund activity has been eliminated from these statements to minimize the duplication of internal activities. Governmental activities, which are supported by taxes and intergovernmental receipts, are reported separately from business-type activities, which rely on fees and charges for services for support.

In the government-wide Statement of Net Assets, the governmental activities are consolidated and presented on the modified cash basis of accounting.

The government-wide Statement of Activities presents a comparison between direct disbursements and program receipts for each function of the County's governmental activities. Direct disbursements are those that are specifically associated with a program or a function. Program receipts include charges for goods or services offered by the programs and grants and contributions that are restricted to meet operating and capital disbursements of a particular program. Receipts that are not classified as program receipts, including all taxes, are presented as general receipts.

FUND FINANCIAL STATEMENTS

Separate fund financial statements report information on the County's governmental and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds in their respective categories.

The County reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Road and Bridge Fund: The Road and Bridge Fund of the County is used to account for resources restricted for highway and road disbursements.

Law Enforcement Sales Tax Fund: The Law Enforcement Sales Tax Fund is used to account for sales tax receipts designated for law enforcement disbursements.

Capital Improvement Fund: The Capital Improvement Fund is used to account for the resources designated for capital improvements.

County Development Tax Fund: The County Development Tax Fund is used to account for sales taxes designated for road improvements within the County.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The County also reports the following fund types:

The Internal Service Fund accounts for the health insurance benefits of the County on a cost reimbursement basis.

Agency funds account for miscellaneous assets held by the County for other funds, governmental units, and individuals. The agency funds are custodial in nature and do not involve measurement of results of operations.

Basis of Accounting

The government-wide Statement of Net Assets and Statement of Activities and the fund financial statements for the County and the Developmentally Disabled Board, are presented using the modified cash basis of accounting. This basis recognizes assets, net assets/fund equity, receipts, and disbursements when they result from cash transactions. The modification to cash basis relates to the presentation of investments. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Also as a result of the modified cash basis, capital assets and long-term debt of the County and Developmentally Disabled Board are not presented in the financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for the governmental funds would use the modified accrual basis of accounting. All government-wide financial statements and proprietary fund financial statements would be presented on the accrual basis of accounting.

Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash applicable to a particular fund is readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements. Investments of the County are carried at cost, and consist of certificates of deposit.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Equity

The unreserved and undesignated fund balances for governmental funds represent the amount available for budgeting future operations.

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted".

It is the County's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is made for purposes for which both restricted and unrestricted net assets are available.

Compensated Absences

The County has a county-wide policy on vacation and sick leave for all employees. Leave is taken at the discretion of each officeholder. The accumulated liability for compensated absences as of December 31, 2010, and 2009 was $14,057 and $12,803 respectively.

NOTE B – CASH AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds. Each fund portion of this pool is displayed as "Cash and investments". In addition, investments are separately held by several of the County's funds. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2010 and 2009, all bank balances on deposit are entirely insured or collateralized with securities.

NOTE B – CASH AND INVESTMENTS (continued)

The County's investments at December 31, 2009, are as follows:

Investment Type	Maturity	Amount
Certificates of Deposit	1/21/2010	$ 2,255,000

Certificates of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the County's deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2009, all certificates of deposit are entirely insured or collateralized with securities. The County had no certificates of deposit as of December 31, 2010.

The County does not have a policy on interest rate risk.

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2010 and 2009, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

Legal Matters

There are a number of claims and/or lawsuits to which the County is a party as a result of certain injuries and various other matters and complaints arising in the ordinary course of County activities. The County's management and legal counsel anticipate that the potential claims, if any, against the County resulting from such litigation would not have a material effect on the financial position of the County.

NOTE D – PENSION PLAN – CERF

STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND

Plan Description

Laclede County participates in the County Employees' Retirement Fund (CERF), a cost-sharing multiple-employer pension plan. CERF is a defined benefit pension plan which provides retirement and death benefits to plan members and beneficiaries. CERF was created and is governed by state statute, RSMo 50.1000 to 50.1200. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The County Employees' Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to CERF, Boone County National Bank, P.O. Box 577, Columbia, MO 65202 or by calling 1-800-357-8557.

Funding Policy

Laclede County's full-time employees hired before February 25, 2002, are required by state statute to contribute 0% of annual payroll to the pension plan. Laclede County's full-time employees hired after February 25, 2002, are required by state statute to contribute 4% of annual covered payroll to the pension plan. The County is required by state statute to remit the fees collected under RSMo, Sections 52.290, 150.150, 137.280, 137.345 and Chapters 59 and 54, RSMo, plus interest. The required contributions have been made.

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31.

The 2010 and 2009 assessed valuation of the tangible taxable property and the tax levies per $100 assessed valuation of that property were as follows:

ASSESSED VALUATION	2010	2009
Real estate	$ 273,461,890	$ 268,854,560
Personal property	93,233,368	92,359,774
	$ 366,695,258	$ 361,214,334

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN (continued)

	2010	2009
TAX LEVY		
General Fund	$ .1466	$ .1298
Developmentally Disabled Board	.0655	.0663
	$ .2121	$ .1961

The legal debt margin at December 31, 2010 and 2009, is computed as follows:

	2010	2009
Constitutional debt limit	$ 36,669,526	$ 36,121,433
General obligation bonds payable	(39,000)	(43,000)
LEGAL DEBT MARGIN	$ 36,630,526	$ 36,078,433

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

NOTE F – LONG-TERM DEBT

In 1999, the County issued $78,000 in Limited General Obligation Bonds. The bonds bear interest at 6.5% with principal and interest payments due on March 1 of each year. The annual debt service requirements to amortize the principal of the Limited General Obligation Bonds outstanding at December 31, 2010, are listed in the table below.

Year Ended December 31,	Principal	Interest	Total
2011	$ 5,000	$ 2,535	$ 7,535
2012	5,000	2,210	7,210
2013	5,000	1,885	6,885
2014	5,000	1,560	6,560
2015	6,000	1,235	7,235
2016	6,000	845	6,845
2017	7,000	455	7,455
	$ 39,000	$ 10,725	$ 49,725

NOTE F – LONG-TERM DEBT (continued)

In 2006, the County entered into a cancelable lease purchase agreement to finance the purchase of a tractor at a total cost of $34,537. The agreement requires annual payments of $8,061, which includes interest at 5.25%.

In 2009, the County entered into a cancelable lease purchase agreement to finance the purchase of a grader at a total cost of $202,866. The agreement requires annual payments of $10,113 through 2013 with a balloon payment of $157,833 due in 2014. The payments include interest at 3.15%.

In 2009, the County entered into a cancelable lease purchase agreement to finance the purchase of a grader at a total cost of $202,866. The agreement requires annual payments of $13,859 through 2013 with a balloon payment of $161,579 due in 2014. The payments include interest at 3.15%.

In 2009, the County entered into a cancelable lease purchase agreement to finance the purchase of two backhoes at a total cost of $150,000. The agreement requires annual payments of $23,064 through 2011 with a balloon payment of $92,000 due in 2012. The payments include interest at 3.40%.

In 2010, the County entered into a cancelable lease purchase agreement to finance the purchase of two graders at a total cost of $412,000. The agreement requires annual payments of $29,190 through 2014 with a balloon payment of $318,000 due in 2015. The payments include interest at 3.00%.

Although the agreements provide for cancellation of the leases if the County should fail to appropriate funds at the annual renewal dates, the County does not foresee exercising its options to cancel.

The annual requirements to amortize the principal of the leases are as follows:

Year Ended December 31,	2006 Tractor Lease	2009 Grader Lease	2009 Grader Lease	2009 Backhoe Lease	2010 Graders Lease	Total
2011	$ 8,061	$ 10,113	$ 13,859	$ 23,064	$ 29,190	$ 84,287
2012	-	10,113	13,859	92,000	29,190	145,162
2013	-	10,113	13,859	-	29,190	53,162
2014	-	157,833	161,579	-	29,190	348,602
2015	-	-	-	-	318,000	318,000
TOTAL MINIMUM LEASE PAYMENTS	8,061	188,172	203,156	115,064	434,760	949,213
LESS AMOUNT REPRESENTING INTEREST	(945)	(20,843)	(21,968)	(6,808)	(51,950)	(102,514)
PRINCIPAL BALANCE, DECEMBER 31, 2010	$ 7,116	$ 167,329	$ 181,188	$ 108,256	$ 382,810	$ 846,699

NOTE F – LONG-TERM DEBT (continued)

The following table is the change in long-term debt for the years ended December 31, 2010 and 2009:

	Balance December 31, 2008	Additions	Retirements	Balance December 31, 2009	Additions	Retirements	Balance December 31, 2010
Capital Lease Obligations							
2006 Tractor Lease	$ 21,766	$ -	$ 7,133	$ 14,633	$ -	$ 7,517	$ 7,116
2009 Grader Lease	-	202,866	13,859	189,007	-	21,678	167,329
2009 Grader Lease	-	202,866	13,859	189,007	-	7,819	181,188
2009 Backhoe Lease	-	150,000	23,064	126,936	-	18,680	108,256
2010 Graders Lease	-	-	-	-	412,000	29,190	382,810
1997 Limited General Obligation Bonds	47,000	-	4,000	43,000	-	4,000	39,000
Compensated Absences	13,402	-	599	12,803	1,254	-	14,057
	$ 82,168	$ 555,732	$ 62,514	$ 575,386	$ 413,254	$ 88,884	$ 899,756

NOTE G – RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

NOTE H – INTERFUND TRANSFERS

Interfund transfers for the years ended December 31, 2010 and 2009, consisted of the following:

	Transfers In (Out)	
	2010	2009
General Fund	$ (40,179)	$ (354,561)
Road and Bridge Fund	875,157	1,117,631
E-911 Fund	(40,996)	(43,132)
Capital Improvement Fund	150,000	100,000
County Development Tax Fund	(1,305,000)	(1,205,000)
Assessment Fund	(28,161)	(34,174)
Sheriff Discretionary Fund	(18,745)	(13,232)
Prosecuting Attorney Bad Check Fund	-	(3,896)
Health Insurance Fund	414,124	442,698
Sheriff Revolving Fund	(5,000)	(5,000)
Tax Maintenance Fund	(1,200)	(1,200)
Family Access Fund	-	(134)
	$ -	$ -

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statue or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE I – RESTATEMENT

Fund Balance/Net Assets have been restated as of January 1, 2009, as follows:

Circuit Clerk Time Payment Fund	
Fund Balance, as previously stated, December 31, 2008	$ -
Cash and cash equivalents	9,651
Fund Balance, as restated, January 1, 2009	$ 9,651
Governmental Activities	
Net Assets, as previously stated, December 31, 2008	$ 6,560,841
Cash and cash equivalents	9,651
Net Assets, as restated, January 1, 2009	$ 6,570,492

NOTE J – SUBSEQUENT EVENT

In March 2011, the County approved financing for a new motor grader in the amount of $198,388 with interest at 3.38%.

REQUIRED SUPPLEMENTARY INFORMATION

LACLEDE COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes				
Property taxes	$ 455,411	$ 455,411	$ 515,659	$ 60,248
County sales tax	1,685,516	1,685,516	1,839,006	153,490
Surtax	95,000	95,000	98,877	3,877
Payment in lieu of taxes	35,000	35,000	40,136	5,136
Other	10,700	10,700	13,192	2,492
	2,281,627	2,281,627	2,506,870	225,243
Collector's Commission				
Collection commissions	299,500	299,500	317,605	18,105
Licenses and Permits				
Beverage licenses	20,000	20,000	24,095	4,095
Other	7,100	7,100	6,538	(562)
	27,100	27,100	30,633	3,533
Intergovernmental Revenues				
Federal	67,845	74,845	107,972	33,127
Fees and Charges				
Court	263,600	263,600	514,988	251,388
Public administrator	66,000	66,000	70,216	4,216
County clerk	1,000	1,000	1,129	129
Recorder of deeds	191,711	191,711	184,163	(7,548)
Sheriff fees	526,770	526,770	445,825	(80,945)
Phone and vending	46,000	46,000	41,331	(4,669)
Election reimbursement	2,900	2,900	12,668	9,768
Prosecuting Attorney	1,000	1,000	1,044	44
	1,098,981	1,098,981	1,271,364	172,383
Other				
Interest income	16,007	16,007	30,425	14,418
Miscellaneous	13,395	13,395	12,100	(1,295)
	29,402	29,402	42,525	13,123
TOTAL RECEIPTS	3,804,455	3,811,455	4,276,969	465,514

LACLEDE COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS (CONTINUED)
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
DISBURSEMENTS				
Current				
General Government				
University extension	45,308	45,308	45,308	-
Collector of revenue	103,422	103,422	98,280	5,142
Treasurer	59,152	59,152	57,987	1,165
Recorder of deeds	114,095	114,095	111,559	2,536
County commission	113,549	113,549	112,547	1,002
Employee fringe benefits	252,000	252,000	207,116	44,884
Purchasing	10,807	10,807	9,055	1,752
Postage	67,214	67,214	57,954	9,260
County clerk	238,548	238,548	219,675	18,873
Insurance	95,000	95,000	75,859	19,141
Surveyor	8,000	8,000	8,000	-
Custodian	794,070	794,070	783,035	11,035
	1,901,165	1,901,165	1,786,375	114,790
Judicial				
Court	136,060	136,060	90,187	45,873
Circuit clerk	54,513	54,513	52,591	1,922
Coroner	24,100	24,100	24,100	-
Public administrator	101,325	101,325	98,479	2,846
Prosecuting attorney	279,294	279,294	277,486	1,808
	595,292	595,292	542,843	52,449
Public Safety				
Sheriff	775,830	769,830	736,785	33,045
Jail	773,553	773,553	741,879	31,674
Emergency management	108,303	115,303	111,944	3,359
	1,657,686	1,658,686	1,590,608	68,078
Other	582,977	582,977	151,366	431,611
TOTAL DISBURSEMENTS	4,737,120	4,738,120	4,071,192	666,928
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(932,665)	(926,665)	205,777	1,132,442
OTHER FINANCING SOURCES (USES)				
Operating transfers in	647,142	647,142	629,945	(17,197)
Operating transfers (out)	(700,000)	(700,000)	(670,124)	29,876
TOTAL OTHER FINANCING SOURCES (USES)	(52,858)	(52,858)	(40,179)	12,679
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(985,523)	(979,523)	165,598	1,145,121
FUND BALANCE, January 1	1,684,146	1,690,293	1,690,003	(290)
FUND BALANCE, December 31	$ 698,623	$ 710,770	$ 1,855,601	$ 1,144,831

LACLEDE COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS
Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes				
Property taxes	$ 425,000	$ 425,000	$ 437,050	$ 12,050
County sales tax	1,600,000	1,600,000	1,777,813	177,813
Surtax	90,000	90,000	94,787	4,787
Payment in lieu of taxes	35,000	35,000	34,187	(813)
Other	10,850	10,850	11,621	771
	2,160,850	2,160,850	2,355,458	194,608
Collector's Commission				
Collection commissions	284,000	284,000	305,703	21,703
Licenses and Permits				
Beverage licenses	21,000	21,000	21,825	825
Other	6,600	6,600	7,571	971
	27,600	27,600	29,396	1,796
Intergovernmental Revenues				
Federal	40,463	40,463	42,112	1,649
Fees and Charges				
Court	456,175	456,175	268,652	(187,523)
Public administrator	60,000	60,000	84,216	24,216
County clerk	1,000	1,000	1,084	84
Recorder of deeds	204,537	204,537	198,523	(6,014)
Sheriff fees	568,347	568,347	537,895	(30,452)
Phone and vending	37,853	37,853	46,046	8,193
Election reimbursement	3,300	3,300	3,162	(138)
Prosecuting Attorney	2,000	2,000	2,983	983
	1,333,212	1,333,212	1,142,561	(190,651)
Other				
Interest	12,100	12,100	4,786	(7,314)
Miscellaneous	13,745	13,745	39,110	25,365
	25,845	25,845	43,896	18,051
TOTAL RECEIPTS	3,871,970	3,871,970	3,919,126	47,156

LACLEDE COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH BASIS (CONTINUED)
Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget
DISBURSEMENTS				
Current				
General Government				
University extension	47,693	47,693	47,693	-
Collector of revenue	102,422	102,422	97,649	4,773
Treasurer	59,621	59,621	58,045	1,576
Recorder of deeds	111,264	111,400	111,400	-
County commission	114,084	114,084	113,470	614
Employee fringe benefits	252,000	252,277	212,547	39,730
Purchasing	11,375	11,375	8,779	2,596
Postage	72,647	72,647	27,809	44,838
County clerk	152,548	152,548	141,921	10,627
Insurance	95,000	95,000	73,607	21,393
Surveyor	17,000	17,000	8,000	9,000
Custodian	705,600	705,600	674,757	30,843
	1,741,254	1,741,667	1,575,677	165,990
Judicial				
Court	124,500	124,500	99,811	24,689
Circuit clerk	54,938	54,938	52,918	2,020
Coroner	24,600	24,600	24,236	364
Public administrator	100,007	100,007	97,630	2,377
Prosecuting attorney	273,144	276,763	270,708	6,055
	577,189	580,808	545,303	35,505
Public Safety				
Sheriff	744,759	744,759	725,861	18,898
Jail	764,553	764,553	743,776	20,777
Emergency management	90,002	90,002	85,107	4,895
	1,599,314	1,599,314	1,554,744	44,570
Other	590,041	590,041	127,995	462,046
TOTAL DISBURSEMENTS	4,507,798	4,511,830	3,803,719	708,111
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(635,828)	(639,860)	115,407	755,267
OTHER FINANCING SOURCES (USES)				
Operating transfers in	629,856	633,752	633,886	134
Operating transfers (out)	(1,000,000)	(1,005,424)	(988,447)	16,977
TOTAL OTHER FINANCING SOURCES (USES)	(370,144)	(371,672)	(354,561)	17,111
(DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(1,005,972)	(1,011,532)	(239,154)	772,378
FUND BALANCE, January 1	1,929,157	1,929,157	1,929,157	-
FUND BALANCE, December 31	$ 923,185	$ 917,625	$ 1,690,003	$ 772,378

LACLEDE COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE FUND – MODIFIED CASH BASIS
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	$ 733,200	$ 733,200	$ 795,588	$ 62,388
Intergovernmental receipts	44,500	44,500	37,490	(7,010)
Charges for services	850	850	15,639	14,789
Interest	900	900	4,353	3,453
Other receipts	33,025	33,025	36,966	3,941
TOTAL RECEIPTS	812,475	812,475	890,036	77,561
DISBURSEMENTS				
Highways and roads	1,894,794	1,894,794	1,750,267	144,527
TOTAL DISBURSEMENTS	1,894,794	1,894,794	1,750,267	144,527
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(1,082,319)	(1,082,319)	(860,231)	222,088
OTHER FINANCING SOURCES (USES)				
Operating transfers in	950,000	950,000	950,000	-
Operating transfers (out)	(81,000)	(81,000)	(74,843)	6,157
TOTAL OTHER FINANCING SOURCES (USES)	869,000	869,000	875,157	6,157
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(213,319)	(213,319)	14,926	228,245
FUND BALANCE, January 1	401,019	401,019	401,019	-
FUND BALANCE, December 31	$ 187,700	$ 187,700	$ 415,945	$ 228,245

LACLEDE COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE – ROAD AND BRIDGE FUND – MODIFIED CASH BASIS
Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	$ 784,800	$ 784,800	$ 761,513	$ (23,287)
Intergovernmental receipts	25,000	25,000	39,284	14,284
Charges for services	5,500	5,500	1,574	(3,926)
Interest	1,000	1,000	934	(66)
Other receipts	17,100	23,106	42,599	19,493
TOTAL RECEIPTS	833,400	839,406	845,904	6,498
DISBURSEMENTS				
Highways and roads	2,005,553	2,011,559	1,651,450	360,109
Disaster recovery	-	-	79,999	(79,999)
TOTAL DISBURSEMENTS	2,005,553	2,011,559	1,731,449	280,110
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(1,172,153)	(1,172,153)	(885,545)	286,608
OTHER FINANCING SOURCES (USES)				
Operating transfers in	1,200,000	1,200,000	1,200,000	-
Operating transfers (out)	(94,000)	(94,000)	(82,369)	11,631
TOTAL OTHER FINANCING SOURCES (USES)	1,106,000	1,106,000	1,117,631	11,631
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(66,153)	(66,153)	232,086	298,239
FUND BALANCE, January 1	168,933	168,933	168,933	-
FUND BALANCE, December 31	$ 102,780	$ 102,780	$ 401,019	$ 298,239

LACLEDE COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE – LAW ENFORCEMENT SALES TAX FUND – MODIFIED CASH BASIS
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Interest	$ 12,000	$ 12,000	$ 19,133	$ 7,133
Other receipts	-	-	5,442	5,442
TOTAL RECEIPTS	12,000	12,000	24,575	12,575
DISBURSEMENTS				
Public safety	30,000	30,000	10,622	19,378
TOTAL DISBURSEMENTS	30,000	30,000	10,622	19,378
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(18,000)	(18,000)	13,953	31,953
FUND BALANCE, January 1	1,022,431	1,022,431	1,022,431	-
FUND BALANCE, December 31	$ 1,004,431	$ 1,004,431	$ 1,036,384	$ 31,953

LACLEDE COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE – LAW ENFORCEMENT SALES TAX FUND – MODIFIED CASH BASIS
Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Interest	$ 14,000	$ 14,000	$ 12,992	$ (1,008)
TOTAL RECEIPTS	14,000	14,000	12,992	(1,008)
DISBURSEMENTS				
Public safety	120,000	120,000	96,737	23,263
TOTAL DISBURSEMENTS	120,000	120,000	96,737	23,263
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(106,000)	(106,000)	(83,745)	22,255
FUND BALANCE, January 1	1,106,176	1,106,176	1,106,176	-
FUND BALANCE, December 31	$ 1,000,176	$ 1,000,176	$ 1,022,431	$ 22,255

LACLEDE COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE – CAPITAL IMPROVEMENT FUND – MODIFIED CASH BASIS
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Intergovernmental receipts	$ 676,865	$ 676,865	$ 412,704	$ (264,161)
Interest	11,125	11,125	24,759	13,634
TOTAL RECEIPTS	687,990	687,990	437,463	(250,527)
DISBURSEMENTS				
Disaster recovery	559,729	559,729	102,404	457,325
TOTAL DISBURSEMENTS	559,729	559,729	102,404	457,325
EXCESS OF RECEIPTS OVER DISBURSEMENTS	128,261	128,261	335,059	206,798
OTHER FINANCING SOURCES				
Operating transfers in	150,000	150,000	150,000	-
EXCESS OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS	278,261	278,261	485,059	206,798
FUND BALANCE, January 1	1,532,793	1,532,793	1,532,793	-
FUND BALANCE, December 31	$ 1,811,054	$ 1,811,054	$ 2,017,852	$ 206,798

LACLEDE COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE – CAPITAL IMPROVEMENT FUND – MODIFIED CASH BASIS
Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Intergovernmental receipts	$ 342,161	$ 926,955	$ 221,743	$ (705,212)
Interest	6,125	6,125	11,936	5,811
TOTAL RECEIPTS	348,286	933,080	233,679	(699,401)
DISBURSEMENTS				
Disaster recovery	295,000	879,794	82,557	797,237
TOTAL DISBURSEMENTS	295,000	879,794	82,557	797,237
EXCESS OF RECEIPTS OVER DISBURSEMENTS	53,286	53,286	151,122	97,836
OTHER FINANCING SOURCES				
Operating transfers in	2,000	2,000	100,000	98,000
EXCESS OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS	55,286	55,286	251,122	195,836
FUND BALANCE, January 1	1,281,671	1,281,671	1,281,671	-
FUND BALANCE, December 31	$ 1,336,957	$ 1,336,957	$ 1,532,793	$ 195,836

LACLEDE COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE – COUNTY DEVELOPMENT TAX FUND – MODIFIED CASH BASIS
Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	$ 1,685,516	$ 1,685,516	$ 1,837,137	$ 151,621
Interest	7,000	7,000	12,580	5,580
TOTAL RECEIPTS	1,692,516	1,692,516	1,849,717	157,201
DISBURSEMENTS				
Intergovernmental agreements	1,130,383	1,130,383	343,252	787,131
TOTAL DISBURSEMENTS	1,130,383	1,130,383	343,252	787,131
EXCESS OF RECEIPTS OVER DISBURSEMENTS	562,133	562,133	1,506,465	944,332
OTHER FINANCING (USES)				
Operating transfers (out)	(1,305,000)	(1,305,000)	(1,305,000)	-
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	(742,867)	(742,867)	201,465	944,332
FUND BALANCE, January 1	895,907	895,907	895,907	-
FUND BALANCE, December 31	$ 153,040	$ 153,040	$ 1,097,372	$ 944,332

LACLEDE COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE – COUNTY DEVELOPMENT TAX FUND – MODIFIED CASH BASIS
Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget
RECEIPTS				
Taxes	$ 1,600,000	$ 1,600,000	$ 1,775,279	$ 175,279
Interest	6,000	6,000	5,561	(439)
TOTAL RECEIPTS	1,606,000	1,606,000	1,780,840	174,840
DISBURSEMENTS				
Intergovernmental agreements	991,805	991,805	307,422	684,383
TOTAL DISBURSEMENTS	991,805	991,805	307,422	684,383
EXCESS OF RECEIPTS OVER DISBURSEMENTS	614,195	614,195	1,473,418	859,223
OTHER FINANCING (USES)				
Operating transfers (out)	(1,205,000)	(1,205,000)	(1,205,000)	-
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	(590,805)	(590,805)	268,418	859,223
FUND BALANCE, January 1	627,489	627,489	627,489	-
FUND BALANCE, December 31	$ 36,684	$ 36,684	$ 895,907	$ 859,223

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1) In accordance with Chapter 50, RSMo, the County adopts a budget for each fund.

2) Prior to January 15, the County Clerk, who serves as the Budget Officer, submits to the Commission a proposed budget for the fiscal year beginning on January 1. The budget includes estimated receipts and proposed disbursements for all County funds. Budgeted disbursements cannot exceed beginning available monies plus estimated receipts for the year.

3) A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Commission, the budget document is available for public inspection.

4) Prior to February 1, the budget is legally enacted by a vote of the Commission.

5) Subsequent to its formal approval of the budget, the Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information included in the financial statements. Budgeted amounts are as originally adopted, or as amended by the Commission. Individual amendments were not material to the original appropriations, which were amended.

6) Budgets for County funds are prepared and adopted on the modified cash basis (budget basis), recognizing receipts when collected and disbursements when paid.

OTHER FINANCIAL INFORMATION

LACLEDE COUNTY, MISSOURI
COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS
December 31, 2010

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Sheriff Discretionary Fund	Prosecuting Attorney Bad Check Fund	E-911 Fund	Circuit Clerk Time Payment Fund
ASSETS									
Cash and cash equivalents	$ 428,634	$ 10,388	$ 1,155	$ 66,455	$ 20,603	$ 59,749	$ 228,151	$ 415,810	$ 16,189
TOTAL ASSETS	$ 428,634	$ 10,388	$ 1,155	$ 66,455	$ 20,603	$ 59,749	$ 228,151	$ 415,810	$ 16,189
FUND BALANCES									
Fund Balance									
Unreserved	$ 428,634	$ 10,388	$ 1,155	$ 66,455	$ 20,603	$ 59,749	$ 228,151	$ 415,810	$ 16,189
TOTAL FUND BALANCES	$ 428,634	$ 10,388	$ 1,155	$ 66,455	$ 20,603	$ 59,749	$ 228,151	$ 415,810	$ 16,189

LACLEDE COUNTY, MISSOURI
COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS (CONTINUED)
December 31, 2010

	Juvenile Assessment Fund	Circuit Clerk Interest Fund	Election Services Fund	Recorder's Fund	Law Library Fund	Recorder Technology Fund	Shelter Abuse Fund	Sheriff Revolving Fund	Peace Officer Training Fund	Total
ASSETS										
Cash and cash equivalents	$ 11,368	$ 40,362	$ 23,396	$ 7,362	$ 168,127	$ 8,295	$ 11,806	$ 38,369	$ 481	$ 1,556,700
TOTAL ASSETS	$ 11,368	$ 40,362	$ 23,396	$ 7,362	$ 168,127	$ 8,295	$ 11,806	$ 38,369	$ 481	$ 1,556,700
FUND BALANCES										
Fund Balance										
Unreserved	$ 11,368	$ 40,362	$ 23,396	$ 7,362	$ 168,127	$ 8,295	$ 11,806	$ 38,369	$ 481	$ 1,556,700
TOTAL FUND BALANCES	$ 11,368	$ 40,362	$ 23,396	$ 7,362	$ 168,127	$ 8,295	$ 11,806	$ 38,369	$ 481	$ 1,556,700

LACLEDE COUNTY, MISSOURI
COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS
December 31, 2009

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Family Access Fund	Sheriff Discretionary Fund	Prosecuting Attorney Bad Check Fund	E-911 Fund	CDBG Fund	Circuit Clerk Time Payment Fund
ASSETS											
Cash and cash equivalents	$ 370,863	$ 7,596	$ 325	$ 62,017	$ 37,409	$ -	$ 86,770	$ 212,130	$ 438,927	$ -	$ 13,086
TOTAL ASSETS	$ 370,863	$ 7,596	$ 325	$ 62,017	$ 37,409	$ -	$ 86,770	$ 212,130	$ 438,927	$ -	$ 13,086
FUND BALANCES											
Fund Balance											
Unreserved	$ 370,863	$ 7,596	$ 325	$ 62,017	$ 37,409	$ -	$ 86,770	$ 212,130	$ 438,927	$ -	$ 13,086
TOTAL FUND BALANCES	$ 370,863	$ 7,596	$ 325	$ 62,017	$ 37,409	$ -	$ 86,770	$ 212,130	$ 438,927	$ -	$ 13,086

LACLEDE COUNTY, MISSOURI
COMBINING STATEMENT OF ASSETS AND FUND BALANCES – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS (CONTINUED)
December 31, 2009

	Juvenile Assessment Fund	Circuit Clerk Interest Fund	Election Services Fund	Recorder's Fund	Law Library Fund	Recorder Technology Fund	Shelter Abuse Fund	Sheriff Revolving Fund	Peace Officer Training Fund	Total
ASSETS										
Cash and cash equivalents	$ 10,603	$ 86,869	$ 25,238	$ 8,304	$ 174,698	$ 9,825	$ 10,566	$ 20,576	$ 4,189	$ 1,579,991
TOTAL ASSETS	$ 10,603	$ 86,869	$ 25,238	$ 8,304	$ 174,698	$ 9,825	$ 10,566	$ 20,576	$ 4,189	$ 1,579,991
FUND BALANCES										
Fund Balance										
Unreserved	$ 10,603	$ 86,869	$ 25,238	$ 8,304	$ 174,698	$ 9,825	$ 10,566	$ 20,576	$ 4,189	$ 1,579,991
TOTAL FUND BALANCES	$ 10,603	$ 86,869	$ 25,238	$ 8,304	$ 174,698	$ 9,825	$ 10,566	$ 20,576	$ 4,189	$ 1,579,991

LACLEDE COUNTY, MISSOURI
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS
Year Ended December 31, 2010

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Sheriff Discretionary Fund	Prosecuting Attorney Bad Check Fund	E-911 Fund	Circuit Clerk Time Payment Fund
RECEIPTS									
Taxes	$ 20,305	$ -	$ -	$ -	$ -	$ -	$ -	$ 407,517	$ -
Intergovernmental receipts	-	-	-	-	-	-	-	-	-
Fees and charges	344,477	6,602	1,670	36,571	1,852	58,126	25,628	-	2,963
Interest	4,311	81	5	655	329	679	2,112	4,427	140
Other receipts	7,316	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	376,409	6,683	1,675	37,226	2,181	58,805	27,740	411,944	3,103
DISBURSEMENTS									
Current									
General government	290,477	-	845	31,588	-	-	-	-	-
Judicial	-	-	-	-	18,987	-	11,719	-	-
Public safety	-	3,891	-	-	-	67,081	-	394,065	-
TOTAL DISBURSEMENTS	290,477	3,891	845	31,588	18,987	67,081	11,719	394,065	-
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	85,932	2,792	830	5,638	(16,806)	(8,276)	16,021	17,879	3,103
OTHER FINANCING (USES)									
Operating transfers (out)	(28,161)	-	-	(1,200)	-	(18,745)	-	(40,996)	-
TOTAL OTHER FINANCING (USES)	(28,161)	-	-	(1,200)	-	(18,745)	-	(40,996)	-
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	57,771	2,792	830	4,438	(16,806)	(27,021)	16,021	(23,117)	3,103
FUND BALANCE, January 1	370,863	7,596	325	62,017	37,409	86,770	212,130	438,927	13,086
FUND BALANCE, December 31	$ 428,634	$ 10,388	$ 1,155	$ 66,455	$ 20,603	$ 59,749	$ 228,151	$ 415,810	$ 16,189

LACLEDE COUNTY, MISSOURI
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – NONMAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS (CONTINUED)
Year Ended December 31, 2010

	Juvenile Assessment Fund	Circuit Clerk Interest Fund	Election Services Fund	Recorder's Fund	Law Library Fund	Recorder Technology Fund	Shelter Abuse Fund	Sheriff Revolving Fund	Peace Officer Training Fund	Total
RECEIPTS										
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 427,822
Intergovernmental receipts	-	-	22,513	-	-	-	14,509	-	-	37,022
Fees and charges	660	-	9,218	11,678	25,770	6,398	11,151	23,830	3,239	569,833
Interest	105	3,493	241	112	1,584	72	89	285	17	18,737
Other receipts	-	-	-	-	-	-	-	-	-	7,316
TOTAL RECEIPTS	765	3,493	31,972	11,790	27,354	6,470	25,749	24,115	3,256	1,060,730
DISBURSEMENTS										
Current										
General government	-	50,000	33,814	12,732	-	8,000	-	1,322	-	428,778
Judicial	-	-	-	-	33,925	-	-	-	-	64,631
Public safety	-	-	-	-	-	-	24,509	-	6,964	496,510
TOTAL DISBURSEMENTS	-	50,000	33,814	12,732	33,925	8,000	24,509	1,322	6,964	989,919
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	765	(46,507)	(1,842)	(942)	(6,571)	(1,530)	1,240	22,793	(3,708)	70,811
OTHER FINANCING (USES)										
Operating transfers (out)	-	-	-	-	-	-	-	(5,000)	-	(94,102)
TOTAL OTHER FINANCING (USES)	-	-	-	-	-	-	-	(5,000)	-	(94,102)
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	765	(46,507)	(1,842)	(942)	(6,571)	(1,530)	1,240	17,793	(3,708)	(23,291)
FUND BALANCE, January 1	10,603	86,869	25,238	8,304	174,698	9,825	10,566	20,576	4,189	1,579,991
FUND BALANCE, December 31	$ 11,368	$ 40,362	$ 23,396	$ 7,362	$ 168,127	$ 8,295	$ 11,806	$ 38,369	$ 481	$ 1,556,700

LACLEDE COUNTY, MISSOURI
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – NON-MAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS
Year Ended December 31, 2009

	Assessment Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Tax Maintenance Fund	Prosecuting Attorney Delinquent Tax Fund	Family Access Fund	Sheriff Discretionary Fund	Prosecuting Attorney Bad Check Fund	E-911 Fund	CDBG Fund	Circuit Clerk Time Payment Fund
RECEIPTS											
Taxes	$ 16,161	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 421,812	$ -	$ -
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	25,000	-
Fees and charges	368,315	6,124	1,476	38,480	3,985	-	59,720	35,334	-	-	3,404
Interest	1,662	34	2	303	204	1	376	1,174	2,444	-	31
Other receipts	8,795	-	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	394,933	6,158	1,478	38,783	4,189	1	60,096	36,508	424,256	25,000	3,435
DISBURSEMENTS											
Current											
General government	271,161	-	1,800	26,239	-	-	-	-	-	-	-
Judicial	-	-	-	-	1,049	-	-	29,760	-	-	-
Public safety	-	4,513	-	-	-	-	32,876	-	452,539	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	25,000	-
TOTAL DISBURSEMENTS	271,161	4,513	1,800	26,239	1,049	-	32,876	29,760	452,539	25,000	-
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	123,772	1,645	(322)	12,544	3,140	1	27,220	6,748	(28,283)	-	3,435
OTHER FINANCING (USES)											
Operating transfers (out)	(34,174)	-	-	(1,200)	-	(134)	(13,232)	(3,896)	(43,132)	-	-
TOTAL OTHER FINANCING (USES)	(34,174)	-	-	(1,200)	-	(134)	(13,232)	(3,896)	(43,132)	-	-
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	89,598	1,645	(322)	11,344	3,140	(133)	13,988	2,852	(71,415)	-	3,435
FUND BALANCE, January 1, as restated	281,265	5,951	647	50,673	34,269	133	72,782	209,278	510,342	-	9,651
FUND BALANCE, December 31	$ 370,863	$ 7,596	$ 325	$ 62,017	$ 37,409	$ -	$ 86,770	$ 212,130	$ 438,927	$ -	$ 13,086

LACLEDE COUNTY, MISSOURI
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – NONMAJOR SPECIAL REVENUE FUNDS – MODIFIED CASH BASIS (CONTINUED)
Year Ended December 31, 2009

	Juvenile Assessment Fund	Circuit Clerk Interest Fund	Election Services Fund	Recorder's Fund	Law Library Fund	Recorder Technology Fund	Shelter Abuse Fund	Sheriff Revolving Fund	Peace Officer Training Fund	Total
RECEIPTS										
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 437,973
Intergovernmental receipts	-	-	4,958	-	-	-	14,509	-	-	44,467
Fees and charges	947	-	8,342	13,882	25,006	7,487	9,878	17,634	2,707	602,721
Interest	26	40,969	122	62	455	49	29	83	11	48,037
Other receipts	-	-	-	-	-	-	-	-	-	8,795
TOTAL RECEIPTS	973	40,969	13,422	13,944	25,461	7,536	24,416	17,717	2,718	1,141,993
DISBURSEMENTS										
Current										
General government	-	-	11,343	15,666	-	5,631	-	250	-	332,090
Judicial	259	-	-	-	10,420	-	-	-	-	41,488
Public safety	-	-	-	-	-	-	14,219	-	-	504,147
Capital outlay	-	-	-	-	-	-	-	-	-	25,000
TOTAL DISBURSEMENTS	259	-	11,343	15,666	10,420	5,631	14,219	250	-	902,725
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	714	40,969	2,079	(1,722)	15,041	1,905	10,197	17,467	2,718	239,268
OTHER FINANCING (USES)										
Operating transfers (out)	-	-	-	-	-	-	-	(5,000)	-	(100,768)
TOTAL OTHER FINANCING (USES)	-	-	-	-	-	-	-	(5,000)	-	(100,768)
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	714	40,969	2,079	(1,722)	15,041	1,905	10,197	12,467	2,718	138,500
FUND BALANCE, January 1, as restated	9,889	45,900	23,159	10,026	159,657	7,920	369	8,109	1,471	1,441,491
FUND BALANCE, December 31	$ 10,603	$ 86,869	$ 25,238	$ 8,304	$ 174,698	$ 9,825	$ 10,566	$ 20,576	$ 4,189	$ 1,579,991

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

County Commission
Laclede County
Lebanon, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of Laclede County, Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise Laclede County, Missouri's basic financial statements and have issued our report thereon dated June 27, 2011. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the Laclede County Health Center. In addition, our opinion was modified because the County prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Laclede County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Laclede County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

County Commission
Laclede County
Lebanon, Missouri

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. They are identified as items 10-1, 10-2 and 10-3.

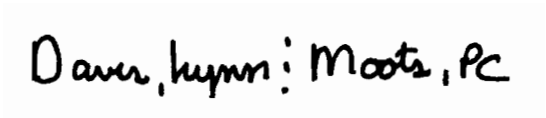
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Laclede County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that we reported to management of Laclede County, Missouri, in a separate letter dated June 27, 2011.

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission and management, and is not intended to be and should not be used by anyone other than these specified parties.



DAVIS, LYNN & MOOTS, P.C.
June 27, 2011

10-1 Segregation of Duties

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Response: The limited number of available personnel prohibits segregation of incompatible duties.

10-2 Design of internal control system for preparation of the basic financial statements

Condition: The County has personnel in place to perform all bookkeeping functions necessary to maintain a general ledger and prepare internal use statements for management and the County Commission. However the County does not have the resources to have accounting professionals with the knowledge, experience and training to prepare governmental financial statements in conformity with Governmental Accounting Standards as part of their internal control system.

Criteria: A properly designed system of internal control, which includes preparation of financial statements in conformity with Governmental Accounting Standards, includes having accounting professionals as part of the system to perform that function.

Effect: The County employs the auditors that perform the annual audit of the financial statements to prepare the annual financial statements.

Recommendation: We recognize that the County may not have the resources to have an accounting professional with the knowledge, experience and training to prepare governmental financial statements in conformity with Governmental Accounting Standards. However, we recommend that management continue to increase their knowledge of financial reporting.

Response: The County does not have the resources to hire additional accounting personnel with the knowledge, experience and training solely to prepare governmental financial statements in conformity with Governmental Accounting Standards. The County does have personnel with sufficient knowledge to understand and take responsibility for the basic financial statements.

10-3 Wire Transfers

Condition: The depository agreements with the County banking institutions do not address by whom and to whom a wire transfer may be made. They also do not include special instructions for wire transfers.

Criteria: The County should have written and signed instructions with banking institutions requiring the approval of two authorized individuals before a wire transfer is made and by whom and to whom a wire transfer may be made.

Effect: Risk is present that unauthorized wire transfers may be made.

Recommendation: The County should include in future depository agreements with its banking institutions, who is authorized to make wire transfers for the County, to whom wire transfers are allowed, and require two authorized signatures for approval.

Response: The County will update its depository agreements with its banking institutions to include who is authorized to make wire transfers for the County, to whom wire transfers are allowed, and require two authorized signatures for approval.

DAVIS, LYNN & MOOTS, P.C.
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Laclede County Commission
Laclede County
Lebanon, Missouri

In planning and performing our audit of the basic financial statements of Laclede County, Missouri, for the years ended December 31, 2010 and 2009, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we identified deficiencies in internal control over financial reporting that we consider to be material weaknesses.

In addition to the material weaknesses discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters.

1. Tax Maintenance Fund, Law Library Fund, Prosecuting Attorney Delinquent Tax Fund, and Prosecuting Attorney Bad Check Fund

   The County currently maintains a Tax Maintenance Fund for the benefit of the Collector's office, a Law Library Fund, Prosecuting Attorney Delinquent Tax Fund, and the Prosecuting Attorney Bad Check Fund. Although the monies are to be used for the benefit of the Collector's office and the Prosecutor's office, these monies represent County funds. Therefore the same policies of the County regarding budgeting, receipts, and disbursements should be followed for these funds as with other funds of the County.

   We Recommend:

   The County require these funds to be deposited with the County Treasurer in the Tax Maintenance Fund, Law Library Fund, Prosecuting Attorney Delinquent Tax Fund, and Prosecuting Attorney Bad Check Fund. Disbursements from these funds should be budgeted and the approval process for disbursements out of these funds should follow the same procedures as with other County disbursements.

2. Receipt Books

Receipt books currently are not controlled at a central location. The County should control receipt books at administration. Receipt books should be logged out to departments. When the departments need a new receipt book, the old receipt book should be turned back into administration for reconciliation. In addition, receipt books used should be official County receipts books in numerical sequence. This is a necessary control procedure to ensure all receipts are properly accounted for.

We Recommend:

The County require all receipt books be controlled at administration and logged out to departments as necessary. The County should also require departments turn in the old receipt book before a new one is issued. In addition, receipt books used should be official County receipts books in numerical sequence.

3. Payroll Processing

The County utilizes direct deposit to employees for all payroll disbursements and the payroll is processed by one person who does the direct deposit without having someone not involved in the process review the direct deposit listing.

We Recommend:

The County assign someone not involved in the payroll process to review the listing for direct deposit payroll and initial the listing prior to the disbursement of funds. The approved listing should be retained to indicate the approval of the disbursement of funds.

4. Payroll Procedures

During our audit, we noted the Prosecuting Attorney's office wrote a check from their special funds account to a County employee for contract labor in the amount of $599. The employee was performing their normal work assignment and should have completed a timesheet and turned it in to the County Clerk's office who prepares all County payroll. The employee is a retired employee who is receiving CERF benefits and has limitations on the number of hours permitted to work each year. The employee did not receive a Form 1099 since the check was below the required $600 threshold required by the IRS.

We Recommend:

The County process all employee wages through the County Clerk's office who performs this function. The County Clerk's office ensures that proper taxes are withheld as well as monitors the number of hours retired employees receiving CERF benefits are working in order to comply with state and federal laws. We further recommend the County provide a training session for all Officeholders to ensure that each office is aware of state and federal laws regarding payroll procedures and understands the implications of not following these laws.

5. File Retention

During our audit, we noted the Sheriff's Department shredded all bank statements pertaining to the December 31, 2009, fiscal year. The County had a state compliance audit during 2010, therefore, the Sheriff's Department thought it was appropriate to dispose of the bank statements, according to the Secretary of State's retention guidelines. The Secretary of State guidelines state that banking records can be destroyed after completion of the audit plus one year. The County's audit report from the state was issued in December 2010, therefore, the Sheriff's Department should have retained the bank statements until at least December 2011. The Sheriff's Department was able to obtain copies from the bank during the course of the audit.

We Recommend:

All County offices become familiar with the Secretary of State's retention guidelines as well as federal retention requirements to ensure the County is retaining the appropriate documents the appropriate length of time.

6. GASB Statement Number 54 Implementation

In February 2009, the Governmental Accounting Standards Board issued *Statement of Governmental Accounting Standards No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes new fund balance classifications and the standards for classifications and note disclosures. The effective date is for periods beginning after June 15, 2010.

We Recommend:

The County's management become familiar with the requirements of GASB Statement No. 54 in order to assess the steps necessary to ensure successful implementation of this statement on the effective date.

7. New Bank Accounts

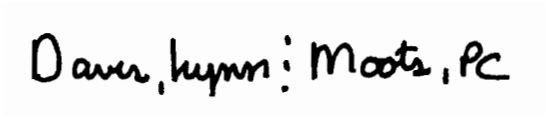
In our prior audit we noted the County did not have a policy in place outlining the procedures required for opening new bank accounts. This policy should address what must be contained in the depository agreement regarding new bank accounts. The policy should also address the procedures necessary for County officials to perform when opening new bank accounts. This is a necessary internal control procedure to ensure all accounts are properly accounted for by the County Clerk's office. This would also help prevent unauthorized accounts from being opened under the County's identification.

We Commend:

The County for adopting policies addressing the procedures necessary for opening new bank accounts and modifying the depository agreement as necessary with its banking institutions.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We appreciate this opportunity to serve as Laclede County's independent auditor and the courtesies and assistance extended to us by the County's employees.



DAVIS, LYNN & MOOTS, P.C.
June 27, 2011

DAVIS, LYNN & MOOTS, P.C.
Certified Public Accountants

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County Commission
Laclede County
Lebanon, Missouri

We have audited the basic financial statements of Laclede County, Missouri, for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 27, 2011. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 24, 2011, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated February 24, 2011.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Laclede County, Missouri, are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2010 and 2009.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Material misstatements detected as a result of audit procedures were corrected by management for the following:

- Unrecorded Cash Activity

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 27, 2011.

Management Consultations with Other Independent Accountants

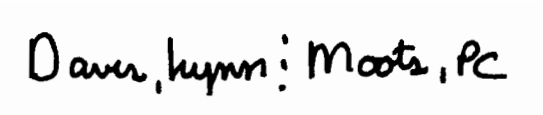
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This report is intended solely for the use of the County Commission and management of Laclede County, Missouri, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



DAVIS, LYNN & MOOTS, P.C.
June 27, 2011

Thomas A. Schweich

Missouri State Auditor

Ray County

September 2011

Report No. 2011-49

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Ray County

Public Administrator	The Public Administrator's office has significant control deficiencies, including a lack of oversight and inadequate supporting documentation. As a result, the Deputy Public Administrator and a home care worker have been charged with theft and forgery in connection with over $26,000 disbursed from a ward's account without adequate documentation. The Public Administrator did not review the annual settlements of the two wards with the most assets and signed blank checks in advance when he was planning to be out of the office for an extended period of time, which increased the risk funds would be misused.
Sheriff	It appears the Sheriff was living, and storing personal items, in the Sheriff's annex at taxpayer's expense, and the county paid more than $1,800 over 2 years for premium programming satellite television to the annex. The Sheriff also lacks adequate controls and procedures to ensure inmate monies are accounted for properly and does not reconcile a monthly list of liabilities to cash balances.
Financial Condition and Budgets	The General Revenue Fund is in poor financial condition. The county should reduce spending, evaluate controls and practices, maximize revenues, and monitor the budget closely. The county does not approve budgets in a timely manner and expends funds without an approved budget, in violation of state law.
Election Funds	The former County Clerk failed to properly bill amounts owed to the election account and made unallowable transfers and disbursements. He used $16,006 from a school scholarship trust fund to cover election account shortages and failed to transfer all of the monies owed to the Election Five Percent Fund. In addition, the former County Clerk used $1,000 of Election Five Percent Fund monies to host a party for family and election workers on his next to last day in office and used $750 for training expenses unrelated to elections, including $420 for lodging in Kansas City after being told lodging was not necessary because of the proximity of the meeting location to Ray County.
Payroll Procedures	Although our prior audit recommended centralizing compensatory time records, no corrective action was taken and the United States Department of Labor, Wage and Hour Division, ordered the county to pay almost $10,000 in back wages to 31 Sheriff's office employees. The county still does not maintain centralized compensatory time records, so it cannot ensure compensatory time use and balances are accurate. Also, not all timesheets list hours worked each day, so the county cannot demonstrate compliance with Fair Labor Standards Act requirements.
Notices, Meetings, and Minutes	The county did not always comply with the Sunshine Law. The county did not post notifications or agendas, open meeting minutes did not always document the reasons for closing the meeting and the vote to do so, and closed meeting minutes were not sufficient to show the issues discussed in closed session were allowable.

Fuel and Vehicle Use	As noted in our prior audit, the road and bridge department does not adequately monitor fuel and vehicle use. The road and bridge department spent approximately $157,000 on fuel during the 2 years ended December 31, 2010, but because the county does not maintain mileage and fuel use logs or fuel inventory records, the county cannot be sure the fuel it purchases or the vehicles it owns are used only for county purposes. The county also does not report the value of personal and commuting mileage to the IRS, as required by law.
Recorder of Deeds	As noted in our prior audit, the Recorder does not timely deposit monies received, thereby increasing the risk of loss, theft or misuse of funds. The Recorder also approved two disbursements related to a time clock at the jail because the county was short of money, but state law only allows Recorder Fee Fund monies to be spent on record storage, microfilming, and preservation.
Property Records and Procedures	As noted in our prior audit, the county is not complying with state law with respect to the management of county property. Departments do not perform periodic inspections of property, submit required inventory reports, or track capital asset purchases and dispositions. Only the County Collector had completed a current inventory report.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Poor.***

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	Ray County did not receive any federal stimulus monies during the audited time period.

***The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Ray County
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Management Advisory Report - State Auditor's Findings

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THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Ray County

We have audited certain operations of Ray County in fulfillment of our duties under Section 29.230, RSMo. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2010. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Ray County.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Robert Showers, CPA
In-Charge Auditor:	Rex Murdock, M.S.Acct.
Audit Staff:	Nathaniel Fast, M.Acct., CPA

1. Public Administrator

Significant control deficiencies were identified, including a lack of supporting documentation for disbursements, inadequate oversight of disbursements, and signing checks in advance.

1.1 Oversight

The Public Administrator does not adequately review all supporting documentation for disbursements and annual settlements. As a result, $26,561 was disbursed from a ward's account without adequate documentation. The Public Administrator established a petty cash fund for miscellaneous disbursements on behalf of the ward. An external company provides in home care for the ward, and an employee of the company managed the disbursements of the petty cash fund. The Public Administrator disbursed $27,530 during the 3 years ended December 31, 2010, in checks made payable to the employee of the contracted company for the stated purpose of replenishing the petty cash fund and for other miscellaneous expenses such as groceries and travel expenses. Checks for disbursements for this ward were prepared by the Deputy Public Administrator. Based on our review, only $969 in expenses were supported by receipts. According to the Public Administrator, the contract employee to whom payments were made was terminated by the home care company in November 2010. The Deputy Public Administrator was terminated on June 13, 2011, when criminal charges for theft and forgery were filed against her and the contract employee.

The Public Administrator indicated he thought the company was obtaining receipts for the disbursements and the company thought he was obtaining receipts. The Public Administrator also said it was his deputy's responsibility to obtain and review supporting documentation for disbursements, and he did not have sufficient time to review supporting documentation for disbursements while signing checks. In addition, while the Public Administrator stated he reviews approximately 95 percent of the annual settlements, he did not review the annual settlements of the two wards with the most assets, which includes the ward discussed above.

The Public Administrator's function is to serve in a fiduciary role for individuals that cannot provide adequate oversight of their own finances. Without adequate oversight, the Public Administrator cannot fulfill this role and cannot ensure the reasonableness and propriety of disbursements. By ensuring all disbursements are supported by adequate documentation, and reviewing all annual settlements and canceled checks, the Public Administrator can help to safeguard against possible loss or misuse of funds. The Public Administrator's approval of disbursements should be documented on the invoice or supporting documentation.

The Documentation of Unsupported Public Administrator Payments section at the end of this report provides details regarding checks issued to the home care company employee without supporting documentation.

1.2 Blank checks

The Public Administrator indicated there are occasions when blank checks are signed in advance. For example, checks are signed in advance when the Public Administrator knows he will be out of the office for an extended period of time for training or personal leave. If a blank check was signed in advance, the Deputy Public Administrator was trusted to complete the check.

Signing checks in advance is a significant control weakness and increases the risk of misuse of monies.

Recommendations

The Public Administrator:

1.1 Review and approve all disbursements and ensure they are supported by adequate documentation to verify the authenticity and necessity of disbursements. In addition, the Public Administrator should review all annual settlements and document all reviews.

1.2 Discontinue the practice of signing checks in advance.

Auditee's Response

The Public Administrator provided the following written responses:

1.1 First of all I want to state that I am the Ray County Public Administrator and as an official of the Ray County government, I am vested with the trust of the public and I accept ultimate responsibility for any problems as a result of the work performed by my staff for the benefit of the clients we serve. During my years in office I have been through several audits, some of which resulted in welcomed recommendations for improved operation of the office and all recommendations were implemented. Prior to the recent events however there has never been a significant issue or concern with the performance of my office.

As far as oversight of this office, I feel that I do a very good job and always have. I feel that I am personally familiar with each and every client's needs and concerns and try to provide the best care for each of them.

The employee in question had been employed by my office for approximately seven and one-half years, and was in charge of the bookkeeping and other clerical duties of the office. Approximately four years ago, I requested that she be promoted to Deputy Public Administrator. Upon approval of such request by the County Commission, she was sworn in by the Ray County Probate Court Judge as Deputy Public Administrator.

With such promotion the Deputy Public Administrator swore to accountability for a high ethical standard and to perform additional responsibilities as assigned to her. As her performance had been exemplary in the years prior to the appointment as Deputy Public Administrator, I had complete trust and confidence in her and had not been given any reason to doubt that trust.

I have always felt very confident and secure from any problem such as the present issue. The Public Administrator is given the option of preparing the annual settlement in the office or hiring outside counsel for the preparation of settlements for each estate. I have elected to hire counsel to prepare the settlements as a precautionary system of checks and balances for the benefit of both myself and the protectees. The attorneys preparing the annual settlements have praised our work due to the meticulous record keeping of the ledgers, accurate reconciliations of the accounts, our organization and completeness of the file for each client, including: necessary bank statements, cancelled checks, and receipts for each account, as well as the ability to promptly answer any question that may have in review of the information.

In the case discussed by the Missouri State Auditor, the petty cash fund is a daily operating account of cash maintained in the home of the protectee for the caregivers to use for day to day purchases for the operation of the household of the ward. The system failed with respect to this issue, and I acknowledge in hindsight the necessity of a system to account for the petty cash fund, however as previously stated I have never had to deal with allegations of impropriety by a member of my staff. This is something that caught all of us by surprise, but we have implemented change by accounting for and internally auditing the petty cash fund prior to each subsequent disbursement to insure that this situation will never happen again.

As far as receipts, it is the practice of this office to require a receipt, statement or bill for every expenditure. Also, for any amount in excess of $500.00, as a prudent practice rather than a requirement, I generally petition the court for permission to pay the expense. The request is then reviewed and approved if the Probate Judge feels the expenditure is reasonable.

1.2 I understand that pre-signing checks is not generally a good practice, however again they were left with a sworn county official, not merely office staff. I was trying to take the best action for care of the client, which is and always has been my first priority. I have discontinued signing checks in advance for any reason and therefore have complied with the Auditor's recommendation.

2. Sheriff

The Sheriff appears to have improperly utilized public property and resources for personal purposes. In addition, receipting and depositing procedures are inadequate, a comparison of liabilities to cash balances is not performed, and inappropriate disbursements were made from restricted funds.

2.1 Annex

The Sheriff's annex and public resources appear to have been utilized for personal purposes. Based on anonymous tips stating the Sheriff had been living in the annex, auditors requested to see the inside of the facility. After being initially denied, auditors were allowed access to the facility where they observed a significant number of personal items, including a bed, clothes neatly hung up, cooking items, several couches, televisions, tables, and chairs, which gave the appearance of someone residing in the annex. In addition, auditors verified the annex received satellite television service, including premium programming. The Sheriff denied living in the annex and said he was only storing personal items to be given away and used the annex as a place to sleep during inclement weather. The Sheriff also stated the satellite television service was to receive news and weather. Auditors observed some Sheriff's records and a limited amount of evidence being stored in the annex. The Sheriff also said he uses the annex to conduct training and meetings, as a backup 911 dispatch center, and a place where deputies can eat lunch. During the 2 years ended December 31, 2010, a total of $8,520 was paid from the Sheriff Civil Fund and the Sheriff Revolving Fund for rent on the annex, and $1,829 was paid from the Sheriff Civil Fund to provide satellite television for the annex. The County Commissioners indicated they were unaware of whether the Sheriff was living in the annex or not.

The public has placed a fiduciary trust in the Sheriff to expend public funds in a necessary and prudent manner. Living in, or storing a significant amount of personal items, in the annex, and receiving premium satellite packages does not appear to be a necessary or prudent use of county resources.

2.2 Receipts and deposits

The Sheriff has not developed adequate controls and procedures to ensure the accuracy of deposits and accounting records. Our review identified the following concerns regarding the Sheriff's accounting controls:

- The Sheriff does not issue receipt slips for most inmate monies. As a result, a reconciliation of the composition of receipts to deposits cannot be performed.

- Inmate money is recorded on an inmate log and an inmate account record. If an inmate is released from jail prior to their monies being deposited, the Sheriff does not document the return of these monies.

Therefore, during our review of cash on hand, the Sheriff could not demonstrate the amount that should have been on hand.

- Deposits of inmate monies are not always made intact. A February 17, 2011, cash count identified $813 on hand that should have been deposited with the previous deposit. The Sheriff's office only deposited checks, not cash, in the previous deposit.

- Change funds are not maintained at an established level.

Failure to implement adequate receipting and depositing procedures increases the risk that loss or misuse of monies could occur and go undetected. Issuing pre-numbered receipt slips for all monies received, reconciling the composition of receipt slips to deposits, depositing all monies received intact, and maintaining change funds at an established level would help ensure all monies received are accounted for and deposited properly. In addition, noting refunds of undeposited inmate monies on the inmate log will help ensure all monies can be accounted for properly.

2.3 Liabilities

A list of liabilities is not prepared for inmate accounts, and consequently, liabilities are not reconciled with cash balances. Monthly the Sheriff reconciles the bank statement to the check register, but does not reconcile the balance to liabilities. At our request the Sheriff prepared a list of liabilities as of June 15, 2011, and the reconciled account balance was $3,201, while the liability list totaled $3,170.

A monthly list of liabilities reconciled to cash balances helps ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available for the payment of all liabilities.

Recommendations

The Sheriff:

2.1 Use the annex and other county resources for official county business only.

2.2 Issue pre-numbered receipt slips for all inmate monies received, reconcile the composition of receipts to deposits, deposit all monies intact, and document all monies returned to inmates. The Sheriff should also maintain change funds at an established level.

2.3 Prepare a monthly list of inmate account liabilities, and reconcile it to the book balance.

Auditee's Response

The Sheriff provided the following written responses:

2.1 We intend to continue use of the Annex for official county business only.

2.2 &2.3 This has been implemented.

3. Financial Condition and Budgets

The General Revenue Fund is in poor financial condition. Also, budgets are not approved timely and expenses were incurred prior to a final approved budget.

3.1 Financial condition

The General Revenue Fund is in poor financial condition. The following table reflects actual receipts, disbursements, and ending cash balance of the General Revenue Fund over the last 3 years and anticipated for 2011, as reported in the county budget documents:

	Year Ended December 31,			
	2011 (Budgeted)	2010 (Actual)	2009 (Actual)	2008 (Actual)
Beginning balance $	29,305	191,878	17,358	257,954
Receipts	3,976,338	3,934,150	3,860,735	3,523,660
Disbursements	3,963,658	4,096,723	3,686,215	3,764,256
Ending balance $	41,985	29,305	191,878	17,358

While General Revenue Fund receipts have increased annually from 2008 to 2010, and are anticipated to increase in 2011, disbursements exceeded revenues by $228,649 from 2008 to 2010, resulting in a decline in the General Revenue Fund balance. In addition, at December 31, 2010, $37,651 is due from the General Revenue Fund to the Election Fund (see MAR finding number 4).

It is essential the County Commission address the county's financial condition both in the immediate and long-term future. Reducing spending where possible, evaluating controls and management practices to ensure efficient use of county resources, maximizing all sources of revenue, and closely monitoring the county's budgets will help the County Commission improve the county's financial condition.

3.2 Budgets

County budgets are not approved in a timely manner and expenses are incurred without an approved budget in place. The 2011, 2010, and 2009 budgets were approved in March 2011, April 2010, and July 2009, respectively. In all 3 years, the county expended county funds, including significant non-payroll expenses, without a final approved budget.

Section 50.540, RSMo, requires the County Clerk to submit the budget to the County Commission by February 1. Section 50.740, RSMo, states the County shall not pay any expenses, other than payroll, until the finalized county budget is filed with the State Auditor's office. Approving the county budget as close to the beginning of the fiscal year as possible allows the commission and office holders to more effectively monitor county finances.

Recommendations

The County Commission:

3.1 The County Commission closely monitor the county's financial condition and take the necessary steps to improve the financial condition of the General Revenue Fund. The County Commission should perform long-term planning and ensure receipts are maximized and disbursements are closely monitored.

3.2 Approve budgets prior to approving expenditures other than payroll.

Auditee's Response

The County Commission provided the following written responses:

3.1 We are in agreement to do our best to improve our financial condition.

3.2 Our budget will be prepared as close as possible to the statutory requirements.

4. Election Funds

Procedures for billing election costs are inadequate, resulting in the former County Clerk improperly transferring monies from a trust fund to cover election costs; expenditures from the Election Five Percent Fund were not in accordance with state law; and the County Clerk's commissions were not always transferred to the Election Five Percent Fund.

4.1 Billings

The former County Clerk did not ensure amounts owed to the election account were properly billed. For the August and November 2010 elections, the former County Clerk failed to bill the county for $50,951 in election costs. The County Commission transferred a total of $13,300 to the Election Fund during 2010, therefore, $37,651 is due from the county to the Election Fund.

Per Section 115.077, RSMo, the County Clerk is responsible for the conduct of elections, including preparing billings of estimates of election expenses, and billing political subdivisions for the estimated expenses.

4.2 Trust fund transfer

Due to inadequate billing procedures (see section 4.1), the election account did not contain sufficient funds to pay its liabilities. As a result, in September 2010, the former County Clerk transferred $16,006 from a school scholarship trust fund to the election account. As a result of the

transfer, the scholarship funds are not available for their intended purpose. The former County Clerk intended to pay the school trust fund an interest rate of 5 percent per year. However, there is no written loan agreement to document how and when the repayment of the principal and interest to the trust fund is to occur. The County Clerk has a fiduciary responsibility to utilize trust funds for the purposes stated in the trust agreement.

4.3 Disbursement from restricted funds

The former County Clerk made disbursements from the Election Five Percent Fund which were not in accordance with the statutory purpose of the fund. As allowed by Section 115.065, RSMo, the County Clerk charges an additional 5 percent of total election costs to each political subdivision and maintains these monies in the Election Five Percent Fund. Disbursements from this fund are restricted to election training, election supplies, and equipment to improve the conduct of elections. Total disbursements from the Election Five Percent Fund were $4,300 and $3,450 during the years ended December 31, 2010 and 2009, respectively. Examples of inappropriate disbursements are as follows:

- Approximately $1,000 was disbursed to purchase meats and beverages for a party for the former County Clerk's family and election workers. The party was held on December 30, 2010, the day before the former County Clerk's last day in office.

- During 2009, approximately $750 was disbursed for training expenses unrelated to elections. One disbursement was for approximately $420 for three nights lodging in Kansas City for county clerk training. The County Commission said the former County Clerk requested to pay for lodging from the General Revenue Fund but was denied because the expense for lodging was not necessary because of the proximity of the meeting location to Ray County.

These disbursements do not appear to be necessary costs of training or purchase of supplies or equipment necessary to improve the conduct of elections as required by state law.

4.4 Election account transfers

The former County Clerk did not ensure all monies were properly transferred to the Election Five Percent Fund. Amounts collected for the additional 5 percent monies (see section 4.3) are initially deposited into the election account and then transferred to the Election Five Percent Fund. However, 2010 records indicate the former County Clerk transferred only $2,883 of the total $3,669 collected, and as a result, $786 is due from the election account to the Election Five Percent Fund.

The County Clerk should regularly review the amounts owed to the Election Five Percent Fund and take appropriate steps to ensure amounts owed are property collected and transferred.

Recommendations

The County Clerk:

4.1 Establish procedures to ensure election costs are adequately billed and collected.

4.2 Reimburse the school scholarship trust fund, with interest.

4.3 Ensure all disbursements from the Election Five Percent Fund are in accordance with state law.

4.4 Ensure all amounts due from the election account are transferred to the Election Five Percent Fund.

Auditee's Response

The County Clerk provided the following written responses:

4.1 The recommendation has been implemented. Procedures are now in place to pre-bill all elections.

4.2 The Clerk is working with the commission to get this repaid as soon as possible.

4.3 The recommendation has been implemented. Purchases will be for election equipment or new employee training only.

4.4 The County Clerk has reviewed the amounts due the Five Percent Fund and taken the steps necessary to correct, and will continue to do so.

5. Payroll Procedures

County payroll procedures could be improved. Current procedures do not provide sufficient controls and oversight over compensatory time, and timesheets used by courthouse staff do not adequately demonstrate compliance with the Fair Labor Standards Act of 1938 (FLSA).

5.1 Compensatory time

The County Clerk's office does not maintain centralized compensatory time records. Currently, each department maintains its own records of compensatory time earned and used. This condition was reported in our prior report; however, no corrective action was taken. As a result of a complaint from a former law enforcement employee, the United States Department of Labor, Wage and Hour Division, conducted an investigation in April 2011 of payroll procedures for law enforcement employees and found the Sheriff's office did not have sufficient compensatory time records. The Wage and Hour Division ordered the county to pay $9,905 in back

wages to 31 Sheriff's office employees who were employed from January 1, 2009 through March 31, 2011.

Without centralized records, the County Commission cannot ensure employees' compensatory time usage and balances are accurate Also, centralized records aid in ensuring adherence to county policy regarding compensatory time, equitable treatment of employees, and compliance with federal regulations.

5.2 Timesheets

Time records for hours worked by county personnel are not adequate to demonstrate compliance with the FLSA. In March 2010, the County Commission implemented a timesheet which listed only the total hours worked each month, and not hours worked each day. The former timesheet listed the hours worked each day. Without hours listed each day, the County Commission cannot demonstrate compliance with its overtime policy or FLSA laws.

Time records are necessary to document hours worked, substantiate payroll disbursements, and provide the county with a method to monitor hours worked each day and leave taken, and are beneficial in demonstrating compliance with FLSA requirements.

Recommendations

The County Commission:

5.1 And the County Clerk maintain centralized compensatory time records for all employees.

5.2 Ensure timesheets document the actual hours employees work each day.

Auditee's Response

The County Commission provided the following responses:

5.1 All departments have been advised to comply.

5.2 The County Clerk has implemented new timesheets for correct documentation.

6. Notices, Meetings, and Minutes

Procedures over public meetings, agendas, and minutes could be improved. Various requirements in Chapter 610 (the Sunshine Law) regarding open and closed meetings were not always followed.

6.1 Agendas

The County Commission did not post notification or agendas for meetings. Section 610.020, RSMo, requires the county to give notice at least 24 hours in advance of the time, date, and place of each meeting, and its tentative agenda, in a manner reasonably calculated to advise the public of the matters to be considered.

6.2 Minutes

As noted in our prior report, open meeting minutes did not always document specific reasons for closing the meeting, and the vote to close meetings was not documented in the open minutes. Section 610.022, RSMo, requires that before any meeting may be closed the question of holding the closed meeting and the reason for the closed meeting shall be voted on at an open session.

6.3 Closed meetings

Closed meeting minutes were not sufficient to demonstrate the issues discussed in closed meetings were allowable under the Sunshine Law. The Commission went into closed session meetings five times during 2010 and 2009. Closed session minutes only included a very brief description of the topics discussed.

Section 610.021, RSMo, allows matters to be discussed in closed meetings only if they relate to certain specific subjects. The County needs to ensure only matters specifically authorized by state law are discussed in closed meetings. This law also provides that public governmental bodies shall not discuss other business during the closed meeting that differs from the specific reasons used to justify such meeting, record, or vote.

Recommendations

The County Commission:

6.1 Provide proper notice of meetings and ensure appropriate agendas are posted and retained.

6.2 Ensure the reason for closing meetings and the vote are documented in the open session minutes.

6.3 Ensure closed session minutes are adequately detailed to document the matters discussed and ensure only allowable topics are discussed in closed meetings.

Auditee's Response

The County Commission provided the following written response:

These recommendations have been implemented.

7. Fuel and Vehicle Use

The county does not have adequate procedures in place for monitoring fuel use of the road and bridge department and has not reported the personal use of county vehicles to the Internal Revenue Service (IRS).

7.1 Fuel use

The road and bridge department has not established effective monitoring procedures regarding fuel use. Mileage and fuel use logs are not maintained for department vehicles and equipment, and fuel use is not reconciled to fuel purchases. The road and bridge department incurred fuel costs of approximately $157,000 during the 2 years ended December 31, 2010.

The road and bridge department uses two bulk fuel tanks for vehicles and equipment, and procedures to evaluate the reasonableness of fuel disbursements are not adequate. An inventory of bulk fuel showing purchases, usage, and fuel on hand is not maintained and no procedure is performed to periodically test the amount of fuel on hand. Information on road and bridge vehicle use, such as odometer readings, destination, purpose, or other maintenance information, is not recorded.

Maintenance and review of vehicle and equipment mileage and fuel use logs and bulk fuel inventory records, and comparison of log information and inventory records to fuel purchases, are necessary to ensure vehicles and equipment are properly utilized, to prevent paying vendors for improper billing amounts, and to decrease the risk of theft or misuse of fuel occurring without detection. Logs should provide sufficient details so the county can effectively monitor vehicle and equipment use and fuel costs.

7.2 Commuting mileage

The personal commuting use of county vehicles by some county employees is not reported to the IRS. The road and bridge department owns 13 vehicles. The three road and bridge supervisors are allowed to use county vehicles to commute to and from home daily, and do not complete vehicle logs. Without complete vehicle logs, the county cannot distinguish between official and personal use, and therefore, is unable to properly report personal use.

The IRS reporting guidelines indicate personal and commuting mileage are reportable fringe benefit and require the full value of the provided vehicle to be reported if the employer does not require the submission of detailed logs that document business and personal use. Because procedures have not been established to ensure IRS regulations are followed, the county may be subject to penalties and/or fines for failure to report all taxable benefits.

Similar conditions previously reported

Similar conditions to sections 7.1 and 7.2 were noted in our prior audit report.

Recommendations

The County Commission:

7.1 Require mileage and fuel use logs for all vehicles and equipment and review the logs for reasonableness. In addition, bulk fuel inventory records should be maintained, fuel use should be reconciled to fuel purchases, and any significant discrepancies should be investigated.

7.2 Comply with IRS guidelines for reporting fringe benefits related to commuting miles and require mileage logs which distinguish between business and commuting use.

Auditee's Response

The County Commission provided the following written responses:

7.1 The County Commission will implement logs after we meet with road and bridge supervisors.

7.2 IRS Guidelines will be researched and implemented accordingly.

8. Recorder of Deeds

Receipts are not deposited on a timely basis, and some disbursements from the Recorder Fee Fund are not in compliance with state law.

8.1 Timely deposits

As noted in our prior audit report, the Recorder prepares daily deposit slips for the prior day's receipts; however, deposits are not generally taken to the bank each day. During our review on January 26, 2011, we observed $5,363 of undeposited cash and checks on hand, which represented receipts from 11 business days. A review of the December 2010 bank statement showed only three deposits were made during the month, with each deposit containing approximately $5,100 on average.

Timely deposits help to adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds.

8.2 Recorder Fee Fund

Disbursements from the Recorder Fee Fund were not in compliance with state law. Two disbursements, totaling $1,586, were for service agreements and software support for a time clock at the jail. The Recorder said she approved the disbursements from the Recorder Fee Fund because the jail needed the time clock, and the county was short of money.

Section 59.319, RSMo, restricts the use of Recorder Fee Fund monies to disbursements for record storage, microfilming, and preservation.

Recommendations

The Recorder of Deeds:

8.1 Deposit receipts timely.

8.2 And the County Commission ensure the Recorder Fee Fund is reimbursed for the monies used for the time clock, and ensure future disbursements from this fund are spent in accordance with state law.

Auditee's Response

The Recorder of Deeds provided the following responses:

8.1 The recommendation has been implemented. Deposits are now made daily.

8.2 Expenditures from the Recorder Fee Fund will be made in accordance with state statute in the future.

9. Property Records and Procedures

As noted in our prior audit report, procedures and records to account for county property are not adequate. Most departments have not performed periodic inspections of county owned property or submitted required inventory reports and no procedures exist to track capital asset purchases and dispositions. A review of county inventory files showed that only the County Collector had completed a current inventory report. Inventory lists for some offices dated as far back as 2000. In addition, records lack necessary information such as purchase date, acquisition cost, serial number, and disposal information.

Section 49.093, RSMo, states each county department is responsible for performing annual inspections and inventories of county property used by their department, and for submitting an inventory report to the County Clerk. Adequate capital asset records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Procedures to track capital assets purchases and dispositions throughout the year and compare to physical inventory results would enhance the county's ability to account for capital assets and potentially identify unrecorded additions and dispositions, identify obsolete assets, and deter and detect theft of assets.

Recommendation

The County Commission and the County Clerk work with other county officials to ensure complete and accurate inventory records are maintained and annual physical inventories are conducted.

Auditee's Response

The County Commission provided the following written response:

We have already started implementing this. As of now, 7 departments have updated their inventory report and the others are working on it.

Ray County
Organization and Statistical Information

Ray County is a county-organized, third-class county. The county seat is Richmond.

Ray County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 100 full-time employees and 24 part-time employees on December 31, 2010.

In addition, county operations include the Senate Bill 40 Board, 911 Board, Senior Citizens' Services Board, and a Noxious Weed Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2011	2010
Rodger Fitzwater, Presiding Commissioner	$	30,381
Allen Dale, Associate Commissioner		27,390
Mike Twyman, Associate Commissioner		28,388
Shirley O'Dell, Recorder of Deeds		43,000
Lynn Rogers, County Clerk (1)		47,897
Bryan McMahon, Prosecuting Attorney		109,366
Samuel Clemens, Sheriff		50,000
Joanne Burnine, County Treasurer		43,000
James Garrison, County Coroner		15,000
Kenneth Nolker, Public Administrator		43,000
Margie Bowman, County Collector (2), year ended February 28,	72,892	
Kent Wollard, County Assessor , year ended August 31,		43,000

(1) Includes $4,897 of commission earned for collecting city property taxes.

(2) Includes $25,484 of commissions earned for collecting city property taxes.

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

Ray County did not receive any federal stimulus monies during the 2 years ended December 31, 2010.

Ray County
Documentation of Unsupported Public Administrator Payments

The following table documents all payments by the Public Administrator made payable to the employee of the contracted company as discussed in MAR finding number 1. Our review determined the Public Administrator had obtained documentation to support $969 of the payments listed below.

Date of Check	Check number		Amount
January 23, 2008	1537	$	200
February 28, 2008	1574		200
March 27, 2008	1592		300
May 29, 2008	1645		200
July 17, 2008	1682		200
August 7, 2008	1697		250
August 20, 2008	1710		500
September 11, 2008	1724		500
October 8, 2008	1745		2,000
October 9, 2008	1749		250
October 9, 2008	1750		630
October 30, 2008	1759		300
November 20, 2008	1786		300
December 4, 2008	1796		300
December 18, 2008	1808		300
December 23, 2008	1810		300
January 15, 2009	1822		400
January 22, 2009	1824		350
February 5, 2009	1839		300
February 19, 2009	1849		400
February 26, 2009	1851		400
March 12, 2009	1863		400
March 26, 2009	1871		150
April 9, 2009	1881		400
April 21, 2009	1895		450
May 7, 2009	1911		550
May 21, 2009	1923		250
June 4, 2009	1928		500
June 4, 2009	1932		400
June 18, 2009	1943		500
June 25, 2009	1945		500

Date of Check	Check number		Amount
July 16, 2009	1961	$	550
July 20, 2009	1969		250
July 28, 2009	1972		500
August 4, 2009	1979		400
August 21, 2009	1993		500
September 3, 2009	1996		250
September 15, 2009	1997		600
September 22, 2009	2011		600
September 24, 2009	2018		500
October 22, 2009	2037		600
November 5, 2009	2040		600
November 19, 2009	2044		300
December 3, 2009	2061		600
December 16, 2009	2070		600
January 20, 2010	2102		100
February 11, 2010	2119		100
February 24, 2010	2124		200
March 18, 2010	2148		400
April 7, 2010	2162		450
April 22, 2010	2167		600
May 6, 2010	2185		100
May 27, 2010	2190		200
June 24, 2010	2217		200
July 8, 2010	2228		600
July 22, 2010	2238		600
August 5, 2010	2243		450
August 26, 2010	2253		100
September 9, 2010	2272		600
September 22, 2010	2282		600
September 28, 2010	2286		2,000
September 28, 2010	2288		100
October 28, 2010	2303		600
	Total	$	27,530

Source: Client annual settlements

Thomas A. Schweich

Missouri State Auditor

Missouri Statewide Performance Indicators: A National Comparison

September 2011

Report No. 2011-48

http://auditor.mo.gov

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Thomas A. Schweich
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The following benchmark report is the result of research conducted by the University of Missouri, Harry S Truman School of Public Affairs that has been presented to, and reviewed by the Missouri State Auditor's office.

The objective of this report was to present compiled comparative data on a vast array of policy issue areas to:

1. Provide comparative information to Missouri legislators, other elected officials, and citizens.

2. Without comment, or drawing conclusions, allow the comparative data and rankings to stand alone as indicators.

3. Publish the report in a technical format that provides information, and trends when classifiable, without presumptions or findings.

Many policy makers have found that monitoring performance indicators can provide valuable information when it comes to policy development, as well as government action. Similar reports conducted elsewhere have been helpful in providing a snap shot as to where states are positioned in relation to each other in critical areas dealing with the economy, healthcare, crime, education, transportation, and civic involvement. Comparative analysis can serve to help measure progress made in relation to others and is becoming increasingly more important for generally establishing the direction states are headed in a variety of policy areas. Also, because statistical information is constantly evolving, updated information can almost always be found from sources drawn upon in this report, as well as from other qualified monitoring sources.

This report was completed in coordination with the University of Missouri - Columbia, Harry S Truman School of Public Affairs, and prepared under the direction of Matt Beckmann, MBA, JD, of the State Auditor's office (SAO). Key contributors to this report included SAO staff Robert Showers, CPA; and of the Harry S Truman School of Public Affairs, David Valentine, PhD.

Thomas A. Schweich
State Auditor

Economy

Household Median Income - The median household income is the amount which divides households into two equal groups, one having incomes above that amount and the other having incomes below that amount. The data was provided by the Census Bureau. In 2009, Missouri ranked 27th.

Job Growth and Unemployment Rate, US and Missouri - Job growth statistics represent the growth in the number of jobs in the state. Job growth data shown is relative to a year 2000 baseline. Unemployment rate data from the Bureau of Labor Statistics is obtained by conducting a monthly sample survey called the Current Population Survey (CPS) to measure the extent of unemployment in the country. There are approximately 110,000 individuals included in the survey. The CPS sample is selected so as to be representative of the entire population of the United States. The survey is designed so that each person age 16 and over who is neither in an institution (for example, correctional facilities and residential nursing and mental health care facilities) nor on active duty in the Armed Forces is counted and classified in only one group. The sum of the employed and the unemployed constitutes the civilian labor force. The chart includes job growth and the unemployment rate for Missouri and the United States from 2000 to 2010. The data was provided by the Bureau of Labor Statistics.

State Tax Burden as a Percentage of Personal Income - The amount of state taxes collected, divided by personal income. The data was provided by the Federation of Tax Administrators. In 2010, Missouri ranked 44th.

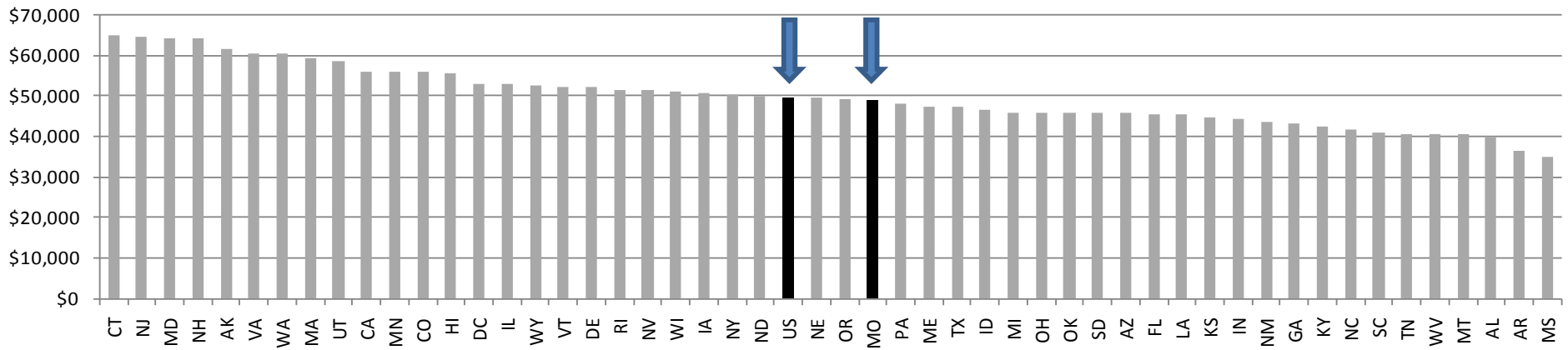
State Cigarette Tax - The amount of tax levied, in dollars, by a state on the sale of a pack of cigarettes. The data was provided by the National Conference of State Legislatures. In 2010, Missouri ranked 51st.

Percent of Population in Poverty - The percent of the population that has a yearly income below the federal poverty level. The data was provided by the Census Bureau. In 2009, Missouri ranked 20th.

Percent of Children in Poverty - The percent of children under age 18 that live in a household whose yearly income is below the federal poverty level. The data was provided by the Census Bureau. In 2009, Missouri ranked 20th.

Economy

Household Median Income: 2009



Rank	State	Income
1	Connecticut	64,851
2	New Jersey	64,777
3	Maryland	64,184
4	New Hampshire	64,131
5	Alaska	61,604
6	Virginia	60,501
7	Washington	60,392
8	Massachusetts	59,373
9	Utah	58,491
10	California	56,134
11	Minnesota	56,090
12	Colorado	55,930
13	Hawaii	55,649
14	District of Columbia	53,141
15	Illinois	52,870
16	Wyoming	52,470
17	Vermont	52,318
18	Delaware	52,114
19	Rhode Island	51,634

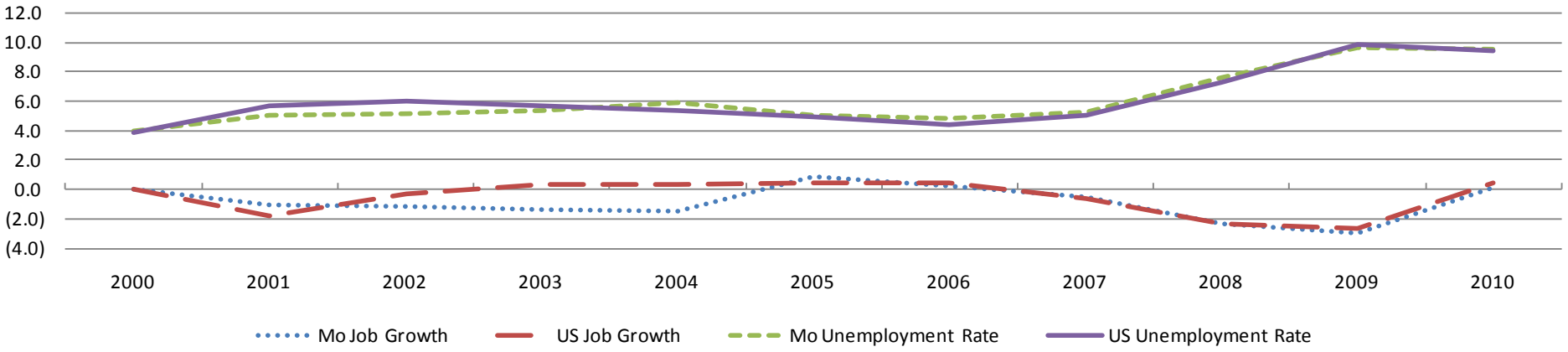
Rank	State	Income
20	Nevada	51,434
21	Wisconsin	51,237
22	Iowa	50,721
23	New York	50,216
24	North Dakota	50,075
	United States	**49,777**
25	Nebraska	49,595
26	Oregon	49,098
27	**Missouri**	**48,769**
28	Pennsylvania	48,172
29	Maine	47,502
30	Texas	47,475
31	Idaho	46,778
32	Michigan	45,994
33	Ohio	45,879
34	Oklahoma	45,878
35	South Dakota	45,826
36	Arizona	45,739
37	Florida	45,631

Rank	State	Income
38	Louisiana	45,433
39	Kansas	44,717
40	Indiana	44,305
41	New Mexico	43,542
42	Georgia	43,340
43	Kentucky	42,664
44	North Carolina	41,906
45	South Carolina	41,101
46	Tennessee	40,517
47	West Virginia	40,490
48	Montana	40,437
49	Alabama	39,980
50	Arkansas	36,538
51	Mississippi	35,078

Year	MO Rank	Income
2007	37	45,114
2008	36	46,867
2009	27	48,769

Source: census.gov

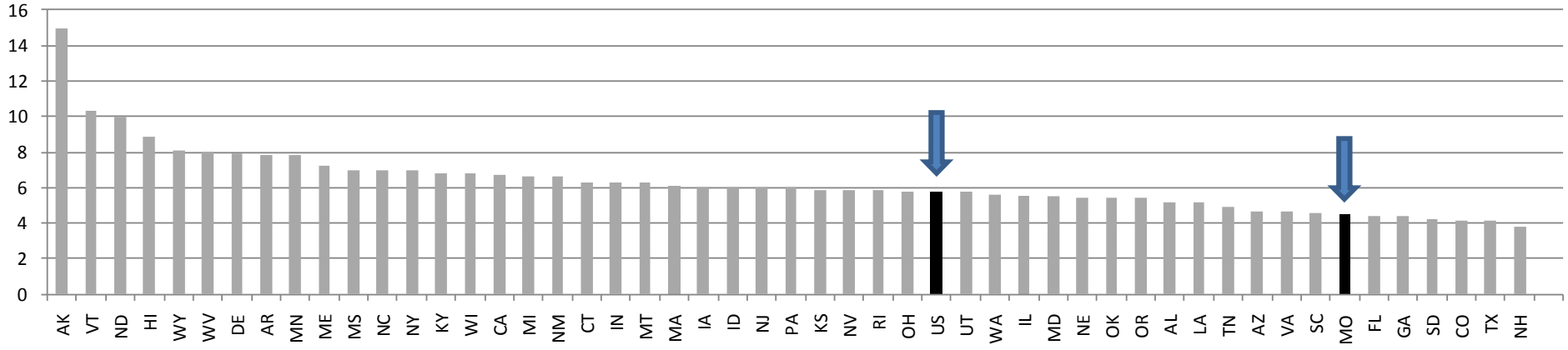
Job Growth and Unemployment Rate, US and Missouri: 2000 to 2010



Year	Mo Job Growth Percent	US Job Growth Percent	Mo Unemployment Rate	US Unemployment Rate
2000	0.0	0.0	4.0	3.9
2001	(1.0)	(1.8)	5.0	5.7
2002	(1.2)	(0.3)	5.2	6.0
2003	(1.4)	0.3	5.4	5.7
2004	(1.5)	0.3	5.9	5.4
2005	0.9	0.5	5.0	4.9
2006	0.2	0.5	4.8	4.4
2007	(0.5)	(0.6)	5.3	5.0
2008	(2.3)	(2.3)	7.6	7.3
2009	(3.0)	(2.6)	9.6	9.9
2010	0.1	0.5	9.5	9.4

Source: bls.gov

State Tax Burden as a Percentage of Personal Income: 2010



Rank	State	Percent
1	Alaska	15.0%
2	Vermont	10.3%
3	North Dakota	10.0%
4	Hawaii	8.9%
5	Wyoming	8.1%
6	West Virginia	8.0%
7	Delaware	7.9%
8	Arkansas	7.8%
8	Minnesota	7.8%
10	Maine	7.2%
11	Mississippi	7.0%
11	North Carolina	7.0%
11	New York	7.0%
14	Kentucky	6.8%
14	Wisconsin	6.8%
16	California	6.7%
17	Michigan	6.6%
17	New Mexico	6.6%
19	Connecticut	6.3%

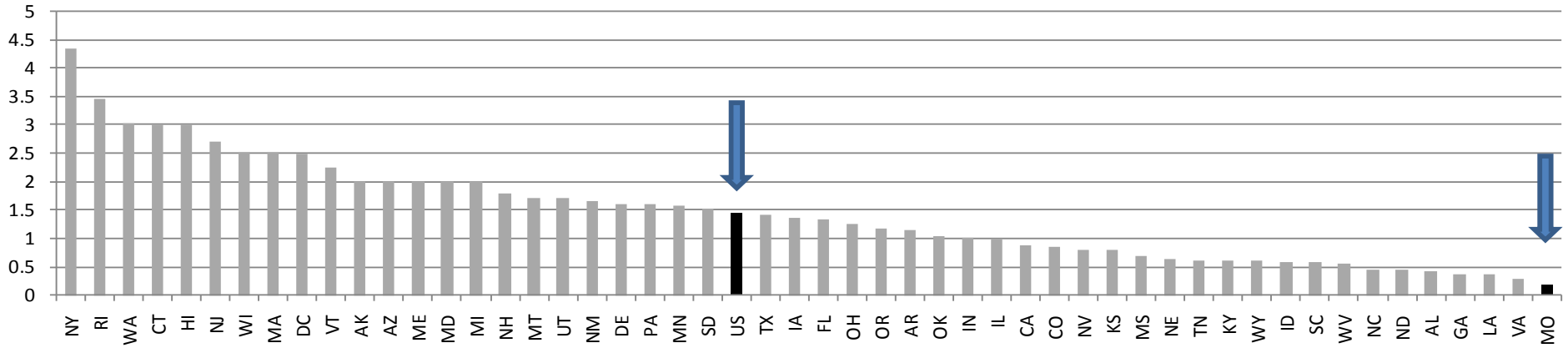
Rank	State	Percent
19	Indiana	6.3%
19	Montana	6.3%
22	Massachusetts	6.1%
23	Iowa	6.0%
23	Idaho	6.0%
23	New Jersey	6.0%
23	Pennsylvania	6.0%
27	Kansas	5.9%
27	Nevada	5.9%
27	Rhode Island	5.9%
30	Ohio	5.8%
	United States	**5.8%**
30	Utah	5.8%
32	Washington	5.6%
33	Illinois	5.5%
33	Maryland	5.5%
35	Nebraska	5.4%
35	Oklahoma	5.4%
35	Oregon	5.4%

Rank	State	Percent
38	Alabama	5.2%
38	Louisiana	5.2%
40	Tennessee	4.9%
41	Arizona	4.7%
41	Virginia	4.7%
43	South Carolina	4.6%
44	**Missouri**	**4.5%**
45	Florida	4.4%
45	Georgia	4.4%
47	South Dakota	4.2%
48	Colorado	4.1%
48	Texas	4.1%
50	New Hampshire	3.8%

Year	MO Rank	Percent
2007	45	5.6%
2008	44	5.5%
2010	44	4.5%

Source: taxadmin.org

Cigarette Tax in Dollars: 2010



Rank	State	Dollars
1	New York	4.35
2	Rhode Island	3.46
3	Washington	3.03
4	Connecticut	3.00
4	Hawaii	3.00
6	New Jersey	2.70
7	Wisconsin	2.52
8	Massachusetts	2.51
9	District of Columbia	2.50
10	Vermont	2.24
11	Alaska	2.00
11	Arizona	2.00
11	Maine	2.00
11	Maryland	2.00
11	Michigan	2.00
16	New Hampshire	1.78
17	Montana	1.70
17	Utah	1.70
19	New Mexico	1.66

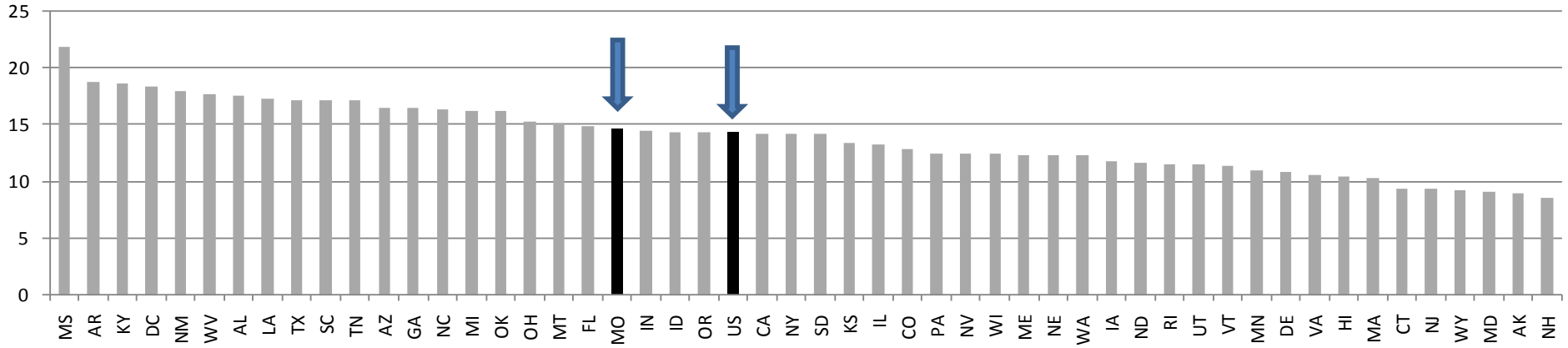
Rank	State	Dollars
20	Delaware	1.60
20	Pennsylvania	1.60
22	Minnesota	1.58
23	South Dakota	1.53
	United States	**1.45**
24	Texas	1.41
25	Iowa	1.36
26	Florida	1.34
27	Ohio	1.25
28	Oregon	1.18
29	Arkansas	1.15
30	Oklahoma	1.03
31	Indiana	1.00
32	Illinois	0.98
33	California	0.87
34	Colorado	0.84
35	Nevada	0.80
36	Kansas	0.79
37	Mississippi	0.68

Rank	State	Dollars
38	Nebraska	0.64
39	Tennessee	0.62
40	Kentucky	0.60
40	Wyoming	0.60
42	Idaho	0.57
42	South Carolina	0.57
44	West Virginia	0.55
45	North Carolina	0.45
46	North Dakota	0.44
47	Alabama	0.43
48	Georgia	0.37
49	Louisiana	0.36
50	Virginia	0.30
51	**Missouri**	**0.17**

Year	MO Rank	Dollars
2008	50	0.17
2009	50	0.17
2010	51	0.17

Source: tobaccofreekids.org

Percent of Population in Poverty: 2009



Rank	State	Percent
1	Mississippi	21.9%
2	Arkansas	18.8%
3	Kentucky	18.6%
4	District of Columbia	18.4%
5	New Mexico	18.0%
6	West Virginia	17.7%
7	Alabama	17.5%
8	Louisiana	17.3%
9	Texas	17.2%
10	South Carolina	17.1%
10	Tennessee	17.1%
12	Arizona	16.5%
12	Georgia	16.5%
14	North Carolina	16.3%
15	Michigan	16.2%
15	Oklahoma	16.2%
17	Ohio	15.2%
18	Montana	15.1%
19	Florida	14.9%

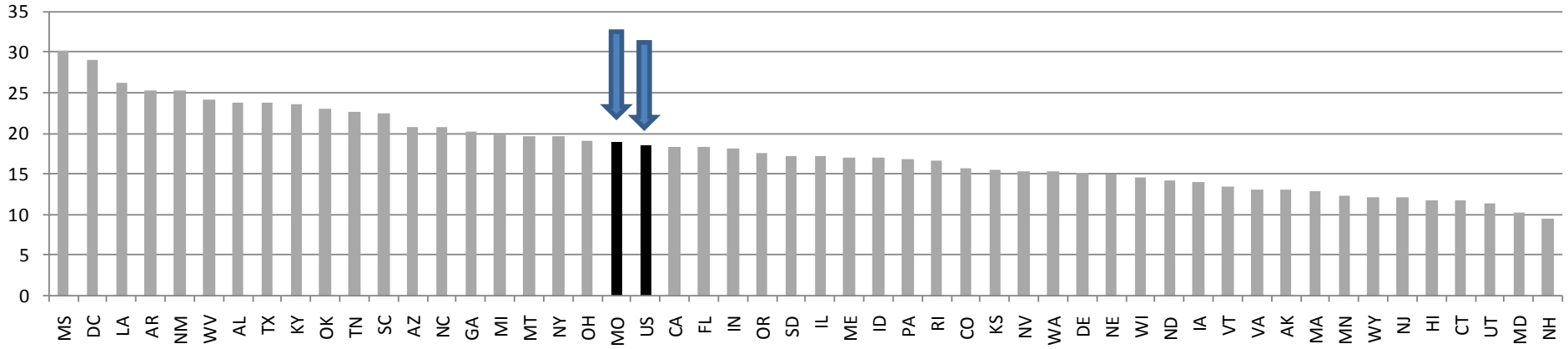
Rank	State	Percent
20	**Missouri**	**14.6%**
21	Indiana	14.4%
22	Idaho	14.3%
22	Oregon	14.3%
	United States	**14.3%**
24	California	14.2%
24	New York	14.2%
24	South Dakota	14.2%
27	Kansas	13.4%
28	Illinois	13.3%
29	Colorado	12.9%
30	Pennsylvania	12.5%
31	Nevada	12.4%
31	Wisconsin	12.4%
33	Maine	12.3%
33	Nebraska	12.3%
33	Washington	12.3%
36	Iowa	11.8%
37	North Dakota	11.7%

Rank	State	Percent
38	Rhode Island	11.5%
38	Utah	11.5%
40	Vermont	11.4%
41	Minnesota	11.0%
42	Delaware	10.8%
43	Virginia	10.5%
44	Hawaii	10.4%
45	Massachusetts	10.3%
46	Connecticut	9.4%
46	New Jersey	9.4%
48	Wyoming	9.2%
49	Maryland	9.1%
50	Alaska	9.0%
51	New Hampshire	8.5%

Year	MO Rank	Percent
2007	21	13.0%
2008	19	13.1%
2009	20	14.6%

Source: census.gov

Percent of Children in Poverty: 2009



Rank	State	Percent
1	Mississippi	30.2%
2	District of Columbia	29.0%
3	Louisiana	26.3%
4	Arkansas	25.3%
5	New Mexico	25.2%
6	West Virginia	24.1%
7	Alabama	23.7%
7	Texas	23.7%
9	Kentucky	23.6%
10	Oklahoma	23.0%
11	Tennessee	22.6%
12	South Carolina	22.4%
13	Arizona	20.8%
13	North Carolina	20.8%
15	Georgia	20.3%
16	Michigan	19.8%
17	Montana	19.6%
17	New York	19.6%
19	Ohio	19.1%

Rank	State	Percent
20	**Missouri**	**18.9%**
	United States	**18.6%**
21	California	18.3%
21	Florida	18.3%
23	Indiana	18.2%
24	Oregon	17.6%
25	South Dakota	17.3%
26	Illinois	17.2%
27	Maine	17.1%
28	Idaho	17.0%
29	Pennsylvania	16.8%
30	Rhode Island	16.7%
31	Colorado	15.7%
32	Kansas	15.5%
33	Nevada	15.3%
33	Washington	15.3%
35	Delaware	15.1%
36	Nebraska	15.0%
37	Wisconsin	14.6%

Rank	State	Percent
38	North Dakota	14.2%
39	Iowa	14.1%
40	Vermont	13.5%
41	Virginia	13.1%
42	Alaska	13.0%
43	Massachusetts	12.8%
44	Minnesota	12.4%
45	Wyoming	12.2%
46	New Jersey	12.1%
47	Hawaii	11.8%
48	Connecticut	11.7%
49	Utah	11.3%
50	Maryland	10.3%
51	New Hampshire	9.5%

Year	MO Rank	Percent
2007	20	18.4%
2008	19	18.9%
2009	20	18.9%

Source: census.gov

Education

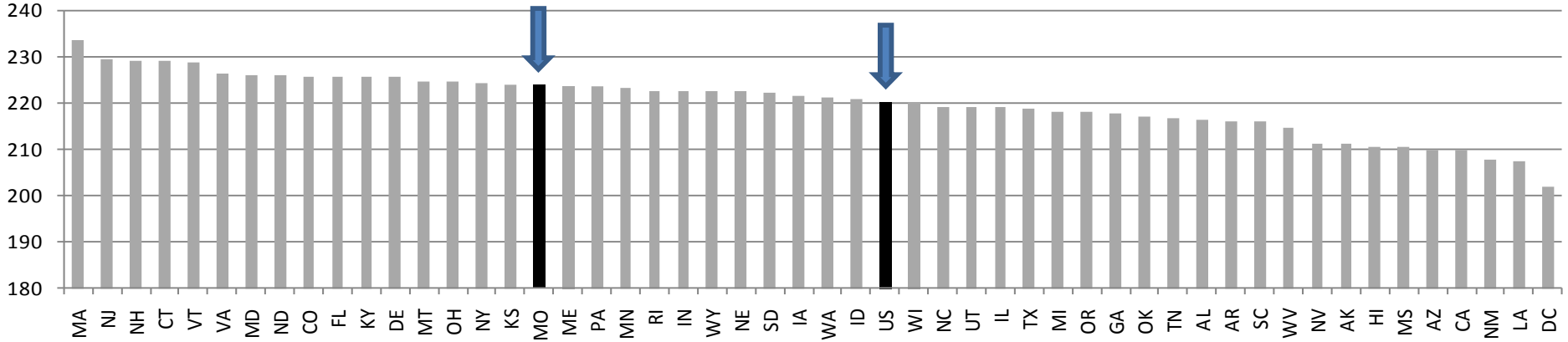
NAEP Scores - The National Assessment of Educational Progress (NAEP) is the only nationally representative and continuing assessment of what American students know in various subject areas. NAEP assessments are administered uniformly using the same sets of test booklets across the nation. The test serves as a common metric for all states and selected urban districts. The assessment stays mostly the same from year to year, with only carefully documented changes. The data was provided by the National Center for Education Statistics. In 2009, Missouri ranked 17th in 4th grade reading, and 17th in 8th grade reading. In 2009, Missouri ranked 25th in 4th grade math, and 22nd in 8th grade math.

ACT Scores - The ACT is a national college admissions examination that consists of subject area tests in: English, Mathematics, Reading, and Science plus a writing test. ACT results are accepted by all 4-year colleges and universities in the U.S. The ACT includes 215 multiple-choice questions and takes approximately 3 hours and 30 minutes to complete. The data was provided ACT, Inc. In 2009, Missouri ranked 27th.

Percent of Population Age 25 and Older - High School Graduate or Higher - Estimates the percent of the total population that is at least 25 years old with a high school diploma or equivalent. The data was provided by the Census Bureau. In 2009, Missouri ranked 31st.

Percent of Population Age 25 and Older - Bachelor's Degree or Higher - Estimates the percent of the total population that is at least 25 years old with a bachelor's degree or equivalent. The data was provided by the Census Bureau. In 2009, Missouri ranked 34th.

4th Grade NAEP Reading Scores: 2009



Rank	State	Score
1	Massachusetts	233.75
2	New Jersey	229.39
3	New Hampshire	229.14
4	Connecticut	228.97
5	Vermont	228.74
6	Virginia	226.53
7	Maryland	226.05
8	North Dakota	225.97
9	Colorado	225.70
10	Florida	225.67
11	Kentucky	225.61
12	Delaware	225.51
13	Montana	224.65
14	Ohio	224.53
15	New York	224.37
16	Kansas	223.92
17	**Missouri**	**223.84**
18	Maine	223.79
19	Pennsylvania	223.68

Rank	State	Score
20	Minnesota	223.34
21	Rhode Island	222.70
22	Indiana	222.66
23	Wyoming	222.65
24	Nebraska	222.52
25	South Dakota	222.17
26	Iowa	221.42
27	Washington	221.33
28	Idaho	221.02
	United States	**220.15**
29	Wisconsin	220.14
30	North Carolina	219.30
31	Utah	219.20
32	Illinois	219.17
33	Texas	218.86
34	Michigan	218.24
35	Oregon	218.14
36	Georgia	217.85
37	Oklahoma	217.19

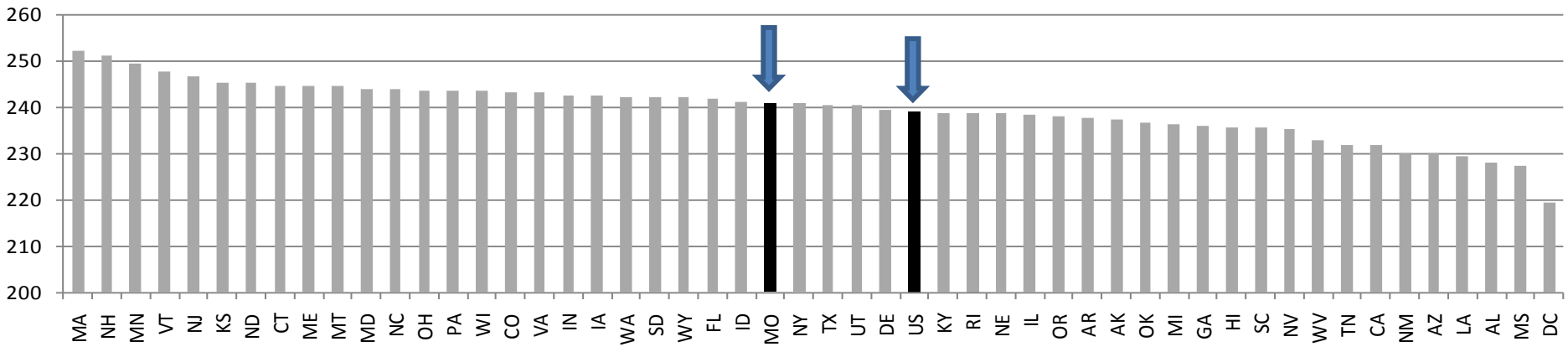
Rank	State	Score
38	Tennessee	216.74
39	Alabama	216.27
40	Arkansas	216.15
41	South Carolina	215.94
42	West Virginia	214.52
43	Nevada	211.14
44	Alaska	211.13
45	Hawaii	210.62
46	Mississippi	210.51
47	Arizona	209.99
48	California	209.76
49	New Mexico	207.65
50	Louisiana	207.49
51	District of Columbia	201.98

Year	MO Rank	Score
2005	22	221.17
2007	29	220.78
2009	17	223.84

Source: nationsreportcard.gov NAEP = National Assessment of Educational Progress

Education

4th Grade NAEP Math Scores: 2009



Rank	State	Score
1	Massachusetts	252.25
2	New Hampshire	251.07
3	Minnesota	249.46
4	Vermont	247.77
5	New Jersey	246.53
6	Kansas	245.31
7	North Dakota	245.19
8	Connecticut	244.72
9	Maine	244.46
10	Montana	244.40
11	Maryland	243.80
12	North Carolina	243.78
13	Ohio	243.69
14	Pennsylvania	243.59
14	Wisconsin	243.59
16	Colorado	243.13
17	Virginia	243.07
18	Indiana	242.62
19	Iowa	242.60

Rank	State	Score
20	Washington	242.26
21	South Dakota	242.10
22	Wyoming	242.01
23	Florida	241.94
24	Idaho	241.04
25	**Missouri**	**240.68**
26	New York	240.64
27	Texas	240.46
28	Utah	240.32
29	Delaware	239.49
	United States	**239.09**
30	Kentucky	238.84
31	Rhode Island	238.77
32	Nebraska	238.75
33	Illinois	238.29
34	Oregon	238.03
35	Arkansas	237.54
36	Alaska	237.21
37	Oklahoma	236.78

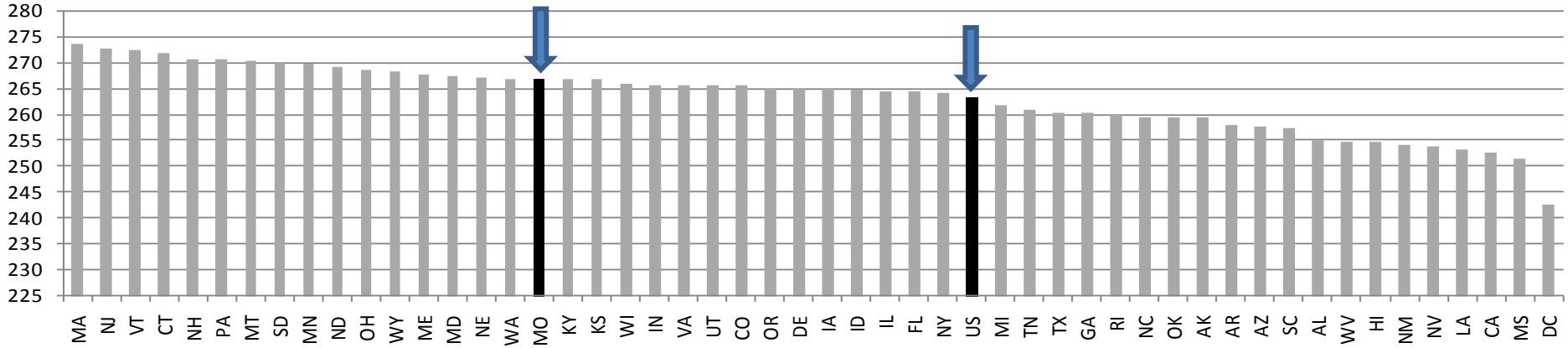
Rank	State	Score
38	Michigan	236.28
39	Georgia	236.03
40	Hawaii	235.68
41	South Carolina	235.67
42	Nevada	235.15
43	West Virginia	232.98
44	Tennessee	231.83
45	California	231.67
46	New Mexico	230.03
47	Arizona	229.99
48	Louisiana	229.43
49	Alabama	227.96
50	Mississippi	227.26
51	District of Columbia	219.26

Year	MO Rank	Score
2005	35	235.04
2007	28	239.06
2009	25	240.68

Source: nationsreportcard.gov NAEP = National Assessment of Educational Progress

Education

8th Grade NAEP Reading Scores: 2009



Rank	State	Score
1	Massachusetts	273.59
2	New Jersey	272.80
3	Vermont	272.31
4	Connecticut	271.81
5	New Hampshire	270.75
6	Pennsylvania	270.70
7	Montana	270.39
8	South Dakota	270.06
9	Minnesota	269.74
10	North Dakota	269.24
11	Ohio	268.68
12	Wyoming	268.16
13	Maine	267.71
14	Maryland	267.30
15	Nebraska	267.07
16	Washington	266.92
17	**Missouri**	**266.88**
18	Kentucky	266.85
19	Kansas	266.80

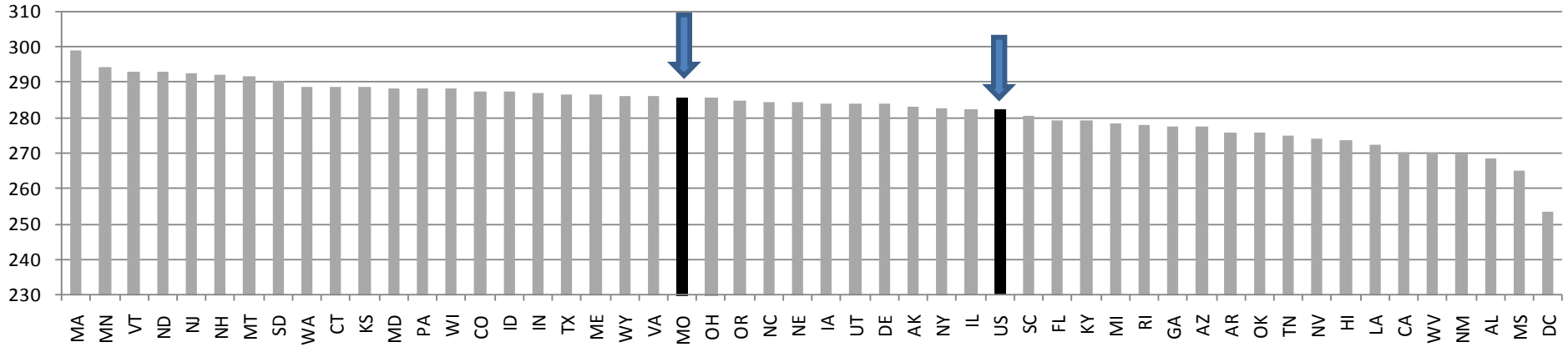
Rank	State	Score
20	Wisconsin	265.81
21	Indiana	265.69
22	Virginia	265.64
23	Utah	265.59
24	Colorado	265.51
25	Oregon	265.09
26	Delaware	265.00
27	Iowa	264.89
28	Idaho	264.84
29	Illinois	264.51
30	Florida	264.36
31	New York	264.29
	United States	**263.25**
32	Michigan	261.90
33	Tennessee	260.95
34	Texas	260.37
35	Georgia	260.24
36	Rhode Island	259.89
37	North Carolina	259.53

Rank	State	Score
38	Oklahoma	259.50
39	Alaska	259.45
40	Arkansas	258.05
41	Arizona	257.60
42	South Carolina	257.27
43	Alabama	254.90
44	West Virginia	254.80
45	Hawaii	254.74
46	New Mexico	254.13
47	Nevada	253.84
48	Louisiana	253.33
49	California	252.63
50	Mississippi	251.31
51	District of Columbia	242.49

Year	MO Rank	Score
2005	21	264.66
2007	27	263.44
2009	17	266.88

Source: nationsreportcard.gov NAEP = National Assessment of Educational Progress

8th Grade NAEP Math Scores: 2009



Rank	State	Score
1	Massachusetts	298.85
2	Minnesota	294.44
3	Vermont	292.87
4	North Dakota	292.84
5	New Jersey	292.66
6	New Hampshire	292.32
7	Montana	291.54
8	South Dakota	290.62
9	Washington	288.72
10	Connecticut	288.61
11	Kansas	288.60
12	Maryland	288.34
13	Pennsylvania	288.30
14	Wisconsin	288.14
15	Colorado	287.37
16	Idaho	287.31
17	Indiana	286.81
18	Texas	286.69
19	Maine	286.36

Rank	State	Score
20	Wyoming	286.10
21	Virginia	286.07
22	**Missouri**	**285.81**
23	Ohio	285.58
24	Oregon	285.04
25	North Carolina	284.33
26	Nebraska	284.26
27	Iowa	284.17
28	Utah	284.07
29	Delaware	283.83
30	Alaska	283.05
31	New York	282.58
32	Illinois	282.43
	United States	**282.42**
33	South Carolina	281.67
34	Florida	279.34
35	Kentucky	279.28
36	Michigan	278.27
37	Rhode Island	277.92

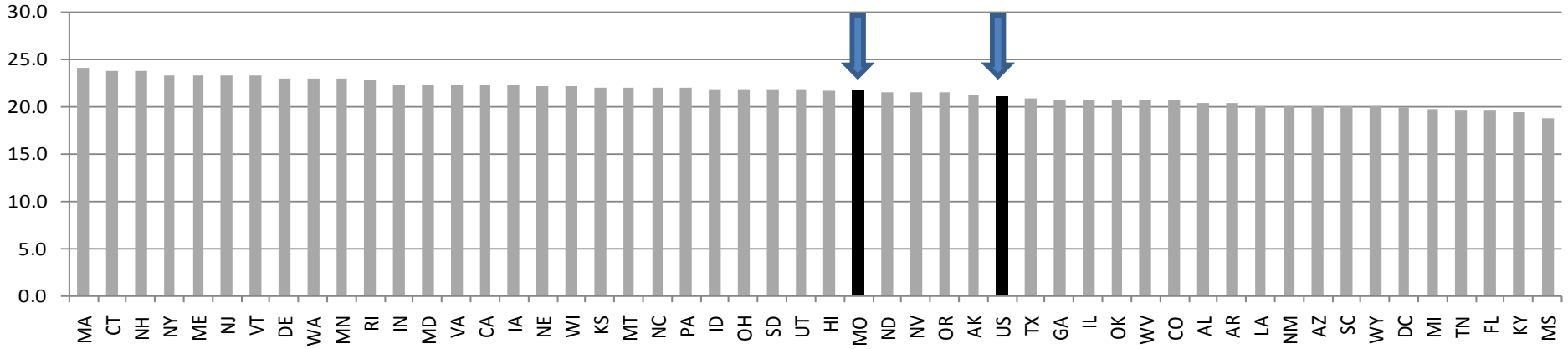
Rank	State	Score
38	Georgia	277.56
39	Arizona	277.33
40	Arkansas	276.00
41	Oklahoma	275.71
42	Tennessee	274.76
43	Nevada	274.15
44	Hawaii	273.76
45	Louisiana	272.38
46	California	270.45
47	West Virginia	270.42
48	New Mexico	269.70
49	Alabama	268.52
50	Mississippi	265.00
51	District of Columbia	253.60

Year	MO Rank	Score
2005	34	276.45
2007	31	280.42
2009	22	285.81

Source: nationsreportcard.gov NAEP = National Assessment of Educational Progress

Education

ACT Scores: 2009



Rank	State	Score
1	Massachusetts	24.0
2	Connecticut	23.7
2	New Hampshire	23.7
4	New York	23.3
5	Maine	23.2
5	New Jersey	23.2
5	Vermont	23.2
8	Delaware	23.0
8	Washington	23.0
10	Minnesota	22.9
11	Rhode Island	22.8
12	Indiana	22.3
12	Maryland	22.3
12	Virginia	22.3
15	California	22.2
15	Iowa	22.2
17	Nebraska	22.1
17	Wisconsin	22.1
19	Kansas	22.0

Rank	State	Score
19	Montana	22.0
21	North Carolina	21.9
21	Pennsylvania	21.9
23	Idaho	21.8
23	Ohio	21.8
23	South Dakota	21.8
23	Utah	21.8
27	Hawaii	21.6
27	**Missouri**	**21.6**
29	North Dakota	21.5
29	Nevada	21.5
29	Oregon	21.5
32	Alaska	21.1
	United States	**21.0**
33	Texas	20.8
34	Georgia	20.7
34	Illinois	20.7
34	Oklahoma	20.7
34	West Virginia	20.7

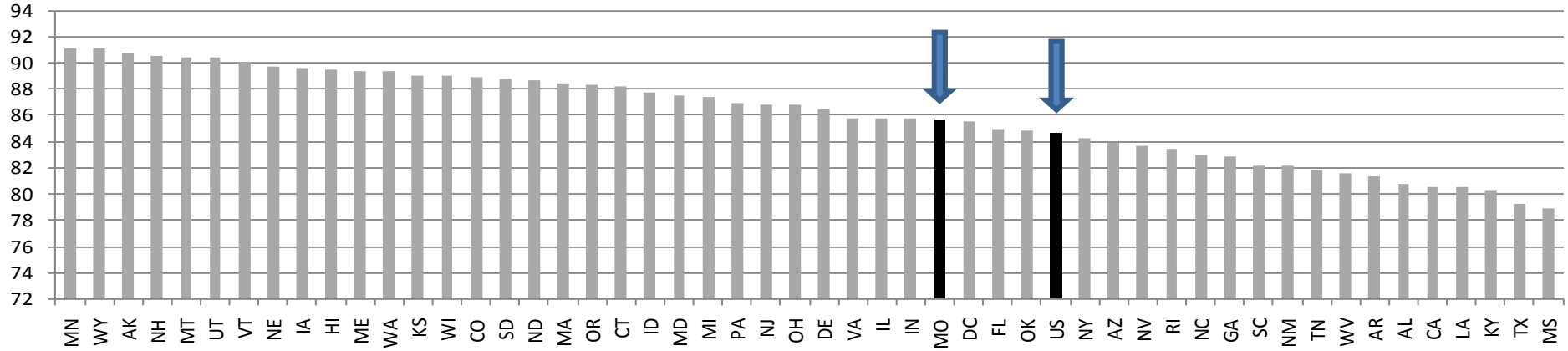
Rank	State	Score
38	Colorado	20.6
39	Alabama	20.3
39	Arkansas	20.3
41	Louisiana	20.1
41	New Mexico	20.1
43	Arizona	20.0
43	South Carolina	20.0
43	Wyoming	20.0
46	District of Columbia	19.8
47	Michigan	19.7
48	Tennessee	19.6
49	Florida	19.5
50	Kentucky	19.4
51	Mississippi	18.8

Year	MO Rank	Score
2007	24	21.6
2008	26	21.6
2009	27	21.6

Source: act.org

Education

Percent of Population Age 25 and Older - High School Graduates or Higher: 2009



Rank	State	Percent
1	Minnesota	91.1%
1	Wyoming	91.1%
3	Alaska	90.7%
4	New Hampshire	90.5%
5	Montana	90.4%
5	Utah	90.4%
7	Vermont	90.1%
8	Nebraska	89.7%
9	Iowa	89.6%
10	Hawaii	89.5%
11	Maine	89.4%
11	Washington	89.4%
13	Kansas	89.0%
13	Wisconsin	89.0%
15	Colorado	88.9%
16	South Dakota	88.8%
17	North Dakota	88.7%
18	Massachusetts	88.4%
19	Oregon	88.3%

Rank	State	Percent
20	Connecticut	88.2%
21	Idaho	87.7%
22	Maryland	87.5%
23	Michigan	87.4%
24	Pennsylvania	86.9%
25	New Jersey	86.8%
25	Ohio	86.8%
27	Delaware	86.5%
28	Virginia	85.8%
29	Illinois	85.7%
29	Indiana	85.7%
31	**Missouri**	**85.6%**
32	District of Columbia	85.5%
33	Florida	84.9%
34	Oklahoma	84.8%
	United States	**84.6%**
35	New York	84.2%
36	Arizona	83.9%
37	Nevada	83.7%

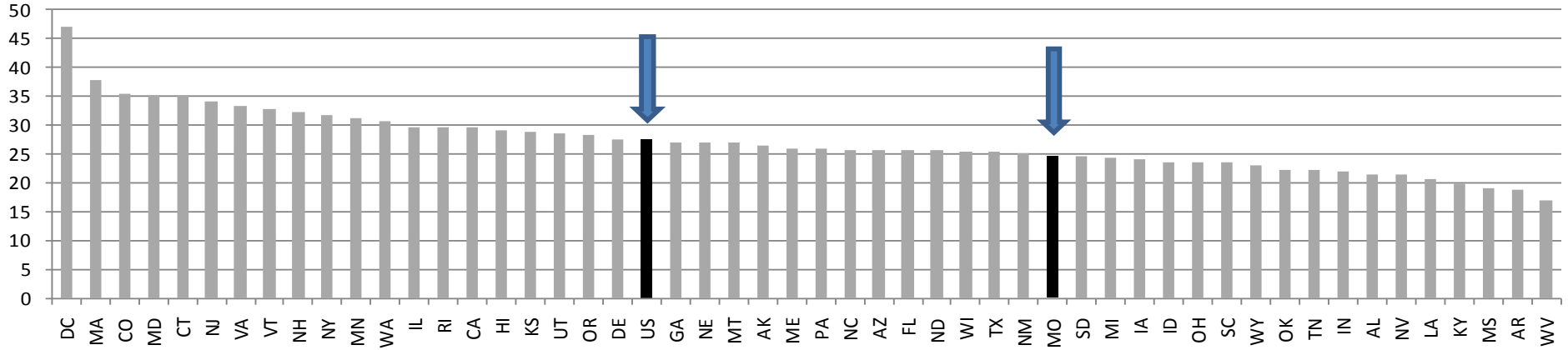
Rank	State	Percent
38	Rhode Island	83.4%
39	North Carolina	83.0%
40	Georgia	82.9%
41	South Carolina	82.2%
42	New Mexico	82.1%
43	Tennessee	81.8%
44	West Virginia	81.6%
45	Arkansas	81.3%
46	Alabama	80.8%
47	California	80.5%
47	Louisiana	80.5%
49	Kentucky	80.3%
50	Texas	79.3%
51	Mississippi	78.9%

Year	MO Rank	Percent
2007	32	85.6%
2008	28	86.5%
2009	31	85.6%

Source: census.gov

Education

Percent of Population Age 25 and Older - Bachelor's Degree or Higher: 2009



Rank	State	Percent
1	District of Columbia	47.1%
2	Massachusetts	37.8%
3	Colorado	35.5%
4	Maryland	35.2%
5	Connecticut	35.1%
6	New Jersey	34.1%
7	Virginia	33.4%
8	Vermont	32.9%
9	New Hampshire	32.4%
10	New York	31.8%
11	Minnesota	31.2%
12	Washington	30.8%
13	Illinois	29.8%
13	Rhode Island	29.8%
15	California	29.7%
16	Hawaii	29.2%
17	Kansas	28.8%
18	Utah	28.7%
19	Oregon	28.3%

Rank	State	Percent
20	Delaware	27.5%
	United States	**27.5%**
21	Georgia	27.1%
21	Nebraska	27.1%
23	Montana	27.0%
24	Alaska	26.5%
25	Maine	26.1%
26	Pennsylvania	26.0%
27	North Carolina	25.8%
28	Arizona	25.7%
29	Florida	25.6%
29	North Dakota	25.6%
31	Wisconsin	25.5%
32	Texas	25.4%
33	New Mexico	25.1%
34	**Missouri**	**24.6%**
34	South Dakota	24.6%
36	Michigan	24.5%
37	Iowa	24.2%

Rank	State	Percent
38	Idaho	23.7%
39	Ohio	23.6%
40	South Carolina	23.5%
41	Wyoming	23.2%
42	Oklahoma	22.4%
42	Tennessee	22.4%
44	Indiana	21.9%
45	Alabama	21.5%
45	Nevada	21.5%
47	Louisiana	20.6%
48	Kentucky	20.0%
49	Mississippi	19.1%
50	Arkansas	18.9%
51	West Virginia	17.1%

Year	MO Rank	Percent
2007	36	24.5%
2008	34	25.0%
2009	34	24.6%

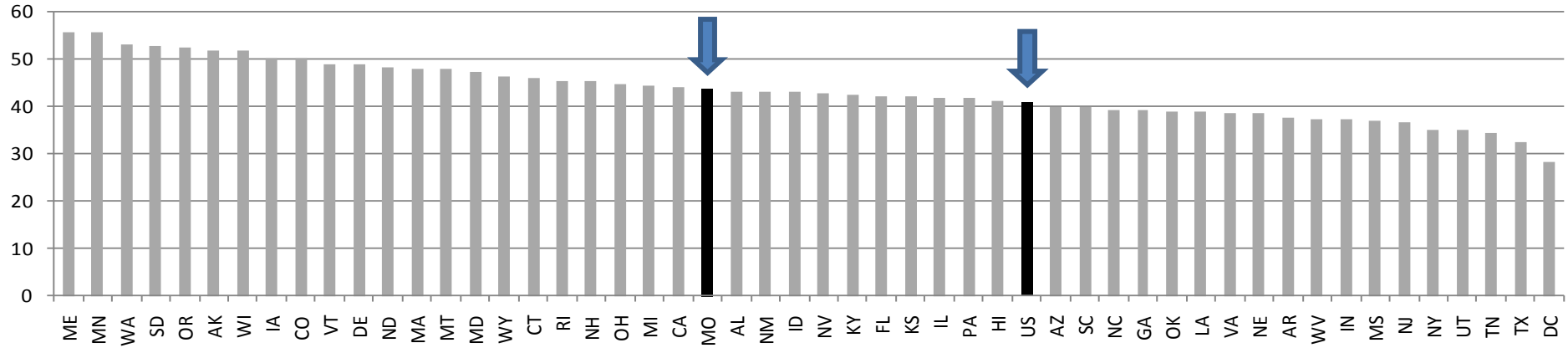
Source: census.gov

Civic Involvement

Voter Turnout Rate: General Election 2010 - The percentage of the eligible voting age population who cast a ballot in the 2010 General Election. The data was provided by the United States Election Project at George Mason University. In 2010, Missouri ranked 23rd.

Civic Involvement

Votor Turnout Rate: General Election 2010



Rank	State	Percent
1	Maine	55.5%
1	Minnesota	55.5%
3	Washington	53.1%
4	South Dakota	52.8%
5	Oregon	52.3%
6	Alaska	51.9%
7	Wisconsin	51.7%
8	Iowa	50.3%
9	Colorado	50.0%
10	Vermont	48.9%
11	Delaware	48.7%
12	North Dakota	48.1%
13	Massachusetts	48.0%
14	Montana	47.8%
15	Maryland	47.1%
16	Wyoming	46.4%
17	Connecticut	46.0%
18	Rhode Island	45.3%
19	New Hampshire	45.2%

Rank	State	Percent
20	Ohio	44.6%
21	Michigan	44.3%
22	California	44.1%
23	**Missouri**	**43.8%**
24	Alabama	43.2%
25	New Mexico	43.1%
26	Idaho	43.0%
27	Nevada	42.6%
28	Kentucky	42.4%
29	Florida	42.2%
30	Kansas	42.0%
31	Illinois	41.8%
32	Pennsylvania	41.7%
33	Hawaii	41.1%
	United States	**40.9%**
34	Arizona	39.9%
35	South Carolina	39.8%
36	North Carolina	39.3%
37	Georgia	39.1%

Rank	State	Percent
38	Oklahoma	39.0%
39	Louisiana	38.8%
40	Virginia	38.5%
41	Nebraska	38.4%
42	Arkansas	37.6%
43	West Virginia	37.4%
44	Indiana	37.3%
45	Mississippi	37.0%
46	New Jersey	36.5%
47	New York	34.9%
47	Utah	34.9%
49	Tennessee	34.4%
50	Texas	32.3%
51	District of Columbia	28.2%

Year	MO Rank	Percent
2006	12	60.0%
2008	9	68.1%
2010	23	43.8%

Source: elections.gmu.edu

Health

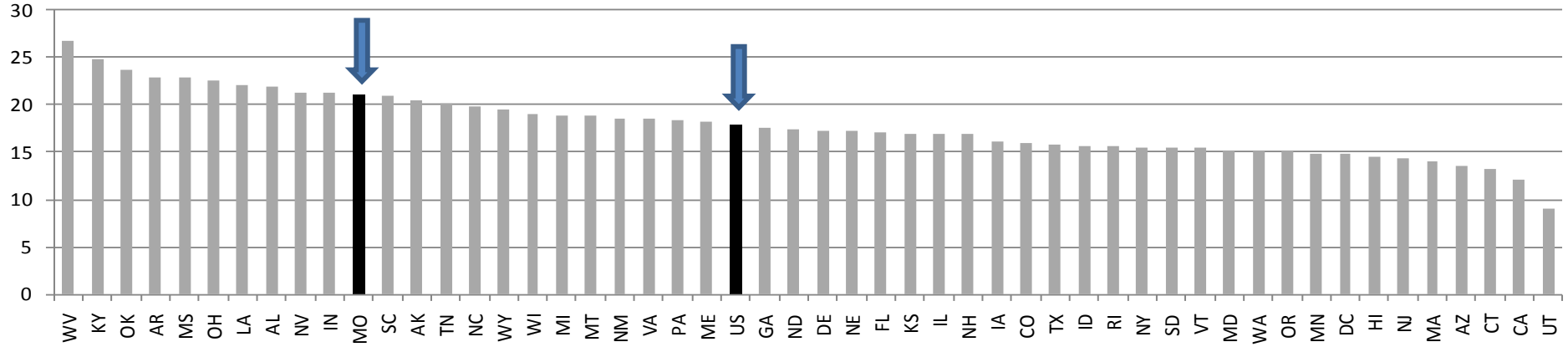
Percent of Population that are Adult Smokers - The percentage of adults age 18 and older who report themselves to be smokers. This data was provided by the Centers for Disease Control. In 2010, Missouri ranked 11th.

Percent of the Population that is Obese - The percent of the population who have a body mass index (BMI) of 30 or greater. The data was provided by the Centers for Disease Control. In 2009, Missouri ranked 9th. Previous data combined statistics for the percentage of the population that was overweight (BMI between 25 and 30) and obese (BMI over 30). Data depicted in the current report represents only the percentage of the population that is obese.

Live Births to Women Aged 15 to 19 per 1,000 Women - The number of births to teenage women, age 15 to 19, per 1,000 women in the state. The data was provided by the Centers for Disease Control. In 2008, Missouri ranked 20th.

Percent of Population without Health Insurance - The percent of the population that does not have any form of health insurance. The data was provided by the Census Bureau. In 2009, Missouri ranked 28th.

Percent of Population that are Adult Smokers: 2010



Rank	State	Percent
1	West Virginia	26.8%
2	Kentucky	24.8%
3	Oklahoma	23.7%
4	Arkansas	22.9%
4	Mississippi	22.9%
6	Ohio	22.5%
7	Louisiana	22.1%
8	Alabama	21.9%
9	Nevada	21.3%
10	Indiana	21.2%
11	**Missouri**	**21.1%**
12	South Carolina	21.0%
13	Alaska	20.4%
14	Tennessee	20.1%
15	North Carolina	19.8%
16	Wyoming	19.5%
17	Wisconsin	19.1%
18	Michigan	18.9%
19	Montana	18.8%

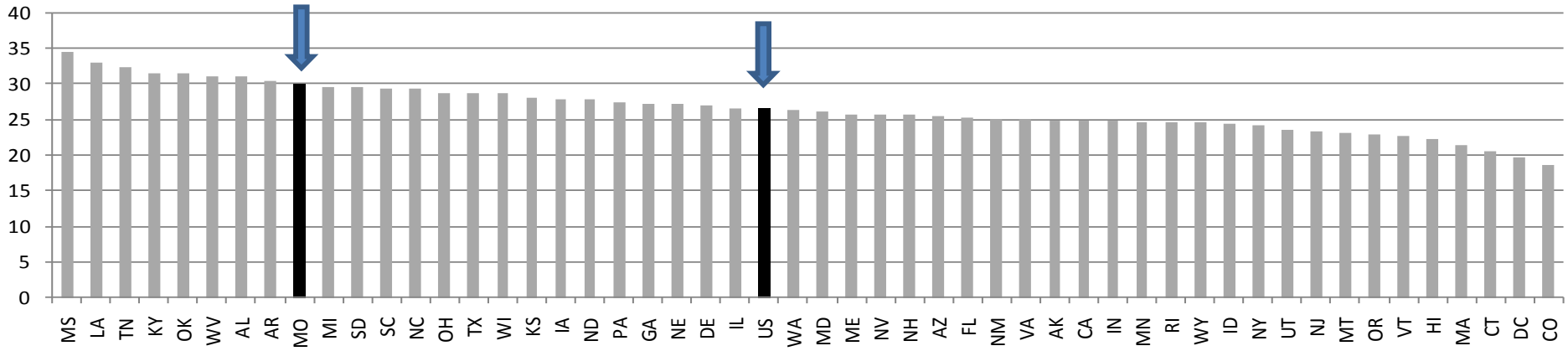
Rank	State	Percent
20	New Mexico	18.5%
20	Virginia	18.5%
22	Pennsylvania	18.4%
23	Maine	18.2%
	United States	**17.9%**
24	Georgia	17.6%
25	North Dakota	17.4%
26	Delaware	17.3%
27	Nebraska	17.2%
28	Florida	17.1%
29	Kansas	17.0%
30	Illinois	16.9%
30	New Hampshire	16.9%
32	Iowa	16.1%
33	Colorado	16.0%
34	Texas	15.8%
35	Idaho	15.7%
35	Rhode Island	15.7%
37	New York	15.5%

Rank	State	Percent
38	South Dakota	15.4%
38	Vermont	15.4%
40	Maryland	15.2%
40	Washington	15.2%
42	Oregon	15.1%
43	Minnesota	14.9%
44	District of Columbia	14.8%
45	Hawaii	14.5%
46	New Jersey	14.4%
47	Massachusetts	14.1%
48	Arizona	13.5%
49	Connecticut	13.2%
50	California	12.1%
51	Utah	09.1%

Year	MO Rank	Percent
2008	4	25.0%
2009	5	23.1%
2010	11	21.1%

Source: nccd.cdc.gov

Percent of Population that is Obese: 2009



Rank	State	Percent
1	Mississippi	34.4%
2	Louisiana	33.0%
3	Tennessee	32.3%
4	Kentucky	31.5%
5	Oklahoma	31.4%
6	West Virginia	31.1%
7	Alabama	31.0%
8	Arkansas	30.5%
9	**Missouri**	**30.0%**
10	Michigan	29.6%
10	South Dakota	29.6%
12	South Carolina	29.4%
13	North Carolina	29.3%
14	Ohio	28.8%
15	Texas	28.7%
15	Wisconsin	28.7%
17	Kansas	28.1%
18	Iowa	27.9%
18	North Dakota	27.9%

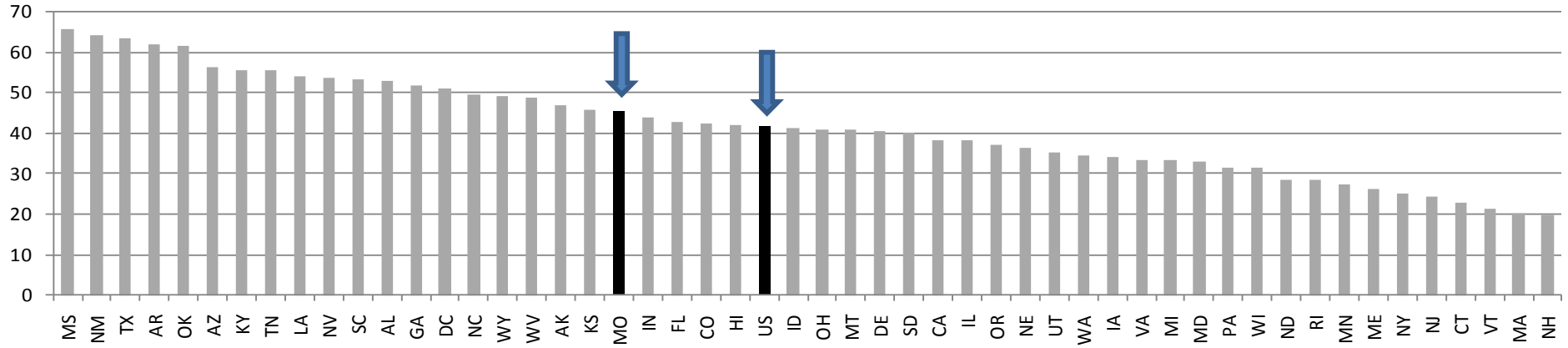
Rank	State	Percent
20	Pennsylvania	27.4%
21	Georgia	27.2%
21	Nebraska	27.2%
23	Delaware	27.0%
24	Illinois	26.5%
	United States	**26.5%**
25	Washington	26.4%
26	Maryland	26.2%
27	Maine	25.8%
27	Nevada	25.8%
29	New Hampshire	25.7%
30	Arizona	25.5%
31	Florida	25.2%
32	New Mexico	25.1%
33	Virginia	25.0%
34	Alaska	24.8%
34	California	24.8%
34	Indiana	24.8%
37	Minnesota	24.6%

Rank	State	Percent
37	Rhode Island	24.6%
37	Wyoming	24.6%
40	Idaho	24.5%
41	New York	24.2%
42	Utah	23.5%
43	New Jersey	23.3%
44	Montana	23.2%
45	Oregon	23.0%
46	Vermont	22.8%
47	Hawaii	22.3%
48	Massachusetts	21.4%
49	Connecticut	20.6%
50	District of Columbia	19.7%
51	Colorado	18.6%

Year	MO Rank	Percent
2007	22	31.7%
2008	14	32.8%
2009	9	30.0%

Source: cdc.gov

Live Births to Women Aged 15 to 19 per 1,000 Women: 2008



Rank	State	Births
1	Mississippi	65.7
2	New Mexico	64.1
3	Texas	63.4
4	Arkansas	61.8
5	Oklahoma	61.6
6	Arizona	56.2
7	Kentucky	55.6
7	Tennessee	55.6
9	Louisiana	54.1
10	Nevada	53.5
11	South Carolina	53.1
12	Alabama	53.0
13	Georgia	51.8
14	District of Columbia	50.9
15	North Carolina	49.4
16	Wyoming	49.2
17	West Virginia	48.8
18	Alaska	46.8
19	Kansas	45.6

Rank	State	Births
20	**Missouri**	**45.5**
21	Indiana	43.7
22	Florida	42.8
23	Colorado	42.5
24	Hawaii	42.1
	United States	**41.5**
25	Idaho	41.2
26	Ohio	41.0
27	Montana	40.7
28	Delaware	40.4
29	South Dakota	40.0
30	California	38.4
31	Illinois	38.1
32	Oregon	37.2
33	Nebraska	36.5
34	Utah	35.1
35	Washington	34.6
36	Iowa	33.9
37	Virginia	33.5

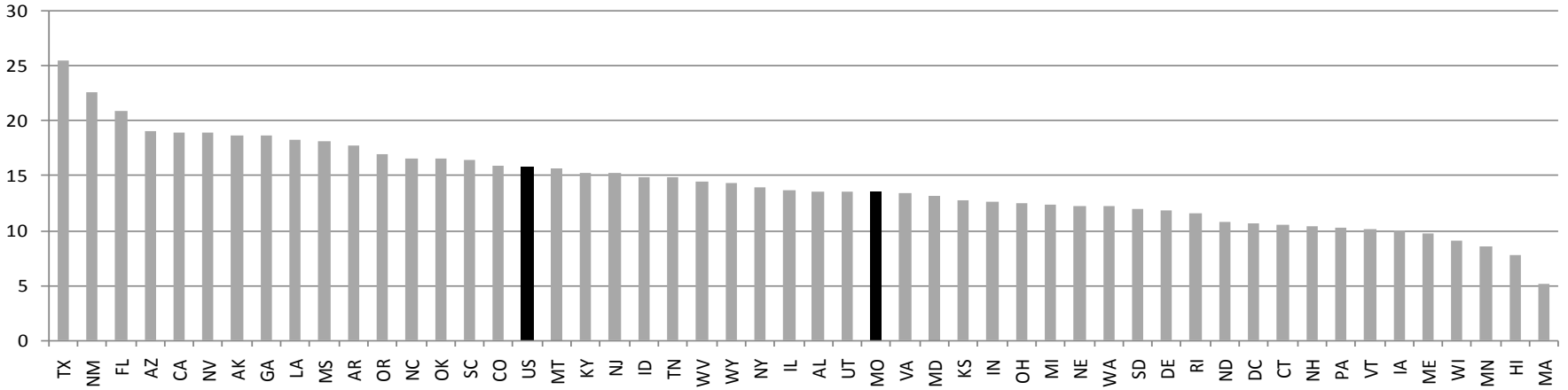
Rank	State	Births
38	Michigan	33.2
39	Maryland	32.8
40	Pennsylvania	31.5
41	Wisconsin	31.3
42	North Dakota	28.6
43	Rhode Island	28.5
44	Minnesota	27.2
45	Maine	26.1
46	New York	25.2
47	New Jersey	24.5
48	Connecticut	22.9
49	Vermont	21.3
50	Massachusetts	20.1
51	New Hampshire	19.8

Year	MO Rank	Births
2006	17	45.7
2007	18	45.7
2008	20	45.5

Source: cdc.gov

Health

Percent of Population without Health Insurance: 2009



Rank	State	Percent
1	Texas	25.5%
2	New Mexico	22.6%
3	Florida	20.9%
4	Arizona	19.1%
5	California	18.9%
5	Nevada	18.9%
7	Alaska	18.6%
7	Georgia	18.6%
9	Louisiana	18.2%
10	Mississippi	18.1%
11	Arkansas	17.7%
12	Oregon	16.9%
13	North Carolina	16.6%
13	Oklahoma	16.6%
15	South Carolina	16.4%
16	Colorado	15.9%
	United States	**15.8%**
17	Montana	15.7%
18	Kentucky	15.3%

Rank	State	Percent
19	New Jersey	15.2%
20	Idaho	14.9%
20	Tennessee	14.9%
22	West Virginia	14.4%
23	Wyoming	14.3%
24	New York	14.0%
25	Illinois	13.7%
26	Alabama	13.6%
26	Utah	13.6%
28	**Missouri**	**13.5%**
29	Virginia	13.4%
30	Maryland	13.2%
31	Kansas	12.7%
32	Indiana	12.6%
33	Ohio	12.5%
34	Michigan	12.4%
35	Nebraska	12.2%
35	Washington	12.2%
37	South Dakota	12.0%

Rank	State	Percent
38	Delaware	11.8%
39	Rhode Island	11.6%
40	North Dakota	10.8%
41	District of Columbia	10.6%
42	Connecticut	10.5%
43	New Hampshire	10.4%
44	Pennsylvania	10.3%
45	Vermont	10.1%
46	Iowa	10.0%
47	Maine	9.8%
48	Wisconsin	9.1%
49	Minnesota	8.6%
50	Hawaii	7.8%
51	Massachusetts	5.1%

Year	MO Rank	Percent
2007	31	12.6%
2008	26	12.6%
2009	28	13.5%

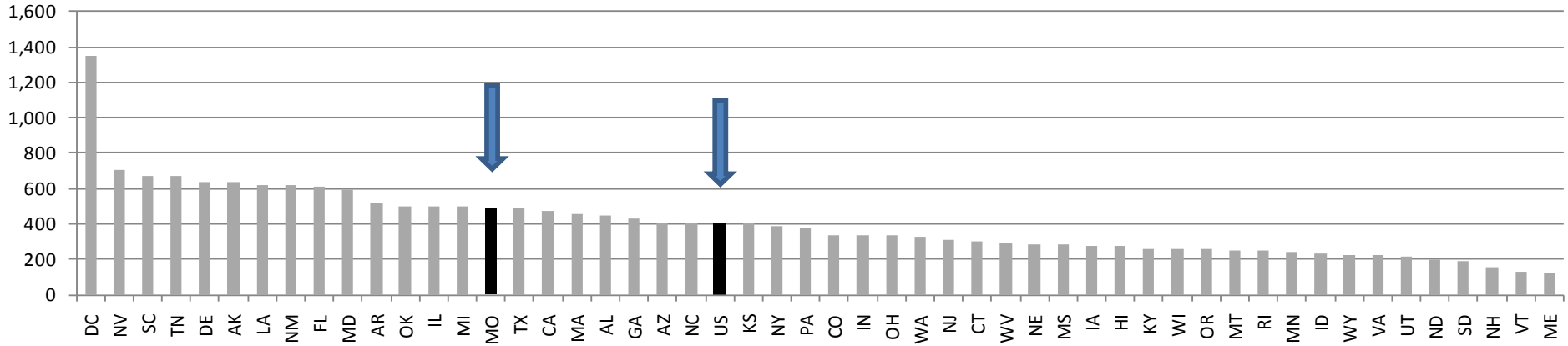
Source: census.gov

Crime

Violent Crime Rate - The violent crime rate is composed of four offenses: murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault. Violent crimes are defined as those offenses which involve force or threat of force. The rate is computed as the number of these violent crimes per 100,000 inhabitants. The data was provided by the Federal Bureau of Investigation. In 2009, Missouri ranked 15th.

Property Crime Rate - The property crime rate is composed of offenses such as burglary, larceny-theft, motor vehicle theft, and arson. There is no force or threat of force against the victims. The rate is computed as the number of these property crimes per 100,000 inhabitants. The data was provided by the Federal Bureau of Investigation. In 2009, Missouri ranked 16th.

Violent Crime Rate per 100,000 Inhabitants: 2009



Rank	State	Rate
1	District of Columbia	1,345.9
2	Nevada	702.2
3	South Carolina	670.8
4	Tennessee	667.7
5	Delaware	636.6
6	Alaska	633.0
7	Louisiana	620.0
8	New Mexico	619.0
9	Florida	612.5
10	Maryland	589.9
11	Arkansas	517.7
12	Oklahoma	501.1
13	Illinois	497.2
14	Michigan	497.0
15	**Missouri**	**491.8**
16	Texas	490.9
17	California	472.0
18	Massachusetts	457.1
19	Alabama	449.8

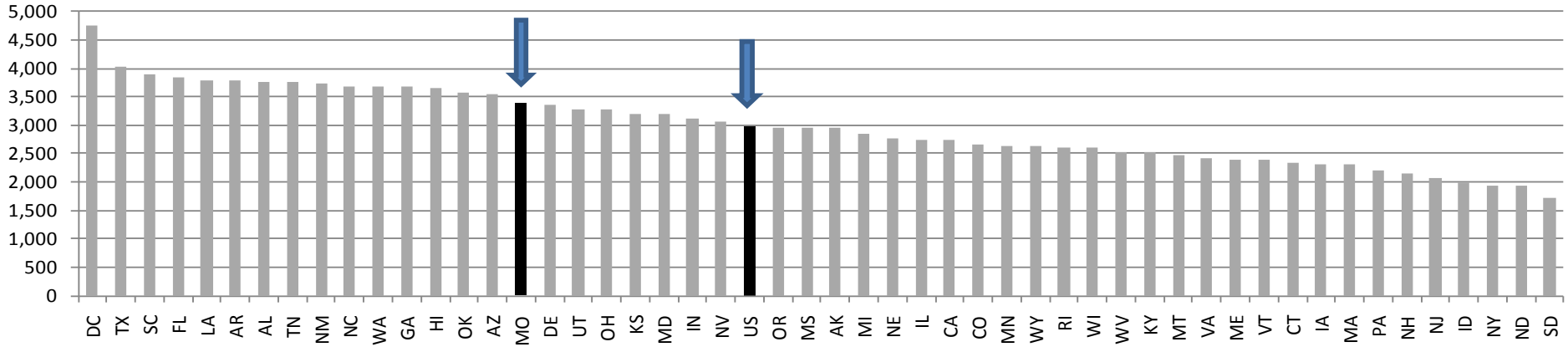
Rank	State	Rate
20	Georgia	426.1
21	Arizona	408.3
22	North Carolina	404.3
	United States	**400.9**
23	Kansas	400.1
24	New York	384.7
25	Pennsylvania	380.5
26	Colorado	337.8
27	Indiana	333.2
28	Ohio	332.1
29	Washington	331.0
30	New Jersey	311.5
31	Connecticut	298.7
32	West Virginia	296.5
33	Nebraska	281.6
34	Mississippi	281.3
35	Iowa	279.2
36	Hawaii	274.8
37	Kentucky	258.7

Rank	State	Rate
38	Wisconsin	257.0
39	Oregon	254.7
40	Montana	253.6
41	Rhode Island	252.6
42	Minnesota	243.9
43	Idaho	228.4
44	Wyoming	228.2
45	Virginia	226.8
46	Utah	212.7
47	North Dakota	200.7
48	South Dakota	185.6
49	New Hampshire	159.6
50	Vermont	131.4
51	Maine	119.8

Year	MO Rank	Rate
2007	16	504.9
2008	14	504.4
2009	15	491.8

Source: fbi.gov

Property Crime Rate per 100,000 Inhabitants: 2009



Rank	State	Rate
1	District of Columbia	4,745.4
2	Texas	4,015.5
3	South Carolina	3,888.6
4	Florida	3,840.8
5	Louisiana	3,794.6
6	Arkansas	3,773.7
7	Alabama	3,772.4
8	Tennessee	3,754.1
9	New Mexico	3,735.8
10	North Carolina	3,668.1
11	Washington	3,666.9
12	Georgia	3,666.6
13	Hawaii	3,661.2
14	Oklahoma	3,573.8
15	Arizona	3,556.5
16	**Missouri**	**3,385.3**
17	Delaware	3,349.6
18	Utah	3,275.4
19	Ohio	3,270.9
20	Kansas	3,207.8
21	Maryland	3,200.7
22	Indiana	3,116.2
23	Nevada	3,055.6
	United States	**2,976.0**
24	Oregon	2,967.1
25	Mississippi	2,953.3
26	Alaska	2,946.0
27	Michigan	2,837.8
28	Nebraska	2,761.5
29	Illinois	2,736.9
30	California	2,731.5
31	Colorado	2,666.2
32	Minnesota	2,641.0
33	Wyoming	2,637.3
34	Rhode Island	2,610.8
35	Wisconsin	2,608.2
36	West Virginia	2,526.7
37	Kentucky	2,512.7
38	Montana	2,464.0
39	Virginia	2,428.8
40	Maine	2,403.5
41	Vermont	2,401.4
42	Connecticut	2,335.8
43	Iowa	2,308.7
44	Massachusetts	2,304.0
45	Pennsylvania	2,201.6
46	New Hampshire	2,161.0
47	New Jersey	2,079.7
48	Idaho	1,988.7
49	New York	1,936.0
50	North Dakota	1,932.8
51	South Dakota	1,719.4

Year	MO Rank	Rate
2007	15	3,738.4
2008	14	3,663.7
2009	16	3,385.3

Source: fbi.gov

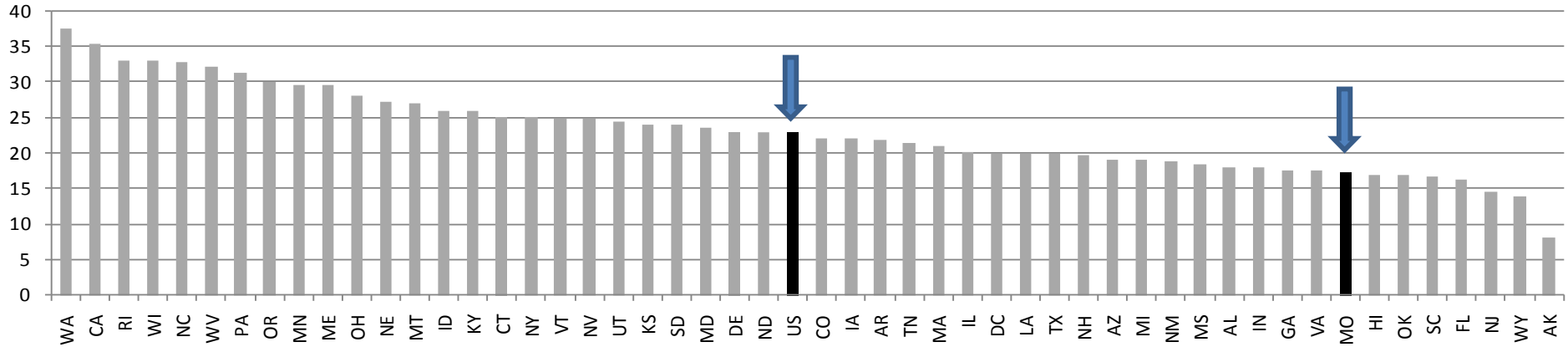
Transportation

State Gas Tax - The amount of tax levied, in cents, by a state on the sale of one gallon of gasoline. The data was provided by the Federation of Tax Administrations and the Bureau of Transportation Statistics. In 2011, Missouri ranked 44th.

Percent of Roads in Mediocre or Poor Condition - The percent of all roadways in a state that are in mediocre or poor condition as defined by the Bureau of Transportation Statistics. In 2008, Missouri ranked 15th.

Percent of Bridges that are Structurally Deficient or Functionally Obsolete - The percent of bridges that are structurally deficient or functionally obsolete as defined by the Federal Highway Administration (FHA). The Bureau of Transportation Statistics provided the data for this indicator. In 2009, Missouri ranked 14th.

State Gas Taxes in Cents: 2011



Rank	State	Gas Tax
1	Washington	37.5
2	California	35.3
3	Rhode Island	33.0
4	Wisconsin	32.9
5	North Carolina	32.7
6	West Virginia	32.2
7	Pennsylvania	31.2
8	Oregon	30.0
9	Minnesota	29.6
10	Maine	29.5
11	Ohio	28.0
12	Nebraska	27.3
13	Montana	27.0
14	Idaho	26.0
15	Kentucky	25.9
16	Connecticut	25.0
16	New York	25.0
18	Vermont	24.9
19	Nevada	24.8

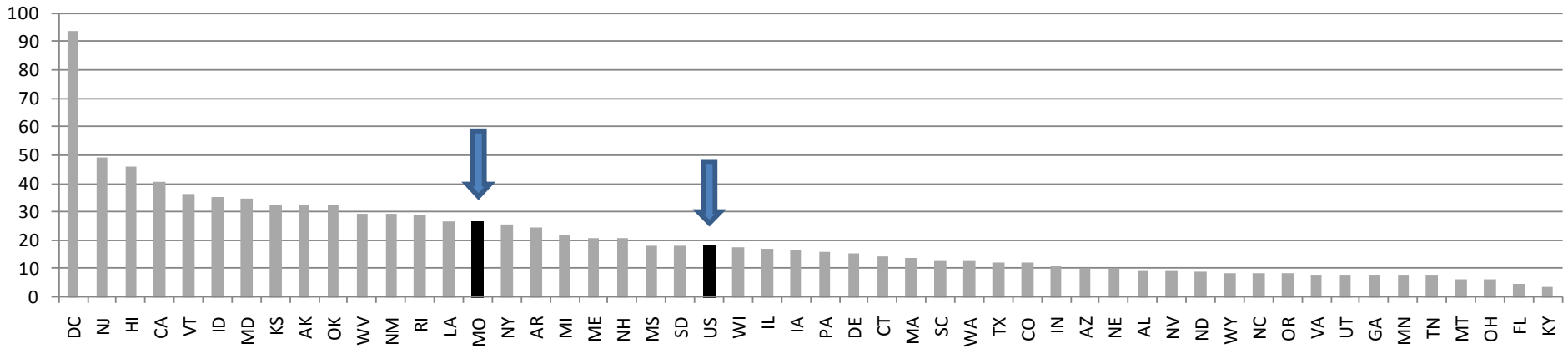
Rank	State	Gas Tax
20	Utah	24.5
21	Kansas	24.0
21	South Dakota	24.0
23	Maryland	23.5
24	Delaware	23.0
24	North Dakota	23.0
	United States	**23.0**
26	Colorado	22.0
26	Iowa	22.0
28	Arkansas	21.8
29	Tennessee	21.4
30	Massachusetts	21.0
31	Illinois	20.1
32	District of Columbia	20.0
32	Louisiana	20.0
32	Texas	20.0
35	New Hampshire	19.6
36	Arizona	19.0
36	Michigan	19.0

Rank	State	Gas Tax
38	New Mexico	18.8
39	Mississippi	18.4
40	Alabama	18.0
40	Indiana	18.0
42	Georgia	17.6
43	Virginia	17.5
44	**Missouri**	**17.3**
45	Hawaii	17.0
45	Oklahoma	17.0
47	South Carolina	16.8
48	Florida	16.2
49	New Jersey	14.5
50	Wyoming	14.0
51	Alaska	08.0

Year	MO Rank	Gas Tax
2009	45	17.3
2010	45	17.3
2011	44	17.3

Source: taxadmin.org and taxfoundation.org

Percent of Roads in Mediocre or Poor Condition: 2008



Rank	State	Percent
1	District of Columbia	93.9%
2	New Jersey	49.4%
3	Hawaii	46.0%
4	California	40.4%
5	Vermont	36.3%
6	Idaho	35.1%
7	Maryland	34.5%
8	Kansas	32.6%
9	Alaska	32.4%
10	Oklahoma	32.3%
11	West Virginia	29.4%
12	New Mexico	29.3%
13	Rhode Island	28.8%
14	Louisiana	26.7%
15	**Missouri**	**26.6%**
16	New York	25.6%
17	Arkansas	24.4%
18	Michigan	21.6%
19	Maine	20.9%

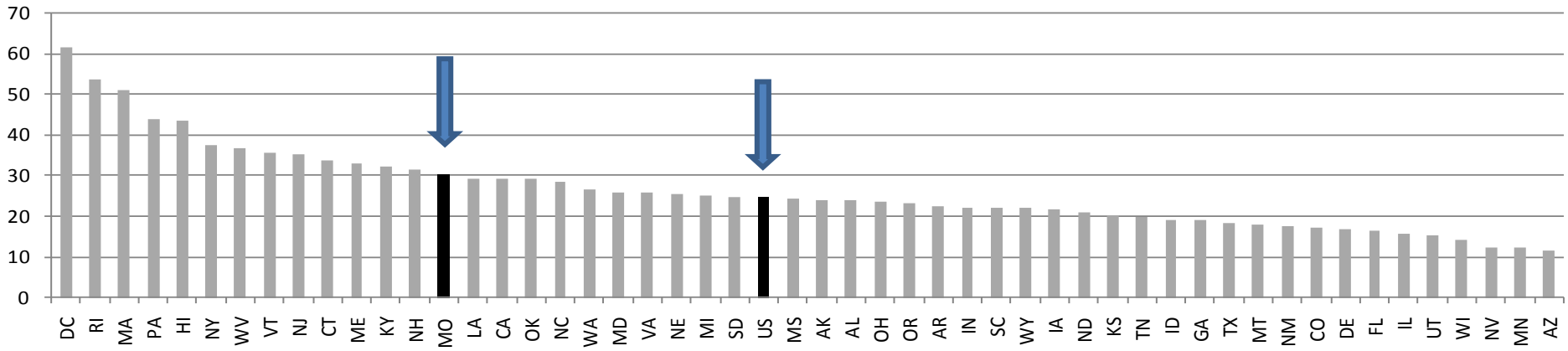
Rank	State	Percent
20	New Hampshire	20.8%
21	Mississippi	18.0%
22	South Dakota	17.9%
	United States	**17.8%**
23	Wisconsin	17.6%
24	Illinois	16.8%
25	Iowa	16.2%
26	Pennsylvania	16.0%
27	Delaware	15.4%
28	Connecticut	14.2%
29	Massachusetts	13.8%
30	South Carolina	12.9%
31	Washington	12.7%
32	Texas	12.2%
33	Colorado	11.9%
34	Indiana	11.0%
35	Arizona	10.2%
36	Nebraska	10.1%
37	Alabama	9.5%

Rank	State	Percent
37	Nevada	9.5%
39	North Dakota	9.0%
40	Wyoming	8.5%
41	North Carolina	8.4%
41	Oregon	8.4%
43	Virginia	8.1%
44	Utah	8.0%
45	Georgia	7.9%
46	Minnesota	7.8%
46	Tennessee	7.8%
48	Montana	6.5%
49	Ohio	6.2%
50	Florida	4.4%
51	Kentucky	3.4%

Year	MO Rank	Percent
2006	18	23.0%
2007	16	24.5%
2008	15	26.6%

Source: bts.gov

Percent of Bridges Structurally Deficient or Functionally Obsolete: 2009



Rank	State	Percent
1	District of Columbia	61.4%
2	Rhode Island	53.6%
3	Massachusetts	51.1%
4	Pennsylvania	43.9%
5	Hawaii	43.5%
6	New York	37.3%
7	West Virginia	36.7%
8	Vermont	35.5%
9	New Jersey	35.4%
10	Connecticut	33.6%
11	Maine	32.8%
12	Kentucky	32.2%
13	New Hampshire	31.4%
14	**Missouri**	**30.3%**
15	Louisiana	29.2%
16	California	29.1%
16	Oklahoma	29.1%
18	North Carolina	28.5%
19	Washington	26.5%

Rank	State	Percent
20	Maryland	26.0%
21	Virginia	25.8%
22	Nebraska	25.4%
23	Michigan	25.1%
24	South Dakota	24.8%
	United States	**24.7%**
25	Mississippi	24.2%
26	Alaska	23.9%
27	Alabama	23.8%
28	Ohio	23.6%
29	Oregon	23.1%
30	Arkansas	22.3%
31	Indiana	22.2%
32	South Carolina	22.1%
33	Wyoming	21.9%
34	Iowa	21.6%
35	North Dakota	21.0%
36	Kansas	20.2%
37	Tennessee	19.7%

Rank	State	Percent
38	Idaho	19.2%
39	Georgia	18.9%
40	Texas	18.4%
41	Montana	17.9%
42	New Mexico	17.6%
43	Colorado	17.3%
44	Delaware	16.8%
45	Florida	16.3%
46	Illinois	15.8%
47	Utah	15.4%
48	Wisconsin	14.0%
49	Nevada	12.3%
50	Minnesota	12.2%
51	Arizona	11.7%

Year	MO Rank	Percent
2007	15	31.3%
2008	15	30.5%
2009	14	30.3%

Source:bts.gov

Thomas A. Schweich

Missouri State Auditor

HIGHER EDUCATION

Northwest Missouri State University

September 2011

Report No. 2011-47

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Northwest Missouri State University (NWMSU)

Auxiliary Services Contracts	NWMSU has not solicited competitive bids or proposals for auxiliary services for years, which is required by state law. Instead, NWMSU extended and amended its food services, facilities management, vending and bookstore contracts in exchange for approximately $1.5 million in donations or other payments to fund a stadium renovation. These amendments effectively guaranteed the continued renewal of the contracts, because NWMSU would otherwise be required to repay prorated portions of the payments. NWMSU also is not properly monitoring its food services and facilities management contracts. It does not check the accuracy of weekly sales reports or the calculation of commissions remitted, the facilities management joint review committee has not met since July 2008, and the facilities management services contractor has not submitted an annual report since fiscal year 2006.
Former President's Employment Contract	The former President's employment contract included payments which may have been in violation of the Missouri Constitution. Former President Dr. Hubbard was paid $224,762 for the year after he stepped down as President, he and his spouse received health and accident insurance for 2 years after his resignation as President, and NWMSU paid $8,930 to move his personal property and furnishings to his new residence in Kansas City. Dr. Hubbard also received $30,000 from the Northwest Foundation in March 2009 in recognition of his 25 years of service to NWMSU and to compensate him because he had not been provided a vehicle for 6 years, even though he had received $1,800 a month for a vehicle allowance. Dr. Hubbard's 2004 employment agreement also entitled him to an annual miscellaneous personal expense allowance of $12,500, and yet, in a 2 year period, Dr. Hubbard used his purchasing card to charge nearly $3,000 for meal expenses instead of paying for them from this personal expense allowance. It appears Dr. Hubbard performed some services for NWMSU during the year after he resigned as President. It is not clear whether such services justified the salary and benefits provided. Moreover, the Missouri Constitution forbids payments to public officials in recognition of past services.
Northwest Foundation	In a 3 year period, NWMSU subsidized over $3.3 million of the operating costs of the Northwest Foundation, a not-for-profit corporation, in apparent violation of the Missouri Constitution. Moreover, NWMSU and the Northwest Foundation have not entered into a written agreement defining the objectives of any collaboration and the parties' respective obligations.
Contract Controls and Procedures	NWMSU needs to improve its controls and procedures for managing contracted services to avoid overpaying for services and to ensure services provided are in accordance with contract terms.
Room and Board Charges	NWMSU raised room and board rates in each of the last 4 years but does not maintain documentation of the annual reviews to show how rates are determined.

Program Operating Results and Related Subsidies	NWMSU incurs significant operating losses operating 3 programs for preschool to high school children. The NWMSU accounting system is not capable of separately reporting operating results for various programs and operating segments.
Real Estate Acquisitions	At the request of NWMSU officials, the Northwest Foundation purchased a parcel of property in 2004 for $475,000 and one in 2007 for $501,060, but there are no specific plans for their use, and no appraisals were conducted before the purchases to determine the fair market value of the parcels.
University-Owned Airplane	NWMSU should perform a cost-benefit analysis to determine whether the continued ownership of its airplane is justified, and NWMSU policy should require that the cost of alternative travel methods be considered prior to authorization of a flight on the university-owned airplane.
Cash Receipts	Internal controls over cash receipts need improvement. The Bursar's office does not record and restrictively endorse checks immediately upon receipt, receipts slips are not always given, and monies collected are not always deposited intact. Monies collected for football camps and student meal cards are not reconciled to amounts remitted to the Bursar's office, and tickets for performing arts and athletic events are not accounted for properly.
Capital Assets	Capital asset records are not accurate and contain assets that are likely no longer owned by NWMSU. A complete physical inventory of capital assets has not been conducted for at least 15 years, and no formal policy exists requiring notification when capital assets are disposed of or relocated.
Computer Security	NWMSU lacks an adequate disaster recovery plan, and supervisors do not periodically review user accounts to prevent unauthorized computer access.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	NWMSU was awarded $4,049,576 from Federal Budget Stabilization - Education Funds, which it received and spent in the year ended June 30, 2010, to retain 76 current employees and create 8 new positions. NWMSU also received a $55,979 Recovery Act: Federal Work-Study Grant, which it received and spent in the year ended June 30, 2010, to create 6 new work-study positions.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Northwest Missouri State University
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Board of Regents
and
Dr. John Jasinski, President
Northwest Missouri State University
Maryville, Missouri

We have audited certain operations of Northwest Missouri State University in fulfillment of our duties under Chapter 29, RSMo. The university engaged BKD, LLP, Certified Public Accountants (CPAs), to audit the university's financial statements for the years ended June 30, 2010, 2009 and 2008. We reviewed the reports and substantiating working papers of the CPA firm for the years ended June 30, 2009 and 2008, since the year ended June 30, 2010, audit had not been completed, and performed other procedures that we considered necessary in the circumstances. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2010, 2009, and 2008. The objectives of our audit were to:

1. Evaluate the university's internal controls over significant management and financial functions.

2. Evaluate the university's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

4. Evaluate selected records and activities of the Northwest Foundation.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the university, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the university's management and was not subjected to the procedures applied in our audit of the university.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) weaknesses with select records and procedures of the university's foundation. The accompanying Management Advisory Report presents our findings arising from our audit of Northwest Missouri State University.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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1. Auxiliary Services Contracts

The university has historically contracted with outside vendors for various auxiliary services, including facilities management, food services, vending, and operation of a campus book store. However, the university did not obtain competitive bids, as required by state law in procuring these services. Instead the related contracts were extended in consideration for significant donations made by the vendors. The university obtained a $2 million loan from one contractor without evidence the loan agreement was approved by the Board of Regents or reviewed by legal counsel. In addition, contract revenues and some contract provisions were not properly monitored.

1.1 Contract procurement and vendor donations

The university has not solicited competitive bids or proposals related to various contracts for a number of years and is not in compliance with state purchasing law or the delegated purchasing authority granted it by the Office of Administration, Division of Purchasing and Materials Management, pursuant to Section 34.100, RSMo. Instead, the university extended the related contracts through 2017, at least in part, because of approximately $1.5 million in donations or other payments the vendors made to the university's foundation to help fund a stadium renovation.

- The facilities management services contract relates to custodial, maintenance, and grounds support services provided by a contractor throughout the university's campus and grounds. The university expended over $3.9 million during the 3 years ended June 30, 2010, pursuant to this contract. The contract for these services allows for annual price increases not to exceed 3 percent. Also, contract amendments have allowed for price increases due to increases in the minimum wage and increases in square footage assigned to the contractor.

  At the time of our review, the university had not competitively bid this contract since 1997. In that year, the university entered into a facilities management services contract after a competitive bidding process. The contract was for 1 year with nine additional 1-year renewal options. In November 2001, another company (Company A) acquired the contractor and assumed responsibility for this contract.

  In March 2002, the university amended the contract to require the contractor to lease a football stadium suite for $10,000 per year (the standard lease amount for suites) for 12 years (well after all renewal options of the original contract expired). The amendment states the lease payments are contingent upon the continuation of the facility management services contract.

  In January 2003, the university again amended the contract to require the contractor to contribute $500,000 in June 2007 (the month the 1997 contract was set to expire) to the Northwest Foundation Stadium

Campaign Fund. This contract amendment requires the university to repay a prorated portion of the donation to the contractor if the contract is not renewed during the period from July 2007 through June 2017 (well after all renewal options of the original contract expired).

In 2007, after exercising the nine annual renewal options related to the 1997 contract, the university decided to extend the contract without soliciting competitive bids. The contract was extended for 1 year with nine annual renewal options. If the university chooses not to exercise the annual renewal options, a prorated portion of the $500,000 donation will have be to repaid to the contractor. This decision effectively extended this contract through 2017 (subject to annual renewal).

- The food services contract relates to all food operations provided to students, faculty and employees, and other individuals on campus. The university expended over $24.7 million (net of commission revenues) during the 3 years ended June 30, 2010, pursuant to this contract. These expenditures were substantially offset by revenues related to student meal plans and other food service revenues. Most dining services are purchased as prepaid meal plans by students. The university and the contractor negotiate meal prices (including several semester based meal plans) and other contract services each year taking into consideration the consumer price index for food, changes in the employee pay plan, and increases in operating costs. The vendor accounts for sales and bills the university for all sales less a commission retained by the university. Commission percentages have been approximately 8 percent since 2007.

  Similar to the facilities management contract, the university has not competitively bid this contract since 1997. In that year, the university entered into a food services contract (with Company A) after a competitive bidding process. The contract was for 1 year with nine additional 1-year renewal options.

  In November 2001, the university amended the contract to require the contractor to contribute $500,000 in two installments (in May 2002 and May 2003) to the Northwest Foundation Stadium Campaign Fund. This contract amendment requires the university to repay a prorated portion of the donation if the contract is not renewed during the period June 2002 through May 2017 (well after all renewal options of the original contract expired).

  In 2007, after exercising the nine annual renewal options related to the 1997 contract, the university decided to extend the contract without soliciting competitive bids. The contract extension was for 1 year with nine annual renewal options. If the university chooses not to exercise

the annual renewal options, a prorated portion of the $500,000 donation will have be to repaid to the contractor. This decision effectively extended this contract through 2017 (subject to annual renewal).

- In September 2001, the university amended a multi-year contract for beverage vending services. Pursuant to the contract amendment, the vending contractor was required to contribute $50,000 per year to the Northwest Foundation Stadium Campaign Fund for 6 years beginning in June 2002. This contract required the university to repay a prorated portion of the donation to the contractor if contract was not renewed during a 10-year period through May 2012.

  The university canceled this vending contract effective May 2008. Instead of soliciting competitive bids for these vending services, the university added these services to the contract of the food services contractor (Company A). The cancellation of the contract obligated the university to repay $120,000 to the vending contractor; however, that contractor forgave the entire amount owed, at least in part because it received a significant market share (70 percent) of the beverages sold on campus through May 2012.

- Since 1985 the university has contracted with a company to operate the campus book store for the sale of merchandise and textbooks not handled by the university's textbook rental service. The contract limits profit margins on textbooks and allows the vendor to set prices on other stock items. The contractor retains all sales revenue but is required to pay sales commissions to the university. The university received over $214,000 in sales commission revenues during the 3 years ended June 30, 2010, from the book store contractor.

  The university has not competitively bid this contract since 1978. According to contract information, the contractor agreed to contribute $15,000 a year (totaling $75,000) to the Northwest Foundation Stadium Campaign Fund for 5 years beginning in October 2001. This donation was contingent upon contract renewal through July 2009.

  In 2007, the university extended the contract without soliciting competitive bids. The new contract was for 1 year with nine additional 1-year renewal options. Besides a financial commitment to renovate and equip the bookstore, the contractor agreed to make a $50,000 unrestricted donation contingent upon contract renewals during the 10-year period.

The table below presents the donation/payment schedules included in the various contracts (including football suite lease payments) from fiscal year 2002 through 2010:

Fiscal Year Ended	Facilities Management	Food	Vending	Bookstore
June 30, 2002	$	250,000	50,000	15,000
June 30, 2003		250,000	50,000	15,000
June 30, 2004	10,000		50,000	15,000
June 30, 2005	10,000		50,000	15,000
June 30, 2006	10,000		50,000	15,000
June 30, 2007	510,000		50,000	
June 30, 2008	10,000			50,000
June 30, 2009	10,000			
June 30, 2010	10,000			
Total	$ 570,000	500,000	300,000	125,000

Significant legal concerns were noted regarding the university's handling of these contracts. Under a delegation of authority granted by the Missouri Office of Administration, Division of Purchasing and Materials Management, the university is subject to state purchasing requirements outlined in Chapter 34, RSMo, which require competitive bids be solicited for purchases of $3,000 or more and advertising for bids for purchases of $25,000 or more. The university provided documentation indicating it recognized the facility management services and food services contracts were due to be re-bid in 2007; however, university officials believed they were justified in extending those contracts because of a good performance history of the contractors and the high cost to potential bidders in developing a proposal. According to the documentation provided, the university officials believed other vendors would not submit a bid if a high level of satisfaction already existed with the current service provider. Neither of these alleged reasons justifies not bidding these services as required by statute.

Chapter 34, RSMo, and the delegation of authority allow for the competitive bidding requirements to be waived for certain specified reasons, including single feasible source procurements as outlined in Section 34.044, RSMo; however, university officials indicated they did not consider these contracts to be single feasible source procurements or any of the other specific bidding exceptions allowed by law.

In addition, 1 CSR 40-1.050(8) allows contracts to be amended if they do not significantly alter the original intent and scope of the contract. However, the university's contract amendments requiring donations from the service providers while at the same time binding itself to the renewal options (by having to repay a portion of the donation if it did not exercise the annual renewal options) appears to have significantly altered the intent and scope of the original contracts. As a result, the university was not justified in exercising the annual renewal options related to the original contracts.

The university's handling of these contracts created a disincentive to re-bid the contracts and award them to another vendor due to the payback requirements set forth in the related contract amendments.

1.2 Loan

The university obtained a $2 million loan from Company A in May 2007 in conjunction with a contract amendment. The contract amendment specified the loan was for capital improvements to dining services equipment and venues in campus dining. There was no documentation or other evidence to indicate the loan agreement was reviewed by legal counsel or approved by the Board of Regents.

The interest-free loan repayment schedule called for five annual payments of $400,000, beginning on September 15, 2007. Similar to the contract provisions related to the donations, the terms of the loan also require the university to repay the remaining balance of the loan immediately if the university cancels the contract with the vendor.

To ensure the propriety of any debt obligations entered into, loans should be reviewed by legal counsel and properly approved by the Board of Regents.

1.3 Contract compliance

Contract revenues and services are not properly monitored. The university does not have established procedures to verify the accuracy of reported food services sales which are the basis of commissions paid to the university. In addition, some requirements of the facilities management contract have not been fulfilled.

- The university receives sales commissions from the contractor's food services and vending sales. Although the university receives weekly sales reports from the contractor and verifies the computed commissions, it appears these reports are summary spreadsheets prepared by the contractor. University personnel indicated they do not periodically compare these reports to original sales documentation to verify that sales reported to the university are accurate.

- The facilities management joint review committee has not met since July 2008. The contract established a joint review committee for the purpose of holding regular monthly consultations on the performance of services being provided.

- The facilities management services contractor has not provided annual reports summarizing the activity of the environmental services department since fiscal year 2006. The contract requires the vendor to submit an annual report to the university.

To ensure contracted services are adequately performed and commissions are correctly calculated, the university should improve its oversight and

control over the food services and facilities management contracts. This would include periodic verification of reported sales to original sales documentation. In addition, the university should ensure regular meetings of the joint review committee are held and annual reports of the environmental services department are submitted as required.

Recommendations

The Board of Regents:

1.1 Solicit competitive bids or proposals for the auxiliary services contracts in accordance with state law and the delegation of authority granted by the Missouri Office of Administration, Division of Purchasing and Materials Management. The university should also reevaluate the practice of entering into long-term contracts and discontinue the practice of accepting vendor donations which are contingent upon contract renewals.

1.2 Ensure any loans obtained by the university are properly reviewed by legal counsel and approved by the Board of Regents.

1.3 Ensure university officials exercise proper oversight and control over the auxiliary service contracts. The university should periodically verify reported sales to the vendor's original sales documentation and ensure compliance with the oversight provisions of the auxiliary service contracts.

Auditee's Response

1.1 The Board of Regents agrees that the University should be open and transparent in all purchasing transactions. The Board believes in competitive bids/proposals which will lower the cost of books, food and housing and thus save the students money and keep college affordable.

The University is currently reviewing these auxiliary services contracts and proposals for these services will be issued and contracts awarded as soon as possible but not later than the next 24 to 36 months in accordance with state law.

1.2 The University agrees in the future to not accept loans and/or donations from vendors for leases, or lease extensions. The University agrees that any future loans will be reviewed by legal counsel and approved by the Board of Regents.

1.3 The University agrees that contract oversight is important, and is in the process of re-establishing and revising the criteria and review process. In addition, the Finance Department of the University currently reviews vendor summary sales reports and will implement

periodic verifications of these summary reports to the original sales documentation.

2. Former President's Employment Contract

The Board of Regents' decision to include a transition year in the former President's 0employment contract and pay him substantial compensation and benefits have violated the Missouri Constitution which prohibits the payment of compensation for services previously rendered and/or may not have been in the best interest of the university. In addition, some payments made to this individual while he was still University President did not require him to account for costs incurred and/or have been excessive.

In 2004, the Northwest Missouri State University (NWMSU) Board of Regents and former President Hubbard executed an employment contract which covered a 6 year period ended June 30, 2010. The contract indicated that Dr. Hubbard intended to retire as the university's President after June 30, 2009, and it provided that if the Board was successful in finding a suitable replacement by that date, the former President would be employed by the university to serve in a transition role during the year ended June 30, 2010. The former President stepped down as University President effective July 1, 2009, after serving in that position for 25 years. The former President then subsequently served in a transition role for a year as provided by the contract.

2.1 Transition year compensation

The compensation and benefits provided to the former President after he retired were substantial and perhaps disproportionate to the services he provided to the university during this time period and may have been provided primarily in appreciation for past service and not in the best interest of the university. Article III, Section 39, Missouri Constitution, prohibits the granting of additional compensation to public officials for past service.

The employment contract approved by the Board of Regents in 2004 provided the former President's salary during the transition year was to be no less than the salary paid him during the last year he served as President of the university. As a result, the former President received a salary of $224,762 during the transition year (an amount equal to the base salary of his last year as University President). The 2004 employment contract did not specify duties to be provided by the former President during the transition year, but provided he would perform such duties as outlined by the new President and approved by the Board of Regents.

The Board of Regents hired a new President who assumed the duties of that position effective July 1, 2009. During the transition year the former President submitted monthly activity reports to the new University President which summarized activities he was involved in on behalf of the university.

While some of the activities appeared to benefit the university directly, others did not. Some of the activities reported included:

- Teaching at least two classes, one class for NWMSU and a graduate-level class for an out-of-state university
- Performing statistical and financial analysis for the university
- Seeking additional grants and external funding
- Writing an education-related blog and/or articles for the Kansas City Star
- Serving on a higher education-related foundation board
- Speaking at various engagements

The new President indicated a primary benefit of the former President's services/activities during the transition year was to help maintain and/or build current and future relationships between outside parties (particularly donors) and the university's new leadership.

Other benefits

In addition to the salary paid during the transition year, the 2004 employment contract provided the former President would receive hospitalization, major medical, travel risk, and long-term disability insurance during the transition year and for a year following the transition year. In addition, the contract provided the university would provide health and accident insurance for the former President's dependents (his wife) during this 2 year period. The insurance and other benefits cost the university $30,140.

The 2004 employment contract also provided the university would 1) pay for suitable housing for the former President during the transition year if the former President lived in Maryville, and 2) pay all necessary moving and relocation expenses in vacating the university-provided home. When the former University President retired in July 2009, he was not required to live in Maryville. As a result, the university incurred costs of $8,930 to move the personal property and furnishings of the former President to his new place of residence in Kansas City.

While it is apparent the former President provided some services to the university during the transition year of his contract, it is not clear to what extent those services benefited or assisted the university's new leadership or whether the services justified the substantial salary and benefits provided. In addition, it appears the inclusion of the transition year and related compensation and benefits included in the former President's contract may have been provided primarily in appreciation for past service. While it is understandable the Board of Regents would appreciate and might want to recognize the contributions of the former President in a monetary way, it is not legal to do so.

It should also be noted in March 2009 the Northwest Foundation paid the former President $30,000 pursuant to a formal agreement entered into the previous month between the foundation and the former President. That agreement indicated this payment was in partial consideration of the former President's 25 years of distinguished service to the university and to compensate for the fact he had not had a motor vehicle furnished to him since 2003. This payment was made even though the former President had been paid a monthly vehicle allowance by the university, as reported below.

2.2 Other payments

Some employment-related allowances paid to the former President during his employment did not require him to account for actual costs incurred and/or appeared excessive.

Expense allowance

The former President's 2004 employment contract provided for an annual $12,500 miscellaneous personal expense allowance that was paid in equal monthly installments. However, the former President was not required to account for the use of the allowance. The allowance was intended to cover the cost of meals and miscellaneous travel and entertainment expenses. While he was still President, we noted meal purchases totaling $2,975 during the 2 years ended June 30, 2009, which were made using the President's purchasing card. It was not clear whether these expenses should have been paid by the former President using his expense allowance funds.

In contrast, the contract of the current President does not provide for a personal expense allowance. Instead a budgeted expense reimbursement account of up to $12,500 has been provided. The current President is only paid for actual expenses incurred, supported by documentation and submitted for reimbursement in accordance with the university expense reimbursement policy.

Vehicle allowance

The university did not perform and document a cost analysis to support a vehicle allowance paid to its President. The university amended the former President's 2004 employment contract in May 2007 to provide for an annual $21,600 vehicle expense allowance, which was paid to the former President in equal monthly installments of $1,800. In contrast, the contract of the current President provides for an annual $10,800 vehicle expense allowance, payable in equal monthly installments of $900.

The practice of providing personal and vehicle expense allowances without requiring an accounting of actual costs incurred or periodically reviewing the reasonableness of amounts paid, does not ensure university funds are used in a reasonable and necessary manner.

Recommendations

The Board of Regents:

2.1 Ensure future employment contracts with the University President comply with state law and properly safeguard university interests.

2.2 Require the University President to account for actual expenses incurred, or periodically review the reasonableness of any allowances provided.

Auditee's Response

2.1 The Board of Regents agrees that the 2004 President's contract may have violated the spirit of the Missouri Constitution. The Board of Regents in 2009 corrected many items and now requires documentation for actual expenses incurred and now provides a more realistic market based car expense allowance, approximately half of the 2004 allowance.

We recommend that the Board Secretary provide all new and future Board of Regents a copy of this audit report.

We also encourage future Board of Regents to obtain a written legal opinion on future Presidents' contracts and amendments.

The Board of Regents met July 30, 2009, and took timely and appropriate action, by directing the President to develop a work plan for the former President for the remaining 11 months of the contract. The President and Board developed a six point work plan that held the former President accountable and met the needs of the University.

The Board of Regents will continue to have its legal counsel advising it with regard to future employment contracts for the University President. The contract with the prior President was reviewed and addressed. The current President's contract meets with all of the requirements of Missouri law and addresses the issues identified.

2.2 The Board of Regents will review the reasonableness of any allowances provided with each contract renewal cycle and generally on an annual basis.

3. Northwest Foundation

The university subsidizes a significant amount of operating expenses of its foundation. Subsidies totaled over $3.3 million during the 3 years ended June 30, 2010. This practice does not appear to be appropriate and may violate provisions of the Missouri Constitution. In addition, the university has no formal contract or agreement with the foundation to document the duties and responsibilities of both parties.

The Northwest Foundation (the foundation) was established in 1971 as a 501(c)(3) not-for-profit corporation. The purpose of the foundation is to obtain financial donations to be used for the promotion of the welfare, goals, and programs of the university and to enhance the educational offerings and facilities of NWMSU. A Board of Directors manages the business and affairs of the foundation, and the university's Vice President of University Advancement serves as its Executive Director.

During the 3 years ended June 30, 2010, the foundation expended almost $9 million for scholarships and other university programs and operations. The foundation has also incurred debt on behalf of the university since 2003 to finance renovations, construction, and real estate acquisitions totaling over $13 million. The related assets are, or will ultimately become, property owned by the university through lease-purchase payments. Debt service payments are funded through revenues generated by the projects, university funds, and foundation investment income.

3.1 University subsidies

The university subsidizes a substantial portion of the operating costs of the foundation, financing over $3.3 million of foundation-related expenses during the 3 years ended June 30, 2010, which may violate the Missouri Constitution. Over $2.5 million of this amount represents salary and benefit costs of university-paid employees who perform duties for the foundation.

The Executive Director of the foundation indicated 13 non-student employees in the foundation's Advancement, Alumni Relations, and Development Office perform work for both the university and the foundation. However, the records of time worked do not indicate whether the work was related to foundation or university matters. Although salaries for these employees are paid entirely from university funds, the foundation only reimburses the university for salaries of the foundation finance officer, a percentage of the salary of a development officer, and in some years the salary of a student employee. These salary reimbursements totaled approximately $406,000 during the 3 years ended June 30, 2010.

Foundation and university officials indicated the foundation is able to finance the costs of some of its functions but is not currently able to be financially independent of the university.

The practice of subsidizing the foundation with university funds appears to constitute the granting or lending of public funds to a private entity, which is prohibited by Article III, Section 38(a) and Article III, Section 39(1), Missouri Constitution.

3.2 No formal agreement between university and foundation

A formal agreement between the university and foundation has not been established although there is much activity and collaboration between the university and foundation.

A formal agreement is necessary to ensure the university and foundation are aware of their duties and responsibilities and to provide protection to both parties. Such an agreement might include, but not necessarily be limited to, the overall goals and objectives of the partnership between the entities; anticipated activities, such as scholarship and other direct support provided to the university by the foundation; direct support, accounting system services, and equipment management services provided to the foundation by the university; and guidelines for collaborative efforts on property development, real estate acquisitions, and financing obtained for the university.

An internal audit of the foundation also recommended the foundation document its relationship with the university in a written agreement.

Recommendations

The Board of Regents:

3.1 Discontinue the practice of subsidizing the operations and activities of the foundation. If this cannot be done in the short term, efforts should be made to reduce university subsidies, with the eventual goal that the foundation be financially independent of the university.

3.2 Enter into a written agreement with the foundation that documents the duties and responsibilities of both parties.

Auditee's Response

3.1 The sole purpose of the Foundation is to support the mission of the University. Any University assets used by the Foundation's operations are, in turn, used to generate external funds for the operation of the University. Functions of University Advancement staff would be necessary whether there was a separate 501(c) (3) organization or not. All activities of the development and alumni staff benefit the University. The benefits to the University far outweigh the use by the Foundation of University assets. Future operations of the University will benefit from planned gifts and from endowed gifts to the University that were solicited by development personnel. Investment in fundraising activities is a prudent investment and would be emphasized by the University even in the absence of a separate foundation. The University's facilities have also benefitted from the Foundation incurring significant debt to finance the $4.4 million renovation to the football stadium and $7.675 million for other University buildings.

As the Northwest Foundation matures, the University and the Foundation will work together to carefully monitor the mutual relationship.

3.2 The Northwest Foundation Board of Directors and the Northwest Board of Regents are working to adopt a formal memorandum of understanding that details the relationship between the University and the Foundation and are working toward a goal of completing said agreement within the next 90 days.

4. Contract Controls and Procedures

Controls and procedures for the management of contracted services need to be improved. University personnel do not adequately agree invoices for contracted services to the terms of the contracts.

- In three instances, the university processed and paid billings for auditing services which included balances carried forward from the previous billing statement. However, the university had previously paid these amounts resulting in overpayments totaling $23,507. The independent auditing firm which provided the services detected the overpayments and notified the university to make corrections in subsequent payments.

- The university paid for additional accounting and auditing-related services totaling $3,930, even though the contractor billing invoices did not provide adequate details regarding the hours billed or whether the hourly rate charged for these services was in accordance with the terms of the contract.

- University personnel indicated contracted billing rates or other contract terms are not usually verified with invoices received from the collection agency service vendors. The responsible personnel indicated only the first few invoices of a contract period are verified with the contract terms.

The university should establish adequate procedures for the review and payment of contracted service billings. Without such procedures there is less assurance the payments are proper and in compliance with the contract provisions.

Recommendation

The Board of Regents establish adequate procedures for the review and payment of contracted service billings to ensure payments related to such services are proper and in accordance with the terms of the contracts.

Auditee's Response

The Vice President of Finance is evaluating procedures related to review and payment of contracted services to ensure payment in accordance with the terms of the contracts. An overview of the procedures will be communicated to the campus community within the next 12 months.

5. Room and Board Charges

The university does not adequately document the annual reviews of its room and board rates.

The university increased room and board rates in each of the last 4 years; however, the university's documentation of the annual reviews of its rates, including how any related increases are calculated or determined, is not adequate. The following table presents room and board fees for typical full-time students.

Academic Year		Amount
2010-2011	$	7,250
2009-2010		6,790
2008-2009		6,590
2007-2008		6,276

Although the university indicated room and board planned expenditures are reviewed when determining the room and board increases, there was no documentation maintained to support how the university calculated the approved rates. Without adequate documentation supporting how room and board rates are determined, there is less assurance all related expenses are considered and rates have been set appropriately.

Recommendation

The Board of Regents ensure university officials document and maintain justification for room and board rates charged to students.

Auditee's Response

The University Administration uses a systematic process for setting room and board rates including an annual review of associated costs and comparative benchmarks to determine competitive rates. The University has formally documented the process and will ensure appropriate documentation is maintained and the process followed for subsequent reviews.

6. Program Operating Results and Related Subsidies

The university operates three education programs on campus for preschool through high school age children which incur substantial operating losses. In addition, the accounting system is not capable of reporting operating results of the various programs and individual operating segments of the university.

6.1 Children's education programs

The university operates three on-campus educational programs for children which appear to be operating at significant losses and are subsidized by other university funds. In addition, the university has not performed cost-benefit analyses of these programs.

- The Early Childhood Center is a state-licensed preschool facility that provides child care and educational services for preschool-aged children in the Maryville area. During the 2009-2010 school year, the preschool served a total of 43 children.

As of June 2010, the preschool program employed two full-time and two part-time employees. Besides providing child care/preschool services, this program provides various training and classroom opportunities for several degree programs in the Family and Consumer Sciences Department.

During the 2009-2010 school year, the preschool charged fees between $63 and $348 per child per month, depending on the number of days the child attended the preschool each week and whether the child was there all day or a partial day. University employees and students do not receive a discount for using this service.

The table below presents the operating results (based on the financial information available) of the preschool during the three most recently completed school years. The revenues presented represent the fees charged for the preschool services. The expenditures were funded from the preschool revenues collected and general operating revenues of the university.

Early Childhood Center - Operating Results

		School Year		
		2009-2010	2008-2009	2007-2008
Revenues	$	106,904	109,619	107,134
Expenditures		(208,398)	(218,501)	(267,758)
Operating Losses	$	(101,494)	(108,882)	(106,624)

Amounts in the table do not consider various overhead costs (including utilities, maintenance, custodial, and insurance costs) or tuition revenues from related degree programs.

- The Horace Mann Laboratory School is a kindergarten through 6th grade (K-6) elementary school that has provided educational services for elementary school-aged children in the Maryville area since the early 1900s. During the 2009-2010 school year, the K-6 school served 114 students.

  As of June 2010, the K-6 school employed eight full-time and eight part-time employees. Similar to the preschool, the K-6 school provides training and classroom opportunities for university students in the College of Education and the Department of Family and Consumer Sciences.

  During the 2009-2010 school year, the K-6 school program charged tuition of $700 annually per student but provided discounts ranging from 18 percent to 48 percent if multiple children in the same family were enrolled.

The table below presents the operating results (based on the financial information available) of the K-6 school during the three most recently completed school years. The revenues presented represent the tuition charged for the K-6 school services. The expenditures were funded from the K-6 school revenues collected and general operating revenues of the university.

Horace Mann (K-6) Laboratory School - Operating Results				
		School Year		
		2009-2010	2008-2009	2007-2008
Revenues	$	74,146	62,676	47,356
Expenditures		(746,703)	(726,466)	(725,458)
Operating Losses	$	(672,557)	(663,790)	(678,102)

Similar to the preschool, amounts in the table do not consider various overhead costs or tuition revenues from related degree programs.

- The Missouri Academy (the academy) is a 2 year dual-enrollment high school/associate degree program established in August 2000 that provides educational services to high school-aged students. Academy students live on campus and attend university classes. The academy program provides residential and educational services to students in 11th and 12th grades and is available to students of any state and to international students. During the 2009-2010 school year, the academy served 200 high school-aged children.

  As of June 2010, the academy program employed 15 full-time staff, 3 graduate assistants, and 1 part-time staff in administrative and live-in residential life counselor positions. Students in the academy program earn both a high school diploma and an associate of science degree. The mission of the program includes preparing academy graduates to succeed in science, mathematics, and technology programs in higher education institutions. The academy was established with the support of the Missouri General Assembly and during the early years of the program the university received an additional appropriation from the state to help fund its operations.

  Academy tuition and fees per credit hour and room and board rates are comparable to amounts charged to students in undergraduate programs; however, significant discounts are offered to academy students. The discounts allow academy students to participate in the program for free or at a greatly reduced cost. Information provided by academy officials indicated revenues chargeable to academy students totaled as much as $2.8 million annually; however, these revenues were reduced by discounts to students of 100 percent, 80 percent, and 66 percent during the years ended June 30, 2008, 2009, and 2010, respectively.

University financial records indicated approximately $3 million was expended annually during the 3 years ended June 30, 2010, for direct costs related to the academy, including administrative and residential counselor staff salaries and other direct expenses. However, these expenditures do not include the salary costs of instructors since the students are integrated in classrooms with regular university students.

University financial records did not separately identify the revenues and expenditures of the academy to allow us to present the operating results of the program; however, it is apparent the academy's operations are heavily subsidized with general operating funds of the university.

These programs and other areas of the university that operate at a loss should be carefully analyzed for ways to make them more cost effective and ensure resources used for educational purposes are maximized. While it may be necessary or desirable to fund or subsidize certain programs and operations, funding and subsidies should be reviewed periodically to ensure activities are operated efficiently and continue to be in the best interest of the university.

6.2 Determination of operating results

The university upgraded its financial accounting software in January 2009; however, the accounting system is not capable of reporting operating results of the university's various programs and individual operating segments. As a result, such information is not available to assist university management in making informed decisions.

During our review of the children's education programs discussed above, we noted the university's accounting system does not adequately account for all revenues and expenditures of an individual program or segment of the university and does not generate sufficient information to determine if a program/segment is producing sufficient revenue to meet the related expenditures. We also noted this situation during our review of the university's extended campuses and certain auxiliary operations.

The university needs to consider how it might enhance its current accounting system to allow its management to better evaluate operating results of the various programs and operating segments of the university.

Recommendations

The Board of Regents:

6.1 Ensure university officials analyze the Early Childhood Center, Horace Mann Laboratory School, and Missouri Academy programs to determine whether to continue to operate these programs and/or how they might be operated at a level which is more self-sustaining.

6.2 Ensure university officials consider how to enhance the accounting system to allow management to better evaluate operating results of its various programs and operating segments.

Auditee's Response

6.1 The University routinely evaluates the financial feasibility of each of its academic programs to ensure that education provided by that program is as cost effective as possible. The Horace Mann Laboratory School and the Early Childhood Education and Care Laboratory are laboratories which exist because of academic programs to which they are linked, and therefore those laboratories are considered in the overall cost benefit analysis that is consistently reviewed for each such program. The University does not break down a particular aspect of a program, such as a laboratory, to evaluate whether it is self-sustaining but rather reviews the program as a whole, taking into account, among other things, the tuition and fees generated by students who are enrolled in that program. Northwest, established in 1905 as a Normal School, has a long tradition for preparing teachers, and these initiatives are consistent with that mission and inextricably linked to our academic programs. These laboratories do not exist primarily for the pre-K through grade 6 students, but, rather, are one aspect of the program for University students majoring in teacher education. The University will continue to monitor operations on a regular basis.

6.2 As stated above, the University systematically evaluates each education program to determine, among other things, the cost-benefit analysis of each such program. The University will continue to review the evaluation process, including the accounting aspects of such programs, to improve the ultimate analysis of each program.

7. Real Estate Acquisitions

The university does not currently have specific plans for use of two properties acquired by the university's foundation. In addition, neither the foundation nor the university obtained appraisals to determine the fair value of the properties before acquiring the properties.

The foundation purchased two properties at a cost totaling over $976,000. These adjoining properties include a total of 66 acres and are located adjacent to the campus boundaries. One property was acquired in 2004 at a cost of $475,000 and consisted of a home and 30 acres that were previously used as a farm. The other property was acquired in 2007 at a cost of $501,060 and consisted of 36 acres of unimproved land.

It appears these properties were acquired at the request of university officials; however, they were purchased by the foundation on behalf of the

university because of the foundation's ability to obtain appropriate financing. Shortly after the properties were purchased, the university entered into lease purchase agreements with the foundation for each property. The lease agreements require the university to make annual or monthly lease payments to the foundation and maintain the properties. The university may use the property for any lawful purpose up to and including construction of buildings or support facilities on the properties. Optional purchase prices may be paid by the university through the year 2026 to acquire title to the properties. The actual ownership of the properties will ultimately transfer from the foundation to the university after all lease payments have been made or when the university elects to make optional purchase payments.

7.1 Intended property use

The university has not developed or used these properties since acquisition and does not currently have specific plans regarding future use. Based on discussions with current and former university officials, it appears the university tentatively planned to construct new baseball and softball fields on these properties; however, these projects were not started, at least in part, due to economic and budgetary concerns.

The university's current administration is not committed to the projects previously planned, and the current President indicated the university's leadership team has begun the process of developing a long term strategic plan which will include consideration of the best use of existing properties.

To ensure the best and appropriate use of these properties, university officials should include the use of these properties in the long term strategic plan, taking into consideration the university's long term goals and whether there is a continued need for the properties.

7.2 Property appraisals

Neither the university nor the foundation obtained independent appraisals or performed other procedures to determine the fair value for either of the properties purchased. University officials indicated these purchases were negotiated with the respective sellers and bought at a sales price of $15,833 per acre for the farm and $13,918 per acre for the unimproved land.

Without an independent appraisal of properties purchased, the university has less assurance the price paid was reasonable and represents the fair value of the property acquired.

Recommendations

The Board of Regents:

7.1 Ensure university officials develop a plan for the undeveloped properties which is in concert with future university and regional needs.

7.2 Ensure university officials obtain independent appraisals prior to the purchase of real estate to ensure fair value is paid for any property acquired.

Auditee's Response

7.1 The University appreciates the audit team's findings and understands the broad intent, but believes this area of inquiry applies to University planning and future operations. Nonetheless, the action of development of a plan for said underdeveloped property has already been placed within the University's strategic planning process.

7.2 The University will put a process in place regarding obtaining appraisals prior to June 1, 2012.

8. University-Owned Airplane

The continued ownership of the university's airplane may not be justified. In addition, the cost of alternative travel methods is not considered prior to authorization of flights in the airplane.

The university owns and maintains an airplane to fly board members to board meetings and university officials and employees to education-related meetings, legislative hearings, and other functions. The airplane is a 1978 model six-passenger aircraft purchased in 1995 at a cost of $188,000. During the 3 years ended June 30, 2010, the airplane made 130 flights involving over 300 flight hours and carrying over 240 passengers. While the airplane was primarily used for in-state flights, it was also used for several interstate flights each year.

8.1 Cost-benefit analysis

The university has not performed a cost-benefit analysis to determine if it is beneficial for the university to continue ownership and operation of the airplane. Due to concerns the airplane was not being used effectively, university administration grounded the airplane in April 2010 and it has not been used since that time. The cost of operating the airplane ranged from $350 to $400 per hour and costs to operate the aircraft exceeded the costs of using alternative travel methods by over $20,000 during the 3 years ended June 30, 2010, according to university records. In addition, the university's cost analysis did not consider the maintenance, insurance, and overhead costs related to the airplane.

To ensure the efficient and effective use of university resources, the university should perform a cost-benefit analysis of the airplane to determine if continued ownership of this aircraft is justified.

8.2 Travel method decisions

University policies do not require consideration of the cost of alternative travel methods prior to the authorization of flights. Approval for use of the airplane is determined at the departmental level and can be approved if monies are available in the budget. The university fleet services staff analyze flight costs after flights are conducted. That analysis indicated the

airplane was frequently used when a more cost-effective manner of travel was available. The analysis identified 13 of 130 flights during the audit period when the cost of using the airplane exceeded an alternative travel method by at least $1,000.

Reviewing and approving travel requests, especially involving the university airplane, is necessary to ensure the travel methods selected result in the best value to the university. If the university performs a cost benefit analysis and determines it is beneficial to continue to own the airplane, university management should properly review and approve the use of the airplane. The review should consider the cost of alternative travel methods and other factors affecting the travel decision.

Recommendations

The Board of Regents ensure university officials:

8.1 Perform a cost-benefit analysis of the airplane to determine if continued ownership of this aircraft is justified.

8.2 Compare the cost of alternative travel methods and authorize flights of the university's airplane.

Auditee's Response

8.1 The University will finalize the cost-benefit analysis for the airplane and make an appropriate decision on ownership within the next 24 months.

8.2 The University airplane has been grounded since April 2010. The University will continue to evaluate the efficient use of the airplane in comparison to alternative methods.

9. Cash Receipts

Internal controls over cash receipts should be improved. Control weaknesses exist related to the recording and handling of monies received in the Bursar's office, the handling of monies initially collected by various other departments, and the handling of event tickets.

9.1 Bursar's office collections

The university Bursar's office is the main collection point for receipts on campus. Our review of controls in that office disclosed the following concerns:

- Checks received in the mail by the Bursar's office are not recorded on a mail log or restrictively endorsed immediately upon receipt. An employee in that office initially opens the mail and places any checks received in batches; however, that individual does not record the payments or restrictively endorse the checks. Instead, the various cashiers in that office retrieve the batches and record and process the monies received for any accounts that have a balance due. Any checks received on accounts with a zero balance are held for approximately a

week. If after that time, the account balance is still zero and the check cannot be applied, it is recorded on a Log of Returned Checks and the check is returned to the payor.

To improve controls over checks received in the mail, an initial record or mail log should be maintained for all such checks received through the mail and the checks should be restrictively endorsed immediately upon receipt. The monies should be deposited on a timely basis and any refunds necessary should be made by check.

- Receipt slips are not generated for some monies received in the Bursar's office. In some instances, cashiers have discretion in deciding whether to generate an accounting system receipt slip when recording monies received. Further, when transactions are recorded without issuing a receipt slip, a system-generated receipt number or other transaction number is not assigned by the accounting system. As a result, some receipt transactions are not assigned a sequential number and the numerical sequence of receipt transactions cannot be accounted for properly.

  To improve controls in the Bursar's office, receipt slips should be issued or a receipt number assigned to all monies received to improve accountability over monies received in that office.

- Monies received by cashiers are not always deposited intact. The Bursar's office cashes personal checks and university payroll checks for students and employees from daily cash receipts. A record of these transactions is not created in the accounting system. As a result, the composition of monies received cannot be reconciled to the composition of amounts recorded on the cashier's drawer close out reports or to monies deposited.

  To improve controls over monies received in the Bursar's office, receipts should be deposited intact and the composition of monies received should be reconciled to the composition of monies deposited.

9.2 Other department collections

Procedures are not adequate for monies initially collected outside the Bursar's office. Other departments do not always reconcile documentation to monies collected and turned over to the Bursar's office for deposit.

- During the audit period, the athletic department collected over $296,000 for football camps. Documentation of monies collected by the athletic department at these camps is not reconciled to monies remitted to the Bursar's office for deposit.

- During the audit period, the Horace Mann school collected over $82,000 for student meal cards. Deposit listings prepared by the Horace Mann Laboratory School for meal cards are not reconciled to monies remitted to the Bursar's Office for deposit.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, the university should require departments transmitting monies to the Bursar's office to reconcile the supporting documentation to the monies transmitted both in total and in composition.

9.3 Event tickets

Event tickets are not adequately controlled and accounted for properly. Tickets for performing arts and athletic events are sold at the performing arts center, the student services center, or the event gate. We noted the following concerns regarding ticket stock controls:

- Tickets for events are printed on blank ticket stock that has a sequential number on the back of each ticket; however, there are no inventory count procedures for the blank stock or comparison of stock usage to sales records.

- Tickets for events are pre-printed in batches and distributed to organizations to be sold. Proceeds from the sales are later collected from the organization along with the unsold ticket stock which is subsequently voided. Voided tickets are canceled in the system and shredded; however, only one employee is present during the verification and destruction of the tickets.

- All event ticket cashiers have the ability to override the established ticket price and issue free tickets.

To ensure all ticket sales are accounted for properly, the university should account for the number of tickets sold, monies collected, and inventory of ticket stock. In addition, an independent review should be performed of all free tickets issued and voided tickets should be verified and destroyed in the presence of two employees.

Recommendations

The Board of Regents:

9.1 Ensure university officials improve controls over monies received by the Bursar's office. In addition, the Bursar's office should discontinue the practice of cashing personal or payroll checks from daily receipts.

9.2 Ensure university officials improve controls over monies collected by other departments.

9.3 Ensure university officials establish procedures to account for the number of event tickets sold, monies collected, and inventory of ticket stock. In addition, voided tickets should be verified and destroyed in the presence of two employees.

Auditee's Response

9.1 The University has changed its cash receipt process to include the following procedures: immediate recording and date-stamp for each receipt compared to daily batching of receipts, receipt numbers issued for all monies received, and zero balance checks returned daily upon receipt. With regard to cashing personal and payroll checks, the University has adequate controls in place to ensure deposits are balanced and reconciled for all transactions regardless of composition.

9.2 The University will work with other departments that collect monies to enhance current processes. These practices will be implemented within the next 12 months.

9.3 The University will implement processes to document ticket stock, sales and monies collected and complete an inventory of the stock. In addition, the University will implement a process to document voided tickets and have two people present when destroying these tickets.

10. Capital Assets

University capital asset records are not accurate and include computer equipment items which have likely become obsolete, been disposed of, and are no longer owed by the university. In addition, periodic physical inventories of assets are not performed and departments are not always notifying the accounting department when capital asset items are disposed of or moved to a different location.

The Controller's office maintains detailed capital asset records to account for university property and equipment items. The current threshold for capitalizing capital assets is $1,000.

10.1 Accuracy of records

Capital asset records are not accurate and include computer equipment items which have likely been disposed of and are no longer owned by the university. The capital asset records include almost 1600 property items coded as computer or data processing equipment that were purchased prior to January 1, 2000. According to university personnel, considering the age of these property items, it is likely most, if not all, of these assets had become obsolete and were disposed of but were not deleted from the capital asset records.

It appears this situation is the result of poor controls and procedures related to the verification of capital assets and the recording of property

dispositions, as discussed below. A thorough review should be performed to ensure the capital asset records are accurate and only include those property items the university currently owns.

10.2 Physical inventory procedures

The university has not conducted a complete physical inventory of its capital assets for at least 15 years. According to university personnel, computer equipment is inventoried in areas when service calls are made by the information systems staff; however, there is no documentation of these procedures. According to university officials, annual physical inventories of capital asset items have not been performed because they do not believe it would be cost-effective to do so.

Annual physical inventories are necessary to ensure the accuracy of capital asset records and to detect the loss, theft, or misuse of assets. The university should conduct annual physical inventories and reconcile the results of the inventories to the detailed capital asset records.

10.3 Disposition or movement of assets

The university does not have a policy requiring departments to notify the accounting department when capital asset items are disposed of or moved to a different location. As a result, the accounting department has not always been notified of asset dispositions or the movement of property items. For example, in July 2010, we noted the accounting department had not been advised of the property items sold during a surplus property auction that took place in January 2010. As a result, 36 property items sold during that auction were not properly deleted from the capital asset records in a timely manner.

The university should establish a formal policy which requires the accounting department to be notified when capital asset items are disposed of or moved to a different location.

Recommendations

The Board of Regents:

10.1 Ensure university officials maintain accurate capital asset records. A review of the capital asset records should be performed to ensure those records only include property items currently owned by the university.

10.2 Ensure university officials conduct periodic physical inventories of university property and equipment items and reconcile the inventory results to the detailed capital asset records.

10.3 Establish a policy or procedure which requires the accounting department be notified when capital asset items are disposed of or moved to a different location.

Auditee's Response

10.1 The University has begun the process of reviewing the capital asset records in an effort to align the database records with assets on hand. The University will continue this process until all assets are reviewed over the next 3-4 years.

10.2 The University will implement periodic physical inventories of its capital assets within the next 4-5 years and reconcile the inventory results to the detailed capital asset record.

10.3 The University President will recommend and the Board of Regents will adopt a policy regarding updating the disposal or relocation of assets and communicate that policy to campus departments within the next 2-3 years.

11. Computer Security

The university does not have an adequate formal disaster recovery plan for its computer system/data and procedures are not sufficient for reviewing employee access to the computer system.

11.1 Disaster recovery plan

An adequate disaster recovery plan has not been developed to help ensure the university can promptly restore computer operations in the event of a natural disaster. The university's current contingency plan relies exclusively on primary and alternate operating sites; however, these sites are both located on campus within approximately 1,500 feet of each other. The university does not have any established plans or agreements which would allow the computer system to be established off campus in the event of a disaster. Because of the university's degree of reliance on the computer system, the need for adequate contingency planning is evident.

An adequate disaster recovery plan should specify recovery actions required to reestablish critical computer operations and include plans for a variety of situations, including a natural disaster. If such an event were to occur, a disaster plan can reduce confusion and provide a framework for the uninterrupted continuance of operations. Once a disaster recovery plan has been updated and approved, it should be periodically tested and reviewed.

11.2 User access rights

Supervisors are responsible for assigning system access rights to employees and for notifying the information technology (IT) system administrator of additions to or changes in user rights. However, university policies do not require the supervisors to perform periodic reviews of system access rights to ensure the access rights of individual employees remain consistent with their job responsibilities. In addition, the IT system administrator does not receive independent information from the Human Resources office when employees are hired, transferred, promoted, or terminated. As a result, the IT system administrator has less assurance that notifications are received for all relevant employment actions.

A periodic supervisory review of all user accounts should be required to help ensure the appropriate type and level of access are assigned to current employees. In addition, information regarding employment actions should be provided by the Human Resources office to the IT section to ensure access rights are appropriately assigned or terminated for employees, as necessary.

Recommendations

The Board of Regents:

11.1 Ensure university officials review and update the current disaster recovery plan to provide assurance that operations can be resumed at an off campus location, if necessary. The updated plan should be periodically tested and evaluated.

11.2 Ensure supervisors periodically review IT system user accounts to ensure access rights of employees remain appropriate. In addition, reports of employment actions should be obtained by the IT section from the Human Resources office and used to verify that notifications have been received for all relevant employment actions.

Auditee's Response

11.1 The University appreciates the audit team's opinions and the Director of Information Technology (IT) will test and evaluate the procedures and facilities it has in place for disaster recovery of computer systems/data to determine what if any changes might need to be made.

11.2 The University agrees with the recommendation and the Director of Information Technology ("IT") will implement a process to ensure supervisors review employee access to data systems. In addition, current safeguards, including triggered email notices related to Human Resources actions concerning employee status changes, will be continued.

Northwest Missouri State University
Organization and Statistical Information

Northwest Missouri State University (NWMSU), located in Maryville, Missouri, was founded in 1905 as the Northwest Normal School. The institution's name has changed several times over the years, to Northwest Missouri State Teachers College in 1919 and to Northwest Missouri State College in 1949, to reflect the offering of degree programs other than teaching. NWMSU received its current designation in 1972 to reflect the offering of graduate level programs.

NWMSU currently operates extended campuses at six locations in addition to the main campus located in Maryville. These extended campus locations include: a partnership campus with North Central Missouri Community College in Trenton, and extended campuses at Kirksville, Joplin, St. Joseph, Chillicothe, and Kansas City. In the fall of 2010, 2009, and 2008, the university's student enrollment, including graduate students, totaled 7,076, 6,903, and 6,613, respectively.

The university employed 954 full-time, part-time and student employees, including 223 professional staff, 248 support staff, 252 faculty and 231 student employees as of June 30, 2010.

The university is governed by a nine-member Board of Regents, appointed by the Governor of Missouri and confirmed by the Senate. The board consists of eight voting members. Six of the regents must reside within the university's statutory service region. The statutory service region includes 14 counties in northwestern Missouri, not including 5 counties around the city of St. Joseph. One of the six regents must live within Nodaway County and two of the regents must reside outside the region and be from different congressional districts. A student representative, with non-voting privileges, also serves on the board. The regents serve 6-year terms and the student representative serves a 2-year term. These individuals serve without compensation; however, they receive reimbursement for any expenses incurred in performing their duties.

The Board of Regents, as of June 30, 2010, consisted of the following members:

Name	Position	Term Ends
Lydia Hurst	President	January 2013
Douglas Wyckoff	Vice President	January 2013
Joseph B. Bosse	Regent	January 2016
Rachelle Brown (1)	Regent	January 2011
Dr. Mark H. Hargens	Regent	January 2015
Gary Panethiere (2)	Regent	January 2011
Doug Sutton	Regent	January 2013
James W. (Bill) Loch	Regent	January 2012
Vacant (3)	Student Regent	

(1) Francis (Gene) Dorrel was appointed in June 2011 for a term ending in January 2017 to replace Rachelle Brown. Rachelle Brown continued to serve on the Board of Regents until her replacement was appointed.

(2) Although Gary Panethiere's term ended in January 2011, he continues to serve on the Board of Regents. A replacement has been nominated by the Governor but has not been confirmed as of July 2011.

(3) Joseph Barbosa was appointed as the Student Regent and was confirmed by the Missouri Senate in December 2010. His term expires December 31, 2011.

The Board of Regents appoints a President to serve as the university's Chief Executive Officer. During the audit period, Dr. Dean Hubbard served as President until July 1, 2009, when he stepped down into a transition role. Effective that date, Dr. John Jasinski was appointed to be the university's new President. In July 2009, the new President formed the Northwest Leadership Team (NLT) to provide oversight and leadership at NWMSU. The individuals who served in these top administrative positions and their compensation for the year ended June 30, 2010, were as follows:

Name	Position	Compensation
Dr. John Jasinski (1)	President	$ 230,000
Dr. Douglas Dunham (2)	Provost	53,166
Stacy Carrick (3)	Vice President of Finance	52,804
Orrie T. Covert (4)	Vice President of University Advancement	126,270
Dr. Jackie R. Elliot (5)	Vice President of Student Affairs	111,180
Dr. Jon Todd Rickman	Vice President of Information Systems	125,402
Mary E. Throener	Vice President of Human Resources and Organizational Effectiveness	92,700
Dr. Robert Boerigter (6)	Director of Athletics	106,080
Dr. Paul McGraw (7)	Director of Environmental Services	n/a

(1) In addition to his base salary of $230,000, Dr. Jasinski's contract provides for monthly payments of $900 for a motor vehicle. In addition to the monetary compensation received, the President is provided with a university-owned residence. Costs of the residence are paid by the university including furnishings, utilities, maintenance, and property insurance. The President is also provided a country club membership paid by the university.

(2) Douglas Dunham was appointed as Provost by the university in March 2010. The annual compensation for the position as stated in the employment contract is $159,500.

(3) Stacy Carrick was appointed as Vice President of Finance by the university in February 2010. The annual compensation for the position as stated in the employment contract is $133,400.

(4) In addition to the base salary of $126,270, Orrie Covert received a stipend of $18,000 for additional duties performed during a search for a new Vice President of Marketing and an annual car allowance of $7,000 provided by the Northwest Foundation. A country club membership is also provided by the foundation. Orrie Covert resigned in June 2011 and a replacement has not been appointed.

(5) Dr. Jackie Elliott resigned from the Vice President of Student Affairs in June 2011 and a replacement has not been appointed.

(6) Dr. Robert Boerigter resigned from the Director of Athletics position in September 2010. Wren Baker was appointed as Director of Athletics in February 2011. The annual compensation for the position as stated in the employment contract is $105,000. Mark Clements, Assistant Director of Athletics - Internal Affairs, served as Interim Athletic Director until February 2011 and received a monthly stipend of $3,300 in addition to his regular salary for performing the interim duties.

(7) Dr. Paul McGraw (an employee of the university's facilities management contractor) served on the NLT until February 2011.

In addition, Nate Blackford was appointed Director of Strategic Research in September 2010 at an annual compensation amount of $94,343. The Director of Strategic Research serves on the NLT.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

According to university personnel, the university was awarded the following American Recovery and Reinvestment Act of 2009 funding:

State of Missouri appropriations totaling $4,049,576 were awarded to the university from Federal Budget Stabilization - Education Funds. The university received and spent the monies during the year ended June 30, 2010, to retain 76 current employees and create 8 new positions.

A $55,979 Recovery Act: Federal Work-Study grant was awarded to the university by the U.S. Department of Education to provide need-based financial aid to students through compensation for hours worked at on-campus or off-campus jobs. The university received and spent the monies during the year ended June 30, 2010, to create 6 new work-study positions.

Financial information and an organization chart follow.

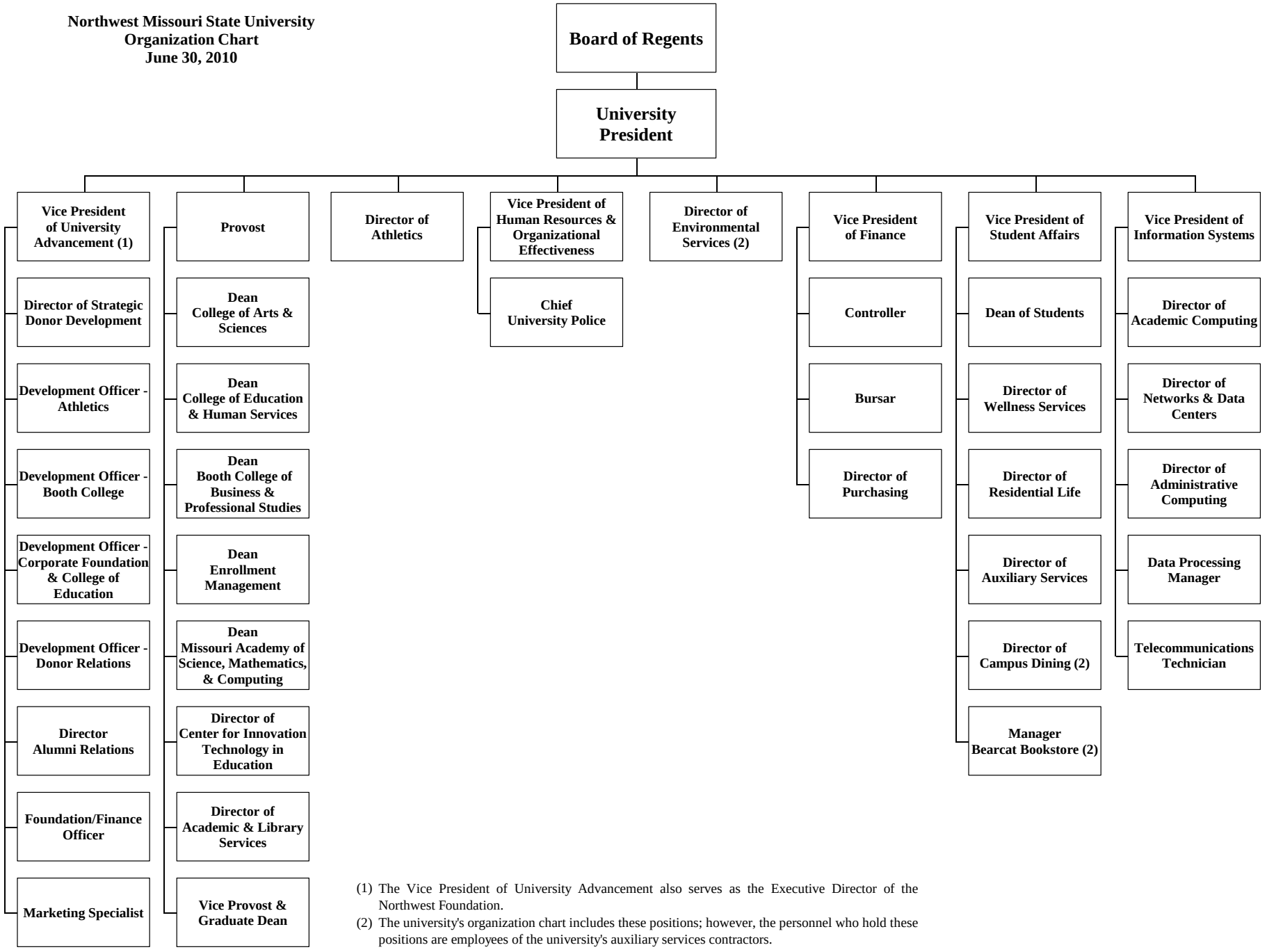
Appendix A
Northwest Missouri State University
Revenues, Expenses, and Changes in Net Assets

	Year Ended June 30,		
Operating Revenues	2010	2009	2008
Student tuition and fees (net of scholarship allowances)	$ 32,049,918	31,608,985	30,087,965
Federal grants and contracts	3,270,106	4,433,395	3,384,517
State grants and contracts	3,172,771	6,174,479	5,522,753
Nongovernmental operating grants and contracts	858,599	1,221,373	1,194,963
Sales and services of educational programs	1,220,966	1,377,889	1,337,886
Auxiliary enterprises (net of scholarship allowances)	17,507,876	16,488,360	15,083,187
Other operating revenue	3,778,278	4,069,376	3,293,370
Total Operating Revenues	61,858,514	65,373,857	59,904,641
Operating Expenses			
Salaries -			
Faculty	16,282,472	16,592,901	15,960,275
Administrative and professional, technical	13,774,940	13,722,062	12,002,813
Support staff, students	9,813,594	10,918,471	10,666,985
Benefits	12,896,092	13,205,080	11,986,411
Scholarships and fellowships	1,359,867	1,139,068	949,534
Utilities	3,328,780	2,964,415	3,323,600
Supplies and other services	25,623,829	31,029,467	30,722,202
Depreciation	11,996,439	10,695,196	9,847,072
Other postemployment benefit expense	297,367	122,948	478,689
Total Operating Expenses	95,373,380	100,389,608	95,937,581
Net Operating Deficit	(33,514,866)	(35,015,751)	(36,032,940)
Nonoperating Revenues (Expenses)			
State appropriations	32,617,455	32,105,956	30,889,852
Investment income	306,636	462,954	886,812
Federal Pell grants	8,025,618	4,984,947	4,511,665
Interest on capital asset-related debt	(4,111,754)	(3,990,729)	(3,946,885)
Gain (loss) on disposal of capital assets	(3,355)	(8,684)	59,655
Net Nonoperating Revenues	36,834,600	33,554,444	32,401,099
Gain (Loss) Before Other Revenues, Expenses, Gains, or Losses	3,319,734	(1,461,307)	(3,631,841)
Capital appropriations	3,338,341	12,848,120	7,829,950
Contributions for capital projects	0	0	2,121,524
Capital grant	208,400	0	80,000
Capital gift	0	337,797	0
Increase in Net Assets	6,866,475	11,724,610	6,399,633
Net Assets, Beginning of Year	95,275,781	83,551,171	77,151,538
Net Assets, End of Year	$ 102,142,256	95,275,781	83,551,171

Source: Northwest Missouri State University's audited financial statements. The financial statements of the foundation are not included.

Appendix B

Northwest Missouri State University
Organization Chart
June 30, 2010



(1) The Vice President of University Advancement also serves as the Executive Director of the Northwest Foundation.

(2) The university's organization chart includes these positions; however, the personnel who hold these positions are employees of the university's auxiliary services contractors.

Thomas A. Schweich

Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of University City

August 2011

Report No. 2011-46

http://auditor.mo.gov

City of University City
Follow-Up Report on Audit Findings
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THOMAS A. SCHWEICH
Missouri State Auditor

To the Honorable Mayor
and
Members of the City Council
City of University City, Missouri

We have conducted follow-up work pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program on certain audit report findings contained in Report No. 2011-14, *City of University City*, issued in April 2011. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the city about the follow-up review on those findings.

2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:

    - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
    - In Progress: Auditee has begun to implement and intends to fully implement the recommendation.
    - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
    - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the city, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. We reviewed documents and other evidence indicating the level of implementation for each recommendation reviewed.

As part of the AFTER work conducted, we reviewed a report and supporting documentation provided by city officials concerning their work on each recommendation in the audit report. Documents included copies of the request for proposals for trash services, financial reports concerning overdue balances, updated administrative policies and procedures, accounting and financial records, meeting minutes and notices, and public record request logs.

While this report only includes those findings deemed in need of immediate management attention, the city provided documentation indicating steps had been taken toward implementing all of the recommendations from the audit in which it had stated corrective action would be taken.

This report is a summary of the results of this follow-up work, which was substantially completed during August 2011.

Thomas A. Schweich
State Auditor

City of University City
Follow-Up Report on Prior Audit Findings
Status of Findings

1. Trash Service Billing and Collection

As of June 2010, the city trash collection service had approximately $1.6 million in delinquent citizen accounts. As established by city ordinance, the city had numerous remedial measures available to collect on delinquent trash bills. As of July 2010, the city had utilized several options, including discontinued service, use of payment plans, and audits of accounts with discontinued service. In March 2008, the city also instituted a one-time partial forgiveness program, and in April 2008, began offering a low-income program which waives interest and penalties for those who meet the requirements.

Recommendation

The City Council should continue these efforts to ensure all users are paying for services provided.

Status

In Progress

City officials stated the new financial system provides for more detailed reports to facilitate tracking of past-due accounts and the city has begun to review individual accounts to ensure all financial details are included in the system (such as liens and payment agreements). While the balance of past-due accounts has not changed significantly since our audit report, city officials stated the city has taken steps to encourage timely payment, and created additional options for residents to pay their bills, such as automatic bank drafts. The city is developing an online payment option as well, according to city officials, and continues to offer its low-income program.

Additionally, the city issued a request for proposals (RFP) and will contract with a collection agency to further assist with outstanding accounts. Finally, the city has updated its trash billing statements and delinquency notices to be more informative to residents.

The city has been unable to determine from its previous financial system how much of the $400,000 reduction in delinquent accounts from 2007 to 2010 resulted from collections and how much was written off due to cleaning up the accounts and the various amnesty programs. However, the city was able to provide documentation showing payments on delinquent accounts increased in fiscal years 2008 and 2009, as compared to the prior 2 years, as follows:

	2006	2007	2008	2009
Delinquent Receipts	$ 519,794	427,478	813,586	738,025

In addition, the Finance Director stated she believed the $400,000 reduction was primarily due to collections.

3. Cost Allocations and Administrative Transfers

While some central service department costs (such as accounting, payroll, and the city garage) were allocated to various departments of the city based on full-time equivalent positions or other documented methods, other costs including salaries and benefits were allocated based only on estimates. Allocations without appropriate supporting documentation totaled over $900,000 for the year ended June 30, 2010.

Timesheets did not indicate hours worked by activity for each employee, nor had the city conducted a time study to serve as a basis for allocation of salary and fringe benefits to the appropriate funds. Other expenses were also allocated to functions based on estimates without documentation of how the allocation was determined.

Recommendation

The City Council ensure all expenditures are properly allocated to the various funds and all transfers between funds are adequately documented.

Status

Implemented

The city now has written procedures in place for determining various allocations and has integrated these updated allocations into the fiscal year 2012 budget.

According to city officials, the city is conducting time studies by tracking several months of timesheets to determine the amount of time an employee works in a specific area. At the conclusion of these studies, city officials indicated the fiscal year budget will be adjusted, as needed.

For other programs, the city has developed procedures to determine the amount of monies to be allocated between various funds.

6. Accounting Controls

Concerns were noted with various accounting issues including transmittals, receipt slips, segregation of duties, and bank reconciliations.

6.1 Collector's Office

- Transmittals were dropped off at the Collector's Office by various departments, but were not counted and entered into the accounting system until a later time. Transmittal forms were sent back to the respective department without a receipt slip. Therefore, the departments could not perform a reconcliation between the transmittals submitted to the Collector's Office and the receipt slips generated from the Collector's Office accounting system.

- The Collector's Office did not properly account for the numerical sequence of receipt slips.

6.2 Segregation of Duties

- Cash custody and accounting duties were not adequately segregated in the Community Development Department.

6.3 Numerical Sequence of Receipt Slips

- The Parks, Recreation, and Forestry and the Community Development Departments did not account for the numerical sequence of receipt slips. Personnel indicated all receipt numbers were included in the system-generated daily reports reviewed by management, but our review of the daily reports noted they did not include all transactions. Therefore, reports viewed by management were not always accurate and could not be relied upon to ensure all transactions were reviewed.

6.4 Bank reconciliations

- Bank reconcilaitions were not performed on a timely basis for the General Fund bank account.

Recommendations

The City Council:

6.1 Require the Collector's Office to immediately issue receipt slips for all monies transmitted from other city departments, and ensure these receipt slips are reconciled to amounts transmitted by the city departments. In addition, the City Council should ensure the numerical sequence of receipt numbers are accounted for properly.

6.2 Segregate the accounting duties of the Community Development Department to the extent possible. If proper segregation of duties cannot be achieved, timely supervision or independent review of the work performed and investigation into unusual items and variances are necessary.

6.3 Ensure the numerical sequence of receipt numbers are accounted for properly.

6.4 Ensure bank reconciliations are prepared monthly and retained for all accounts.

Status

6.1 Implemented

The city has created new procedures for the Collector's Office to count transmittals and issue receipt slips to the respective departments immediately. In addition, the city has established procedures to ensure all

receipt numbers are accounted for properly and, according to city officials, the Senior Accountant is reviewing this process for compliance.

6.2 Implemented

New policies and procedures have been created to segregate duties. According to city officials, the Deputy Director reviews and signs off on all transmittals before they are submitted to the Collector's Office to ensure accuracy.

6.3 In Progress

According to city officials, the city has recently changed to a new computer system in the Community Development Department and has established a procedure for reviewing all receipt slips monthly.

City officials stated the city is working with a new software company to develop a system by which it can review individual transaction numbers for the Parks, Recreation, and Forestry Department.

6.4 Implemented

According to city officials, the city has recently hired a Senior Accountant, who has begun monthly reconciliations of bank statements. Additionally, the city Finance Officer reviews the work of the Senior Accountant.

8. Minutes, Meetings, and Public Records

Concerns were noted with procedures regarding closed City Council meetings, the failure to maintain a log of public record requests, and the retention of auxiliary minutes.

8.1 From July 2009 through October 2010, the city did not document the reasons or the votes regarding meeting closure for six closed meetings of the City Council. The Council went directly into closed meetings without first starting in open session and holding a vote to close the meeting, as required by law.

8.2 Although city personnel indicated public requests were handled in a timely manner, the city did not maintain a log of public requests to ensure all requests were handled in compliance with the Sunshine Law.

8.3 The minutes and records of meetings of city affiliated boards, committees, and commissions were not always maintained by the City Clerk, the official custodian of records.

Recommendations

The City Council:

8.1 Ensure votes to close a session are documented in open meeting minutes, along with the reason for the closing of the session.

8.2 Maintain a public request log to help ensure the city is complying with state law.

8.3 Ensure copies of meeting minutes of city affiliated boards, committees, and commissions are maintained by the City Clerk.

Status

8.1 Implemented

According to the city, only one closed session has been held since the audit. The city provided documentation showing the notice was properly posted, and the City Council entered closed session after properly voting to do so. The minutes of the meeting reflect both the votes and the reason for entering closed session.

8.2 Implemented

The City Clerk now maintains a log of public requests.

8.3 Implemented

According to the City Clerk, all minutes of meetings of affiliated boards, committees, and commissions are submitted to her office and copies of the minutes are posted to the city website.

10. Emergency Plan

The city did not have an approved formal emergency contingency plan for its computer systems. The city had been in the process of developing a plan for several years but a plan had not been finalized as of December 2010.

Recommendation

The City Council develop a formal contingency plan for the various computer systems.

Status

In Progress

According to city officials, the city is now contracting with an information technology company to perform periodic back-ups and provide off-site back-up storage.

The city has yet to produce a formal, documented emergency plan, but city officials indicated they plan to do so by the end of 2011.

Thomas A. Schweich

Missouri State Auditor

Douglas County

August 2011

Report No. 2011-45

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Douglas County

Financial Condition	As noted in our prior audit, the financial condition of the General Revenue and Special Road and Bridge Funds has declined, and, although revenues continue to decline, spending is expected to increase. The County Commission needs to reduce spending as much as possible, put controls in place to use county resources efficiently, and maximize revenues.
Real Estate Purchase	The county did not adequately plan the judicial center project. The county agreed to purchase land and buildings for $120,229 before securing a funding source. Both proposed county sales tax ballot measures failed. The county did not require an inspection of the properties for needed repairs or asbestos removal to be performed as part of the real estate contract. Additionally, the county did not estimate the costs to demolish and dispose of two vacant houses still on the property. Moreover, the county did not obtain an appraisal prior to purchasing the property to ensure it was paying a reasonable price.
Disbursements, Vehicle Procedures, and Personnel Policy	The county needs to improve controls and procedures related to bidding, fuel use, vehicle maintenance, and payroll disbursements. The county does not always solicit bids or retain sufficient bid documentation. As noted in our prior audit, fuel use is not reconciled to fuel purchases, and mileage and fuel use logs are not maintained to document the appropriate use of county vehicles and equipment. The Sheriff's office does not maintain maintenance records for its vehicles, and road and bridge employees are compensated for their lunch breaks, but other county employees are not.
Emergency Management	The county needs to improve its controls and procedures over emergency management receipts and disbursements. The county did not have written contracts with the former Emergency Management Director, former Assistant Director, or Emergency Medical Technician Instructor. The former Director and Assistant Director, who are husband and wife, received payments for a number of questionable expenses. The former Director was reimbursed for equipment without adequate supporting documentation, he and the former Assistant Director were reimbursed for mileage at inflated rates, and the former Assistant Director failed to account for all advanced monies, submitted duplicate and altered receipts for meal expense reimbursements, and claimed reimbursement for excessive miles. The EMT class records and receipting procedures are also insufficient.
Meeting Minutes	The County Commission held eight closed session meetings during the audit period but did not document the specific reasons for closing the meetings, as required by the Sunshine Laws.

Sheriff Controls and Procedures	Accounting duties are not adequately segregated, and a documented supervisory review is not conducted. The Sheriff's office does not reconcile the list of liabilities to the cash balances of its two bank accounts, and several errors were not detected. Receipting and depositing procedures need improvement.
Public Administrator Controls and Procedures	The Public Administrator purchases gift cards from ward funds, but the procedures for tracking and documenting such purchases need to be improved. Moreover, it appears she makes such purchases in an attempt to keep wards' cash balances below Medicaid eligibility levels, which is unlawful. The Public Administrator needs to improve her bank reconciliation procedures.
Prosecuting Attorney Controls and Procedures	As noted in our prior audit report, accounting duties are not adequately segregated and no supervisory review is conducted, and receipts are not deposited timely. The Prosecuting Attorney needs to establish adequate procedures for tracking, monitoring, and collecting court ordered restitution. Currently, restitution is manually recorded, and no system has been established to alert the clerk when payments are due or probation is about to end. Defendants are not required to sign restitution payment agreements, and restitution payments are not timely disbursed.
Support the Handicapped Board	The Support the Handicapped Board's contract with the local sheltered workshop does not require the sheltered workshop to obtain bids, and the Board processed some payments to the sheltered workshop without adequate supporting documentation.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Poor**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	Douglas County received a $17,379 Byrne Memorial Justice Assistance Grant during the audit period: $16,079 funded a law enforcement position for 6 months, and $1,300 paid for equipment.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Douglas County
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Management Advisory Report - State Auditor's Findings

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THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Douglas County

We have audited certain operations of Douglas County in fulfillment of our duties under Section 29.230, RSMo. In addition, Davis, Lynn & Moots, P.C., Certified Public Accountants, was engaged to audit the financial statements of Douglas County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2010. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Douglas County.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Pamela Allison Tillery, CPA
In-Charge Auditor:	Donald Troy Royer
Audit Staff:	Connie James
	Michelle Crawford, M. Acct.

Douglas County
Management Advisory Report
State Auditor's Findings

1. Financial Condition

The financial condition of the General Revenue and Special Road and Bridge Funds has declined as a result of decreasing revenues, increasing costs, and poor planning, and according to the 2011 budget projections, the cash balances of these funds are expected to decrease even more significantly by December 31, 2011. The following table reflects the ending cash balances for the 3 years ended December 31, 2010, as well as the anticipated ending cash balance for the year ended December 31, 2011:

Fund	Projected Ending Cash Balance, December 31, 2011**	Ending Cash Balance, December 31, 2010*	2009*	2008*
General Revenue	$ 8,708	179,507	215,462	244,841
Special Road and Bridge	51,911	177,177	110,302	253,169

* Information was obtained from the county's independent audit report.

** Information was obtained from the county's budget.

Declining receipts of these funds have made it difficult for the county to prepare a balanced budget. In addition, the County Commission has had to transfer approximately $42,000 annually from the General Revenue Fund to support the Assessment Fund. Disbursements are expected to increase during 2011 due to changes in elected official salaries, additional hiring of employees, a projected bridge project, and some equipment purchases. The Prosecuting Attorney's salary is increasing approximately $69,000 per year starting in 2011, as a result of county voters approving a full-time position. Also, based on legal advice, other elected officials' salaries were increased to 100 percent of statutory amounts. In addition, debt and funding issues and future project costs (see MAR finding number 2) have had and will likely continue to have a negative impact on the county's financial condition.

It is essential the County Commission address the county's financial condition both in the immediate- and long-term future. To improve the county's financial condition, the County Commission should reduce spending as much as possible, evaluate controls and management practices to ensure efficient use of county resources, and attempt to maximize all sources of revenue.

A similar condition was noted in our prior audit report.

Recommendation

The County Commission closely monitor the county's financial condition and take the necessary steps to improve the financial condition of the General Revenue and Special Road and Bridge Funds. The County

Commission should perform long-term planning and ensure receipts are maximized and disbursements are closely monitored.

Auditee's Response

The County Commission provided the following written response:

The County Commission is monitoring receipts and disbursements. The County Commission will continue to monitor the county's financial condition.

2. Judicial Center Project

The county entered into debt and disbursed county resources without adequate project planning and without a funding source in place for the possible construction of a judicial center.

In January 2009, the county purchased land and buildings costing $120,229 to use as a site for a future judicial center, and entered into a loan agreement for the purchase. During the 2 years ended December 31, 2010, the county spent an additional $8,650 to repair the roof and install a heating and cooling system in one building located on this property. The county also paid an engineering firm $5,787 for expenses and to prepare plans for a judicial center.

2.1 Planning

The county did not effectively plan this project.

- The county proposed two 1/2 cent sales taxes, a capital improvement sales tax under Section 67.700, RSMo, to be used for loan repayment and construction, and a general sales tax under Section 67.547, RSMo, to be used for operating costs of the judicial center after completion. However, both sales tax issues failed in the November 2010 general election, and the county is currently unable to fund any additional work on the project.

- The county entered into debt without securing a funding source to pay for the purchase of this property. The county made a down payment of $30,056 in January 2009 for the property, and entered into a loan agreement with its depositary bank for the remaining balance of $90,173 due in January 2010. In January 2010, the county made a $30,000 principal payment and entered into another loan agreement for $60,173 due in January 2011. In January 2011, the county made another $30,000 principal payment and entered into another loan agreement for $30,173 due in January 2012. The county plans to pay off this loan in January 2012. The interest rate charged on these loans was approximately 6 percent, and the county will incur interest costs totaling $10,132 related to these loan agreements for this purchase.

- The county did not require an inspection of the properties for needed repairs or asbestos removal to be performed as part of the real estate contract. The county planned to utilize a building located on the

property for an emergency management office; however, the county did not estimate the costs to repair the roof or install a new heating and cooling system prior to the purchase.

- The county planned to demolish two houses located on the property; however, it did not estimate the costs to demolish and dispose of the houses, and the two vacant houses have yet to be demolished.

Had the general sales tax issue referred to above passed, the county would have imposed a levy above the statutory maximum allowed by Section 67.547, RSMo. Attorney General's Opinion No. 61-89 states that a county cannot enact a sales tax that exceeds one half of one percent under Section 67.547, RSMo. When proposing sales tax issues to voters, the county needs to review the various sales taxes being proposed to ensure they are valid and also ensure the purpose as described by the ballot is consistent with the authorizing statute.

Proper long-term planning prior to beginning a project is necessary to ensure the successful completion of the project. A cost analysis of the project considering all costs involved including the purchase of property, construction, and subsequent maintenance and operations is necessary to determine the amount of funding necessary. Ensuring adequate funding will be available for costs related to the project and including subsequent maintenance and operations is necessary to determine whether the project is feasible.

2.2 Independent appraisal

The county did not obtain an appraisal prior to purchasing the property to ensure $120,229 was a reasonable price. While the County Commission believes the amount paid was reasonable, a written appraisal from an independent appraisal company should have been obtained prior to the purchase and used to provide the basis for negotiations.

Recommendations

The County Commission:

2.1 Develop plans for the property purchased and ensure associated costs are considered. In addition, for future proposed sales tax issues, the County Commission should review the overall sales taxes being levied, consult with legal counsel, and ensure they are in accordance with state statutes.

2.2 Ensure independent appraisals are obtained for all future real estate purchases.

Auditee's Response

The County Commission provided the following written responses:

2.1 The county is currently utilizing two buildings on the property for county use. The County Commission will look into utilizing the

property as financing becomes available. In the future, the County Commission will consider all aspects of property purchase before purchasing. The County Commission will consult with legal counsel for any future proposed sales tax issues.

2.2 The County Commission will obtain an independent appraisal for any future real estate purchases.

3. Disbursements, Vehicle Procedures, and Personnel Policy

Controls and procedures over bidding, fuel use, vehicle maintenance, and payroll disbursements need improvement.

3.1 Bidding

The county did not always solicit bids or retain sufficient bid documentation. For example, the county did not solicit bids for road and bridge department equipment repairs totaling $107,859, and drug court tracking services totaling $20,090 during the 2 years ending December 31, 2010.

The county did not retain sufficient bid documentation to show compliance with state law for the purchase of four patrol cars for the Sheriff's office totaling $77,400 and inmate meals totaling $32,649 during the 2 years ending December 31, 2010.

Section 50.660, RSMo, provides guidance on bidding requirements and procedures. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, and the county's selection process and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made.

3.2 Fuel use

Improvement is needed in the controls and procedures over county fuel. Accounting records indicated fuel purchases totaling approximately $160,000, $44,000, and $2,400 were made by the road and bridge department, Sheriff's office, and Assessor's office, respectively, during the 2 years ended December 31, 2010.

- The county does not have adequate records and monitoring procedures over road and bridge department fuel use. Fuel logs are not maintained for department equipment and vehicles. In addition, bulk fuel records are not maintained by Road District Number 2 to show fuel delivered and dispensed into vehicles and equipment. Of the four bulk fuel tanks

located at road and bridge buildings in Road District Number 2, only two are metered. Also, while bulk fuel records are maintained by Road District Number 1 to show fuel dispensed into vehicles and equipment, these fuel records are not used to reconcile fuel use to fuel purchases.

- While mileage and fuel logs are maintained for Sheriff's office vehicles, the logs are not used to reconcile fuel use to fuel purchases. In addition, the logs are not always accurate and complete, and the amount of fuel purchased was not always recorded on the logs.

- Mileage and fuel logs are not maintained for the Assessor's office vehicle, and as a result, fuel use is not reconciled to fuel purchases.

Procedures for reviewing fuel use and reconciling use to fuel purchased and on hand are necessary to ensure the reasonableness and propriety of fuel use and disbursements. In addition, mileage and fuel use logs are necessary to document the appropriate use of equipment and vehicles and to support fuel charges. Failure to account for fuel purchases could result in loss, theft, and misuse going undetected.

A similar condition was noted in our prior audit report.

3.3 Sheriff's office vehicle maintenance

The Sheriff's office does not maintain maintenance records for its vehicles. Maintenance items, such as oil, filters, antifreeze, etc., are purchased through the county by Sheriff's office employees, and the employees perform the maintenance procedures for their assigned vehicles. The county spent approximately $11,300 for maintenance supplies for the Sheriff's office during the 2 years ended December 31, 2010.

Vehicle maintenance records should be maintained to ensure regularly scheduled preventive maintenance is performed to reduce the cost of repairs. In addition, the maintenance records should be reconciled to maintenance purchases to prevent the loss, theft, or misuse of maintenance supplies.

3.4 Personnel policy

The county personnel policy does not address whether employees are compensated for their lunch break, and as a result, some employees are paid for their lunch break and others are not. Those employees (road and bridge department employees) who are paid for their lunch break are compensated up to an additional 93 hours per year. The county has paid road and bridge department employees for at least 1,700 hours or $17,000 annually for their half hour lunch breaks; thus paying for time not worked, increasing the county's financial burden, and resulting in inconsistency among county employees. Detailed written policies are necessary to provide guidance to county employees, provide a basis for proper compensation, ensure equitable treatment among employees, and avoid misunderstandings.

Recommendations

The County Commission:

3.1 Perform a competitive procurement process for all major purchases and maintain documentation of decisions made.

3.2 And Sheriff and Assessor require fuel use logs be maintained, and these logs be reviewed for accuracy and reconciled to fuel purchases. Any significant discrepancies should be investigated.

3.3 Require maintenance records be maintained, and these records be reconciled to maintenance purchases.

3.4 Review and revise the personnel policy to adequately address lunch breaks, avoid unnecessary costs, and ensure equitable treatment among all county employees.

Auditee's Response

The County Commission provided the following written responses:

3.1 The County Commission will get bids on major purchases and will document the decisions made.

3.2 The County Commission is currently maintaining a fuel log for the road and bridge department. They will reconcile fuel usage to fuel purchased. The County Commission will request that the Sheriff and Assessor maintain accurate logs and reconcile fuel use.

3.3 The County Commission will request that the Sheriff maintain a maintenance log on the vehicles and reconcile to the maintenance purchases.

3.4 The County Commission is looking into updating the personnel policy. Road district number 2 works ten hours each day with a half hour for lunch, and district number 1 has implemented the same work schedule.

The Assessor provided the following written response:

3.2 I have been operating under the same procedures as the previous Assessor. From now on, we will maintain a log to the best of our ability.

The Sheriff provided the following written response:

3.2&3 I currently have a fuel log system in place; however, I am looking into implementing a different vehicle log system to include other maintenance items.

4. Emergency Management

Controls and procedures over emergency management (EM) receipts and disbursements need improvement. The Emergency Management Fund receipts and disbursements totaled approximately $96,000 and $93,000, respectively, during the 2 years ended December 31, 2010.

The county operates an EM program to develop disaster preparedness plans and offer Emergency Medical Technician (EMT) classes to assist individuals in becoming certified EMTs. The former Presiding Commissioner appointed the EM Director and Assistant Director in January 2007, and rescinded those appointments in December 2010. The former EM Director and former Assistant Director are husband and wife. The former EM Director, former Assistant Director, and EMT Instructor were paid $4,174, $13,761, and $3,500, respectively, during the 2 years ended December 31, 2010.

4.1 Contracts and expense reimbursements

As a result of no formal written contracts and a lack of controls and procedures for monitoring the disbursements made by the former EM Director and former EM Assistant Director, multiple questionable disbursements were made. These payments included EMT class services and expense reimbursements including mileage, equipment, supplies, training, lodging, and meals. The County Commission expected the former EM Director and former EM Assistant Director to follow the county's travel and reimbursement policies. The following concerns were noted regarding these payments:

- The county did not enter into formal written contracts with the former EM Director, former EM Assistant Director, and EMT Instructor, who all served as contract workers. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Written contracts, signed by the parties involved, should specify the services to be rendered, the manner and amount of compensation to be paid, and the documentation required for payments of salary and expenses. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

- Billing statements or other records documenting services performed for the EMT classes, or how the amounts paid were determined, were not prepared and submitted to the county by these contract workers. The former EM Director, former EM Assistant Director, and EMT Instructor were paid $2500, $1900, and $3500, respectively, for providing EMT classes. In addition, the county did not issue Internal Revenue Service Forms 1099 to these individuals. Sections 6041 to 6051 of the Internal Revenue Code require non-wage payments of at least $600 in one year to an individual be reported to the federal government on Form 1099.

- Adequate supporting documentation was not obtained or retained for some reimbursement requests. For example, the only documentation provided for four reimbursement requests for equipment totaling $880 were invoices prepared by the former Director from his personal Quicken software, instead of the actual paid receipts or vendor provided invoices. The equipment purchases were for radios, a power supply, and a canopy. All reimbursement requests should be supported by paid receipts or vendor invoices to ensure the obligations were actually incurred and the disbursements represent appropriate uses of public funds.

- The former Assistant Director was advanced $910 in October 2010 for EMT student testing fees from the EM Fund held by the County Treasurer. The former Assistant Director indicated she deposited these testing fees into her personal account and held them until 4 months later when she paid the testing fees in February 2011 (after her appointment as Assistant Director had been rescinded). No documentation was available at the county to support this advance; however, the Assistant Director provided documentation of payment of these testing fees upon our request. This payment should have been disbursed through the county's normal disbursement process and paid directly to the entity by the County Treasurer. In addition, cash advances not supported by documentation could be improper disbursements of public monies; therefore, all cash advances should have documentation to support the nature and reasonableness of the costs.

- The former EM Director and former Assistant Director were reimbursed for mileage; however, the rate paid per mile did not agree with the county mileage rate of 45 cents per mile. The former EM Director and former Assistant Director were reimbursed at 47.5, 50, and 52 cents per mile totaling $6,240 during the 2 years ended December 31, 2010. As a result, the county paid approximately $410 more for mileage reimbursements than provided by county policy.

- The number of miles claimed by the former Assistant Director to various locations was excessive, and as a result, the former Assistant Director was overpaid at least $344. For example, the former Assistant Director claimed reimbursement of 394 miles to travel to Jefferson City for training. Jefferson City is 144 miles away (one way) or 288 miles round trip from Ava. Mileage reimbursement claims should include only those miles actually incurred for county business and as allowed by county policy.

- The mileage reimbursement forms submitted by the former Director and former Assistant Director were also not always complete. The purpose of travel and odometer readings were not always documented. The

county's travel and travel reimbursement policy requires records of mileage driven (by odometer) be submitted. Thorough review procedures are necessary to ensure mileage reimbursements are reasonable and accurate, and represent valid disbursements.

- Duplicate and altered invoices for meal expense reimbursements were paid by the county. The county reimbursed the former Assistant Director for at least eight meals totaling $126 that were supported by duplicate and altered invoices. These invoices were physically altered to delete dates, times of service, and the server. Several other meal invoices totaling $101 were not adequate and appeared to be prepared by the former Assistant Director. In addition, one of the duplicated and altered invoices submitted for reimbursement (noted above) included meals for the former Assistant Director's sister, who had no involvement with the EM program according to the County Clerk.

  The county's meal reimbursement policy requires original receipts or invoices be submitted with reimbursement requests. Allowing altered receipts or invoices to be processed and not questioned indicates weaknesses in the review process and control procedures.

- During the 2 years ended December 31, 2010, the county provided the former Assistant Director 12 cash advances totaling $2,984, not including the $910 advance noted above. The Assistant Director did not always provide documentation to the county of how the full amount of the advance was spent, and she did not return unused advance monies to the county. Requiring documentation to support expenses from advances is necessary to ensure the county pays only reasonable and necessary costs.

4.2 EMT Classes

Improvement is needed over EMT class records and receipting procedures. The EM office held three EMT classes and, according to the County Treasurer's general ledger reports, collected approximately $22,200 for classes during the 2 years ended December 31, 2010. The following concerns were noted related to these classes:

- Accounting records such as receipt slips, attendance reports, grant applications and awards, and invoices were not retained for two of the three EMT classes. Additionally, accounting records were not complete for the third EMT class. As a result, the county has little assurance monies collected and disbursed for the EMT classes were accounted for properly. Accounting records should be retained to ensure the validity of transactions and provide an audit trail to account for all monies received.

- Receipt slips were not always issued for class and testing fees received from students; receipt slips were not always issued in numerical order or accounted for properly; the method of payment was not always recorded on the receipt slips; and the composition of receipts was not reconciled to the composition of transmittals to the County Treasurer. Failure to implement adequate receipting and depositing procedures increases the risk that loss or misuse of monies received will go undetected.

Recommendations

The County Commission:

4.1 Enter into written agreements for EM services, which detail the duties to be performed, compensation to be paid, and the documentation required for payments of services and expenses. The County Commission should ensure non-wage payments are reported on 1099 forms, and amended 1099 forms should be filed for payments made in 2010 and 2009. The County Commission should ensure control procedures are in place to review reimbursement requests for accuracy and detect questionable or altered invoices and discontinue the practice of unsupported cash advances.

4.2 Retain all accounting records, require receipt slips be issued in numerical sequence for all monies received and the numerical sequence of receipt slips be accounted for properly, and reconcile the composition of receipts to amounts transmitted to the County Treasurer.

Auditee's Response

The County Commission provided the following written responses:

4.1 There is now a written agreement that establishes the duties of the EM Director. The agreement is signed by the Presiding Commissioner and the EM Director. The 1099s will be amended for 2009 and 2010. The County Commission has implemented a policy that requires original invoices and receipts before any payment is issued. There will be no cash advances given.

4.2 The County Commission is in the process of forming a contract for the EMT classes. This will require accounting of all the monies collected for the classes and reconciliation of monies collected to what is transmitted to the County Treasurer.

5. Meeting Minutes

Open meeting minutes did not document the specific reasons for closing a meeting. The County Commission held eight closed session meetings during the 2 years ended December 31, 2010. The Sunshine Law, Chapter 610, RSMo, requires public governmental bodies to vote in open session to close a meeting and to announce publicly the reasons for going into closed session.

Recommendation

The County Commission ensure the specific reasons for closing a meeting are documented.

Auditee's Response

The County Commission provided the following written response:

The County Commission will ensure they document the reason for closed meetings.

6. Sheriff Controls and Procedures

Weaknesses exist in accounting controls and procedures in the Sheriff's office. The Sheriff's office collected approximately $145,000 and $483,000 during the years ended December 31, 2010 and 2009, respectively.

6.1 Segregation of duties

The duties of receiving, recording, depositing, and disbursing monies and reconciling the Sheriff's bank accounts are not adequately segregated. A lieutenant performs all of these duties, and a documented supervisory review of the accounting records is not performed.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Sheriff should implement a documented independent or supervisory review to ensure the bank records are in agreement with the accounting records.

6.2 Bank reconciliations and liabilities

Significant weaknesses were identified with the Sheriff's reconciliation procedures. The Sheriff's office maintains two current bank accounts (general and civil fee). The former Sheriff maintained three bank accounts (general, civil fee, and donation). The current Sheriff took office in January 2009. During our review of bank reconciliations and lists of liabilities, we noted the following concerns:

- While bank reconciliations and lists of liabilities are prepared monthly for the Sheriff's two current bank accounts (general and civil fee), liabilities are not reconciled with cash balances. We compared the list of liabilities to cash balances as of December 31, 2010, for the general account, and the list of liabilities totaled $307,728, while the cash balance was only $306,808, resulting in liabilities exceeding the available cash balance by $920. We also compared the list of liabilities to cash balances as of December 31, 2010, for the civil fee account, and the list of liabilities totaled $1,220, while the cash balance was only $724, resulting in liabilities exceeding the available cash balance by $496.

  At our request, the Sheriff investigated these discrepancies and determined he overpaid the County Treasurer $920 in June and July 2010, from his general account. The Sheriff also indicated several accounting errors were made in the handling of his civil fee account

such as paying civil fees totaling $302 from his civil fee account when the civil fees were deposited into the prior Sheriff's civil fee account. The Sheriff has not corrected these errors. Without regular comparison of liabilities to the reconciled cash balance, there is less likelihood errors will be identified and the ability to resolve errors is diminished.

- Due to inadequate monitoring of liabilities and lack of bank reconciliations on three old bank accounts of the former Sheriff, disbursements were incorrectly made from the old and new bank accounts and the errors were not determined in a timely manner. The balance of the former Sheriff's general, civil fee, and donation accounts as of December 31, 2010, were $3, $617, and $61, respectively.

  The Sheriff should continue to attempt to identify the monies held in these accounts and properly dispose of all unidentified monies and close the accounts.

6.3 Receipting and depositing procedures

Receipting and depositing procedures need improvement. During cash counts conducted in January 2011, we noted the following concerns:

- The method of payment is not always recorded on the bond receipt slips, and the composition of receipts is not reconciled to the composition of deposits.

- Receipt slips are not always issued in numerical order or accounted for properly.

- Receipts are not deposited timely and intact. For example, two $30 checks receipted on January 13, 2011, were held and not deposited until January 31, 2011. Other receipts collected on January 13, 2011, were deposited on January 18, 2011. Several other instances were noted where receipts were not deposited intact and timely.

- Checks and money orders are not restrictively endorsed until a deposit is prepared.

Failure to implement adequate receipting and depositing procedures increases the risk that loss or misuse of monies received will go undetected.

A similar condition was noted in our prior audit report.

Recommendations

The Sheriff:

6.1 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.

6.2 Reconcile bank balances to liabilities monthly, ensure any differences between accounting records and reconciliations are investigated and resolved, and close old inactive bank accounts.

6.3 Require the method of payment be recorded on all receipt slips and reconcile the composition of receipts to deposits. Receipt slips should be issued in numerical sequence, and the numerical sequence of receipt slips accounted for properly. The Sheriff should also ensure all monies are deposited intact and in a timely manner, and checks and money orders are restrictively endorsed upon receipt.

Auditee's Response

The Sheriff provided the following written responses:

6.1 These were areas of concern to me when I first took office in 2009 and requested an audit and assistance from your office in January 2009 and was advised to document, document, document, and an audit would be performed in 2011. Once it was explained, regarding segregation of duties and more than one person involved in the accounting process, it made sense. I was attempting to hold one person responsible for the accounting procedures to minimize the opportunity for theft. However, after your process was explained to me, I see a side of the accounting that I was unaware of, and steps have been taken to rectify this.

6.2 Once again, this was an area that I requested assistance and recommendations in when I took office in 2009, and was advised that an audit would be performed in 2011. I had papers and documents that were to be carried over from the previous administration "old" accounts. I inquired to your office about how to deal with these forms and virtually received no assistance. I was told to document, document, document, which is what I did; however, upon your audit we found where refunds had been paid out of the "old" account. Upon inspecting the discrepancies you have noted, I would like to point out that all money is accounted for; however, it was either paid out or paid into the wrong account (within the county funds). Discrepancies in the Sheriff's general account have been rectified. I will continue to identify who the money belongs to in the previous Sheriff's accounts and close the accounts. We are still in the process of identifying who the monies belong to and if this cannot be determined it will be turned over to the County Treasurer as you recommended.

6.3 Once again, I could only follow what was done by the prior bookkeeper, as no assistance or recommendations were provided by your office in 2009. All areas of discrepancies have been corrected. We are still in the process of identifying who the monies belong to

and if this cannot be determined it will be turned over to the County Treasurer as you recommended.

The overall audit was very beneficial and a learning experience for everyone involved. The Sheriff's office is a small office with limited staff. Supervisory staff is required to do many of the accounting procedures as well as taking care of law enforcement situations.

7. Public Administrator Controls and Procedures

Controls and procedures for monitoring receipts and disbursements of wards need improvement. The Public Administrator is the court-appointed personal representative for wards or decedent estates of the Associate Circuit Court, Probate Division, and is responsible for the financial activity of 42 individuals. We reviewed three cases with estate balances totaling approximately $129,800, which represents approximately 47 percent of the total cash balances from all cases at December 31, 2010. We also reviewed one additional case that was closed in 2009.

7.1 Gift cards

Improvement is needed in the Public Administrator's handling of gift cards purchased from ward funds. The Public Administrator indicated some gift cards were purchased to spend down wards' cash balances so assets remained below Medicaid eligibility funds. Intentionally spending down ward assets on unnecessary items to maintain a specific level of Medicaid eligibility is not allowed. At least 23 gift cards totaling $2,625 were purchased from ward funds by the Public Administrator during the 2 years ended December 31, 2010. Of the gift cards purchased, 14 gift cards were not used timely for the ward. For example, three gift cards totaling $350 were purchased in December 2009 and February 2010, and were still on hand in May 2011. We also noted the following concerns:

- The Public Administrator does not adequately or properly account for gift cards purchased. At our request, the Public Administrator provided a list of all gift cards purchased in 2009 and 2010; however, the list was not accurate. The list did not include all gift cards, included gift card purchases that were actually cash disbursements (not gift cards), and some of the dates gift cards were purchased and spent or distributed were incorrect. Additionally, gift cards, which are on hand at the time an annual settlement is filed, are not included on the annual settlements as an asset of the ward.

  The Public Administrator indicated a $200 gift card purchased in December 2009, had been mailed to a nursing facility; however, at our request the Public Administrator contacted the nursing facility and the local vendor where the gift card was purchased in May 2011, and determined the gift card was lost and the balance of the card had been unspent. The local vendor reissued the lost gift card and it is currently held by the Public Administrator.

- A receipt slip was not obtained or retained for 10 of 19 gift cards distributed to wards or to wards' facilities, and as a result, there is no assurance the wards received their gift cards. According to the Public Administrator, it is her policy to have the ward or the ward's facility sign a receipt indicating the gift card was received.

To adequately safeguard gift cards, reduce the risk of loss, theft, or misuse of gift cards, and ensure wards receive gift cards purchased with their funds, records should be established to adequately account for and track gift card purchases, and a receipt indicating the gift card was received should be obtained and retained. Additionally, given that many of the wards did not receive gift cards in a timely manner and some gift cards were lost and not accounted for properly, the Public Administrator should reconsider the necessity of purchasing gift cards for her wards.

Section 208.210.1, RSMo, requires recipients to notify county welfare offices if they possess property which affects their right to receive benefits. Further, Section 208.210.2, RSMo, provides that if it is found that a recipient or spouse possessed income in excess of the amount reported that would affect his right to receive benefits, the amount of benefits may be recovered as a debt due the state.

7.2 Bank reconciliations

The Public Administrator's bank reconciliation procedures need improvement. The Public Administrator maintains bank accounts for most of her wards and maintains a fee account, where fees received from wards are deposited and disbursed to the county. During our review, we noted that an accurate running check register balance of the bank accounts for each estate and the Public Administrator's fee account was not maintained by the Public Administrator. As a result, the Public Administrator does not properly perform reconciliations on the ward's bank accounts or her fee account and bank account records and cash balances are not accurate and in agreement.

Maintaining running book balances in check registers and performing adequate bank reconciliations helps ensure accurate records are kept and there is less likelihood errors will be identified and the ability to both identify and resolve errors is diminished.

Similar conditions previously reported

A condition similar to point 7.2 was noted in our prior audit report.

Recommendations

The Public Administrator:

7.1 Reconsider the necessity of purchasing gift cards for wards. If gift cards are necessary, establish records to properly account for gift

cards, and obtain and retain receipts for distributed gift cards. In addition, the Public Administrator should discontinue the practice of unnecessarily spending down a ward's cash balance so assets remain below Medicaid eligibility funds, and contact the Missouri Department of Social Services, Family Support Division, to determine whether any monies are due to the state.

7.2 Maintain running book balances and reconcile bank balances monthly.

Auditee's Response

The Public Administrator provided the following written responses:

7.1 As Public Administrator, appointed to be guardian-conservator for my wards, I work with Division of Family Services on a daily basis. To meet eligibility for Medicaid they cannot have more than $999. The money they have does not come from said division and must be spent on the ward. The money they have in their personal account is not owed to the state and would not be refunded to the state until they were deceased. For example, if a ward had $1,299 in an account, I would need to purchase clothing, TV, etc. Sometimes they don't need clothing, so I might buy a $200 and a $100 gift card, which cannot be redeemed for cash, but could purchase clothing later or for Christmas as they need it. I believe I accounted for every gift card purchased in 2009-2010. I have a form for the ward or the administrator to sign. In the case of one ward which lives with his mother, she signs. I do have one ward who lives independently that cannot write, so I give him a card for $50. If the auditor would have asked, I would have given them the contact number for any or all wards who received gift cards. When the auditor requested a list of gift cards purchased, I understood that they only wanted 2010. I listed one as a gift card sent to the ward, but when I asked the facility for a receipt they showed it to be cash. I sent the copy of the receipt to the State Auditor's Office. There was a gift card I mailed to a ward at Christmas 2010 which was lost. I don't know if I would have detected the card lost or not but when the ward requested clothing I would have. The card was canceled and a new card was issued. The ward now has the new card. The gift cards are purchased solely for the wards. They love receiving them and doing their own shopping. The gift cards I still had in my office totaling $825 were in their personal check books. I produced every original ticket with the check stapled to it for the auditor. I will follow the recommendation of the auditor and will not purchase any gift cards in future.

7.2 I always balance my ward's check books monthly and do a reconciliation on the back of the statement. As for the running

balance, until I receive the statement from the bank to check all automatic deposits, it would not be accurate. My account for fees paid to the county, are paid at the end of the month. One month out of twenty four I had a small balance. I will follow the auditors recommendations.

8. Prosecuting Attorney Controls and Procedures

Weaknesses exist in accounting controls and procedures in the Prosecuting Attorney's office. The Prosecuting Attorney's office collected approximately $87,000 and $101,000 during the years ended December 31, 2010 and 2009, respectively.

8.1 Segregation of duties

The duties of receiving, recording, depositing, and disbursing monies, and reconciling the Prosecuting Attorney's bank account are not adequately segregated. One clerk performs all of these duties, and a documented supervisory review is not performed.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Prosecuting Attorney should implement a documented independent or supervisory review to ensure the bank records are in agreement with the accounting records.

8.2 Depositing and posting procedures

Receipts are not deposited timely. Deposits are normally made every 2 weeks. In addition, amounts recorded on manual receipt slips are not reconciled to the Prosecuting Attorney's bad check accounting system and deposits. As a result, the Prosecuting Attorney's clerk did not record a receipt, received on January 5, 2011, and deposited on January 14, 2011, into the bad check accounting system until January 26, 2011, after we brought it to her attention. Failure to implement adequate depositing and posting procedures increases the risk that loss or misuse of monies received will go undetected.

8.3 Collection of court ordered restitution

The Prosecuting Attorney has not established adequate procedures to properly track, monitor and collect court ordered restitution due from defendants. Currently, restitution payments are manually recorded on a sheet which is attached to the individual's case file and filed in a cabinet; however, the Prosecuting Attorney does not have any type of system set up to alert office personnel when restitution payments are due or a defendant's probationary period is nearing completion. For example, on May 13, 2010, the court ordered restitution totaling $1,249 be paid by a defendant by March 13, 2011. The Prosecuting Attorney's clerk was not aware that $1,149 of the restitution was still due until we brought it to her attention on March 14, 2011. The Prosecuting Attorney's office subsequently collected the full amount of restitution on May 4, 2011. Adequate procedures for tracking and follow up of delinquent accounts is necessary to facilitate monitoring amounts due, provide information to the judge, and improve

accountability. Failure to implement procedures to adequately track and monitor restitution may result in lost revenue.

8.4 Payment agreements

Defendants are not required to sign a payment agreement for bad check restitution to document the amounts owed and establish a subsequent payment schedule. A payment agreement signed by the defendant could aid in collection of amounts owed.

8.5 Disbursement of restitution

Restitution is not always disbursed to victims in a timely manner. The Prosecuting Attorney's secretary indicated bad check restitution payments are held until the full amount owed is received before disbursing to the victim. She also indicated the Prosecuting Attorney's office holds court ordered restitution payments until a significant amount is received before disbursing to the victim. For example, court-ordered restitution payments received in 2008 and 2009 totaling $80 are still held by the Prosecuting Attorney and have not been disbursed to the victim. In addition, the defendant in this case still owes $220, but was released from probation in May 2009, and the Prosecuting Attorney's secretary indicated she has been unable to locate the defendant to collect additional amounts owed. Several other instances were noted where restitution payments were held for long periods of time before disbursement to the victims. Procedures should be established to ensure restitution is disbursed to the victims in a timely manner.

Similar conditions previously reported

Conditions similar to points 8.1 and 8.2 were noted in our prior audit report.

Recommendations

The Prosecuting Attorney:

8.1 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.

8.2 Deposit receipts on a timely basis and reconcile manual receipt slips to amounts recorded on the bad check accounting system and deposits.

8.3 Develop procedures to adequately track and monitor unpaid restitution and take steps to maximize collections.

8.4 Establish payment plans and require signed agreements for cases with outstanding receivables.

8.5 Disburse restitution to victims in a timely manner.

Auditee's Response

The Prosecuting Attorney provided the following written responses:

8.1 I currently do review the bank statements and checkbook on a regular basis to ensure the propriety and also check amounts against open items. We have one person who does only child support on a grant and one who only does victim advocate grant.

8.2 Deposits are now being made in a timely manner. Receipt numbers are now being added to the deposit slips.

8.3 There is currently a procedure in place to track restitutions. That procedure is Outlook Express-Task Manager, which does set an alert 1-month prior to the probation expiring. In addition, once a year we will have a file review for every "open case" in the office.

8.4 We do not require the defendant to sign payment agreements for bad checks, as we oftentimes receive checks from different merchants on different dates for the same defendant. We can and will develop a restitution-tracking sheet for both the Prosecuting Attorney and defendant to sign.

8.5 We will continue to disburse restitution in a prompt manner. Occasionally, money is held temporarily until 1 victim can be paid or 1 whole check can be paid.

9. Support the Handicapped Board

The Support the Handicapped Board processed some payments to the local sheltered workshop without obtaining adequate supporting documentation as required by the contract. For example, a $6,000 payment made in November 2010, to the sheltered workshop was not supported by invoices as required by the contract. The payment was for a forklift and a loading ramp. Additionally, the contract with the workshop does not require bids be obtained and the sheltered workshop did not obtain bids for ceiling repairs totaling $5,100 disbursed in December 2010.

All disbursements should be supported by paid receipts or vendor invoices to ensure the obligations were actually incurred and the disbursements represent appropriate uses of public funds. To ensure the workshop receives the best and lowest price and all interested parties are given an equal opportunity to participate, the Board should include bid requirements in the contract.

A similar condition was noted in our prior audit report.

Recommendation

The Support the Handicapped Board ensure adequate supporting documentation is obtained and retained for all disbursements as required by the contract. In addition, the Board should revise the contract to require bids

be solicited on large purchases and documentation of bids be submitted when required.

Auditee's Response

The Support the Handicapped Board provided the following written response:

The Support the Handicapped Board agrees that all funds approved by the Board shall be paid only when the request for disbursement is supported by documentation to ensure the sheltered workshop receives the best and lowest price for all large purchases using public funds and that all interested parties are given an equal opportunity to participate, as required by Section 50.660, RSMo.

The Board further agrees to review the 2007 contract between the Board and the sheltered workshop to consider revision to require bids be solicited on large purchases using public funds as required in Section 50.660, RSMo, and documentation of bids be submitted with requests for disbursement.

The Board agrees that all disbursements shall be supported by paid receipts or vendor invoices, and this documentation should be retained as evidence the obligations were actually incurred, and the disbursements represent appropriate use of public funds.

Douglas County
Organization and Statistical Information

Douglas County is a county-organized, third-class county. The county seat is Ava.

Douglas County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 70 full-time employees and 13 part-time employees on December 31, 2010.

In addition, county operations include the Support the Handicapped Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2011	2010
James D. (Butch) Linder, Presiding Commissioner	$	24,572
Richard Mitchell, Associate Commissioner		25,080
Danny Dry, Associate Commissioner		25,080
Tina Boyd, Recorder of Deeds		38,000
Karry Davis, County Clerk		34,200
Christopher D. Wade, Prosecuting Attorney		40,500
Chris Degase, Sheriff		42,000
Kathy Potter, County Treasurer		34,200
Rick Miller, County Coroner (1)		3,667
Mark Pearson, County Coroner (1)		5,500
Linda Coonts, Public Administrator		38,000
Laura Stillings, County Collector year ended February 28 (29),	34,200	
Alicia Miller-Degase, County Assessor , year ended August 31, (2)		10,292
Danny Gray, County Assessor , year ended August 31, (2)		23,750
Ray Riggs, County Surveyor (3)		N/A

(1) Rick Miller was appointed in September 2010, to replace Mark Pearson who resigned in June 2010.

(2) Alicia Miller-Degase was appointed in May 2010, to replace Danny Gray who resigned in April 2010.

(3) Compensation on a fee basis.

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

According to county personnel, the county was awarded the following American Recovery and Reinvestment Act of 2009 funding during the 2 years ended December 31, 2010:

A $17,379 Byrne Memorial Justice Assistance Grant was awarded by the U.S. Department of Justice for payroll costs for a law enforcement position for 6 months and law enforcement and prosecution equipment. During the 2 years ended December 31, 2010, $17,379 was expended and received by the county related to this grant. The county spent $16,079 for payroll and $1,300 for equipment. After grant funds were utilized, the county continued to fund the law enforcement position.

Thomas A. Schweich

Missouri State Auditor

OFFICE OF ADMINISTRATION

Missouri Ethics Commission

August 2011

Report No. 2011-44

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Office of Administration, Missouri Ethics Commission

Access to Investigations, Audits, and Review Files	Because the State Auditor's Office is not authorized to review files of investigations, audits or reviews, we were unable to determine if the Missouri Ethics Commission (MEC) complied with state laws and internal procedures related to complaint investigations. Currently state law does not provide the State Auditor's Office with access to such files. The MEC should work with the General Assembly to provide the State Auditor's Office access to these files.
Compliance Monitoring	MEC has not fully employed its new oversight powers or fulfilled the new responsibilities given to it during the 2010 legislative session. The Executive Director of MEC explained that additional staffing would be required to do so. It should be noted that the Missouri Supreme Court is currently considering the constitutionality of the senate bill which introduced these new powers and responsibilities. The MEC should continue to monitor the legal status of the new statutory requirements and use a risk based approach to be more proactive in its investigative approach and maximize available staffing.
Transparency Improvements	The MEC has made significant improvements to the data available to the public through its website, but additional improvements, such as improving search capabilities or posting a list of late/non-filers, could provide useful information to users, increase accountability and transparency, and possibly deter wrongdoing.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The Office of Administration, Missouri Ethics Commission did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

Office of Administration
Missouri Ethics Commission
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the Missouri Ethics Commission
and
Julie A. Allen, Executive Director
Missouri Ethics Commission
Jefferson City, Missouri

We have audited certain operations of the Office of Administration, Missouri Ethics Commission, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2010 and 2009. The objectives of our audit were to:

1. Evaluate the commission's internal controls over significant management and financial functions.

2. Evaluate the commission's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the commission, as well as certain external parties; and testing selected transactions. Section 105.955.17, RSMo, prohibits the State Auditor's Office from reviewing any file or document pertaining to any particular investigation, audit, or review by the Missouri Ethics Commission. As a result, we could not audit certain information because of the limitations this statute imposed on the scope of our audit.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

Except as discussed in the second paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the commission's management and was not subjected to the procedures applied in our audit of the commission.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Office of Administration, Missouri Ethics Commission.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Robert Showers, CPA
In-Charge Auditor:	Robert L. McArthur II
Audit Staff:	Robert Graham

Office of Administration - Missouri Ethics Commission
Management Advisory Report
State Auditor's Findings

1. Access to Investigations, Audits, and Review Files

State statutes prohibit the State Auditor from reviewing investigation files, audits, or reviews conducted by the Missouri Ethics Commission (MEC). As a result, the State Auditor's office was unable to determine if the MEC fully complied with state laws and internal policies and procedures pertaining to complaint investigations.

The MEC receives complaints regarding violations of state laws related to lobbying, personal financial disclosure, and campaign finance disclosure, as well as violations of code of conduct and instances of conflicts of interest by employees of the State or political subdivisions. State law provides the commission the authority to audit and/or investigate the allegations and determine, by a vote of at least four members of the commission, whether there are reasonable grounds to believe that a violation has occurred. During the 2 years ended June 30, 2010, the MEC received approximately 390 complaints and completed over 280 investigations.

Per Section 105.955.17, RSMo, the State Auditor may audit the MEC and inspect materials relating to its functions to determine whether appropriations were spent within the intent of the General Assembly. However, the audit "shall not extend to review of any file or document pertaining to any particular investigation, audit or review by the commission, an investigator or any staff or person employed by the commission or under the supervision of the commission or an investigator." As a result, our access to these investigations was limited to the final actions taken by the commission; and we could not fully determine if the commission complied with state law regarding the timeliness of pending complaint determinations and could not adequately review the performance of the investigations process.

Based on our review of state laws and regulations of the states surrounding Missouri and inquiries with representatives of other state ethics entities, none of those states have any provisions specifically prohibiting their respective auditor from gaining access to investigation complaints. All eight contiguous states have strict confidentiality requirements related to complaint investigations, and representatives in five of these states indicated their state law and/or constitution, in their opinion, would or could prohibit their respective auditor from looking at investigation files. However, three other states indicated their respective auditor would only temporarily be prohibited, if at all, from looking at ongoing investigation files during the course of an audit.

Limiting the State Auditor's office access to investigation records reduces the level of transparency and accountability of the MEC. Any confidentiality concerns related to the contents of these records would be addressed by Section 29.070, RSMo, which requires examiners appointed by the State Auditor to take an oath of confidentiality.

Recommendation

The MEC work with the General Assembly to provide the State Auditor the necessary access to complaint investigation files to ensure the MEC properly investigates complaints received.

Auditee's Response

The Missouri Ethics Commission provided the following written response:

As noted in this finding, state law establishes confidentiality requirements for the Commission and staff as well as what records the State Auditor may access. During the course of the audit the Commission provided the State Auditor's Office access to the following:

- *Listing of the case numbers; for those cases currently in progress, the case numbers were provided without identifying the individual(s)/entity(s) under investigation;*

For those cases that were requested by the auditor, the auditor received the following:

- *Timing of complaint notifications, established in Section 105.961, RSMo*
- *Timing of investigative notices, established in Section 105.959, RSMo*
- *Timing of Commission decisions, established in Section 105.961, RSMo*
- *The Commission's final decisions and orders*

The only items not accessible to the State Auditor's Office were the actual investigative files, containing investigative reports, documents, and interviews.

The Commission will continue following the confidentiality requirements established in Missouri law.

2. Compliance Monitoring

The passage of additional ethics law requirements in 2010 provided the MEC with additional oversight responsibilities and powers. However, according to MEC officials, the commission's ability to utilize the new oversight powers provided by the legislation is limited due to insufficient staff resources.

New legislation

During the 2010 legislative session Senate Bill (SB) 844 was passed enacting several new ethics law requirements for the MEC to oversee and providing additional oversight powers. New provisions include:

- Allows investigations to be initiated by the MEC, without receipt of a formal complaint, after receiving the approval of all six commissioners.

- Prohibits persons from filing for office until the existing candidate committee or any committee where the person served as a treasurer or deputy treasurer pays all previous fees assessed by the MEC. New

provisions prohibit persons from forming a new committee or serving as deputy treasurer of any committee unless all prior campaign finance disclosure reports from prior elections have been filed and previous fees assessed by the MEC have been paid. In addition, prohibitions were added against candidates who have been previously disqualified as a candidate for office in the 1) primary election from being selected by a party nominating committee for the same office in the same primary election or in the corresponding general election, and 2) general election from being selected by a party nominating committee for the same office in the same general election. Finally, a successful candidate is prohibited from taking office until the existing candidate committee or any committee where the person served as a treasurer or deputy treasurer pays related fees assessed by the MEC. All of these new rules must be monitored for compliance.

- Authorizes the MEC to assess late filing fees for campaign finance disclosure reports, including statements of limited activity. In addition, the MEC is now required to send notice of failure to file or timely file campaign finance reports within 7 business days of the failure to file and to send notice to any candidate and the treasurer of the campaign finance committee.

- Requires certain officials or candidates to report contributions greater than $500 received during regular legislative session within 48 hours, subject to the assessment of late fees.

- Prohibits political action committees, previously referred to as continuing committees, from receiving funds from various sources.

The MEC has adopted procedures to fulfill some of the new responsibilities under SB 844. However, according to MEC officials, limited staff resources have not allowed the MEC to fully implement certain requirements of the new law. Based on discussions with the Executive Director, the ability to initiate investigations would require additional staffing.

The ability to take a risk-based approach in initiating investigations can help identify areas of noncompliance in a timely manner. The early identification of noncompliance can help reduce errors and reduce future noncompliance.

Constitutionality of SB 844

The constitutionality of SB 844 is currently in question. The legislation was deemed unconstitutional by the Cole County Circuit Court. The circuit court's ruling has been appealed to the Missouri Supreme Court. As a result, the circuit court's ruling has been stayed until the Missouri Supreme Court decides on the matter.

Limited resources

MEC officials told us the agency's ability to effectively perform its duties was already limited, even before the passage of SB 844, due to the limited resources available.

MEC reporting specialists are currently assigned to perform all review procedures, in addition to other duties such as handling phone calls. This includes review of approximately 1,100 monthly lobbyist reports, 9,000 annual personal financial disclosure reports, and 18,000 campaign finance disclosure reports in election years (about 8,000 reports are received in other years).

During the 2 years ended June 30, 2010, the MEC performed 313 reviews of campaign finance reports, 52 of which resulted in investigations. Pursuant to Section 105.955.14(4), RSMo, it is the duty and responsibility of the MEC to perform reviews and crosschecks of certain filed reports. If potential problems were identified in the reviews or crosschecks, further review was performed by obtaining supporting documentation such as bank documentation. These reviews and crosschecks may not be completed for 6 to 8 months after an election and mistakes and/or non-compliance may not be caught in a timely manner. Over this timeframe, the same mistakes may occur several times without being identified.

While the agency's fiscal year 2012 budget request included a request for seven additional staff positions, five of which related to the implementation of SB 844, only two additional staff positions were approved. Performing expanded reviews on a larger number of reports in a more timely manner would provide more assurance as to the accuracy and completeness of the reporting process and possibly act as a deterrent and prevent inaccurate or fraudulent reporting.

Lobbyist registration fees

According to the National Conference of State Legislatures, Missouri's current lobbyist registration fee of $10 per year is one of the five lowest registration fees in the nation (of states with lobbyist registration fees). The national average registration fee is approximately $100 per year.

Recommendation

The MEC monitor the legal status of, and ensure compliance with, new statutory requirements and use a risk-based approach in the review and investigation processes in an effort to be more proactive and maximize available staffing.

Auditee's Response

The Missouri Ethics Commission provided the following written response:

The Commission will continue working with the Legislature in obtaining required resources, as noted in this audit finding. The Commission will also continue consistently enforcing the law and effectively using resources, including working to conduct risk-based analysis.

3. Transparency Improvements

While the MEC has made significant improvements in the information available to the public, opportunities exist to make additional information available to the public.

The MEC has recently made improvements to the data available electronically via its website, including:

- Search capabilities to indentify candidates and respective candidate committees for specific elections.
- Committee expenditures by candidate reports that show expenditures in support of or opposition to a specific candidate.
- Reports of contributions over $500 made to a General Assembly member or statewide elected official during the regular legislative session.
- Reports of campaign committees that identify ballot measures supported or opposed for a specific election.
- Reports of campaign finance committee contributions over $5,000.
- Search capabilities for final actions of the commission.

We accessed the websites of surrounding states to determine if those states provided additional useful data and/or database search capabilities to website users. Our efforts disclosed the following examples of information the MEC should consider incorporating in its website:

- The MEC website does not currently provide a list of late/non-filers of various reporting forms. The Kansas website provides links to campaigns and lobbyists that failed to file or filed reports containing errors and/or omissions. The Iowa website provides links to listings of committees, individuals, or organizations that failed to file a required report. In addition, the Oklahoma website provides links to candidate, non-candidate, and state lobbyist reports that were not submitted on time for the previous year.
- Search capabilities on the MEC website do not currently allow the user to search lobbyist expenses paid on behalf of his/her principal. A survey of other state websites found seven of the eight states had lobbyist expenditures by principal available. We identified five contiguous states that had the ability to search expenditures by principal.

Incorporating further improvements into the MEC website would provide additional useful information to users of the site and provide more

accountability and transparency in ethics law reporting. In addition, disclosing lists of late/non-filers may also possibly serve as a deterrent and prevent late and/or non-filing.

Recommendation

The MEC consider implementing further website improvements to provide additional useful data and search capabilities to its users.

Auditee's Response

The Missouri Ethics Commission provided the following written response:

The Commission appreciates the State Auditor's report making note of the significant improvements made in information available to the public and other stakeholders. Shortly after the State Auditor's Office completed field work, the Commission released the search capability allowing the user to search lobbyist expenses paid on behalf of his/her principal. The Commission will continue identifying and providing improvements.

Office of Administration
Missouri Ethics Commission
Organization and Statistical Information

The Missouri Ethics Commission (MEC) was created by the Missouri Ethics Law of 1991 (Section 105.955, RSMo). The MEC is charged with enforcement of conflicts of interest and lobbying laws (Sections 105.450-498, RSMo) and campaign finance disclosure laws (Chapter 130, RSMo). The MEC is assigned to the Office of Administration for budgeting purposes only.

The MEC receives and reviews complaints alleging violations of the conflict of interest and lobbying statutes and the campaign finance disclosure statute. After investigation of these complaints, the MEC either dismisses the case when reasonable grounds are not found that a violation occurred, refers the case to the MEC's general counsel in preparation of a hearing (i.e. when reasonable grounds are found that a violation occurred), or refers the case to a prosecuting attorney for violations of criminal law.

The MEC reviews and investigates reports required by the campaign finance disclosure law, the financial interest disclosure laws, and the lobbying registration and reporting laws. The MEC acts as the public repository for such reports. The MEC provides information and assistance to lobbyists, elected and appointed officials, employees of the state and political subdivisions, and the general public.

The MEC is composed of six members, not more than three of whom may be the same political party. These members must be from different congressional districts, and no more than three can be from an odd- or even-numbered congressional district. The governor appoints the members of the MEC with the advice and consent of the Senate. The commission elects a biennial chair. Members of the Missouri Ethics Commission as of June 30, 2010, were:

Commissioners

Name and Title	Term Expires
Jim Wright, Chair	March 15, 2012
James R. Tweedy, Vice Chair	March 15, 2012
Jeffrey B. Davison	March 15, 2012
Dennis Rose	March 15, 2014
Louis J. Leonatti	March 15, 2014
Vernon Dawdy	March 15, 2014

Julie Allen has served as the Executive Director since being appointed by the commission in October 2008. The MEC employs 20 full-time personnel.

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The MEC did not receive any federal stimulus monies for the 2 years ended June 30, 2010.

Appendix A

Office of Administration
Missouri Ethics Commission
Comparative Statement of Receipts
General Revenue Fund

	Year Ended June 30,	
	2010	2009
Lobbyist registration fees	$ 10,640	12,000
Penalties	59,232	61,168
Vendor refunds	300	173
Fees for copying public records	581	370
Other	0	2,610
Total	$ 70,753	76,321

Appendix B

Office of Administration
Missouri Ethics Commission
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2010			2009		
	Appropriation Authority	Expenditures	Lapsed Balances*	Appropriation Authority	Expenditures	Lapsed Balances*
General Revenue Fund						
Personal service	$ 892,672	809,684	82,988	895,672	799,882	95,790
Expense and equipment	303,167	299,234	3,933	318,412	270,175	48,237
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - expense and equipment	91,535	91,310	225	116,183	91,356	24,827
Total General Revenue Fund	$ 1,287,374	1,200,228	87,146	1,330,267	1,161,413	168,854

* The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,	
	2010	2009
General Revenue Fund		
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - expense and equipment	$ 0	23,910
Total General Revenue Fund	$ 0	23,910

Appendix C

Office of Administration
Missouri Ethics Commission
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2010	2009	2008	2007	2006
Salaries and wages	$ 809,683	799,882	781,601	761,816	808,566
Travel, in-state	25,981	34,053	41,539	20,072	32,653
Travel, out-of-state	2,547	5,828	2,061	2,583	1,035
Fuel and utilities	19,098	18,036	19,085	11,833	17,159
Supplies	63,523	42,736	38,925	37,694	25,786
Professional development	8,298	5,030	3,271	4,624	1,736
Communication services and supplies	17,076	25,038	14,543	19,684	27,865
Services:					
Professional	105,122	98,571	114,162	81,831	73,239
Housekeeping and janitorial	10,192	10,508	6,958	6,009	6,566
Maintenance and repair	45,301	9,963	6,623	55,973	14,650
Equipment:					
Computer	16,386	26,933	19,575	46,150	5,275
Office	10,309	20,095	924	11,989	3,416
Other	947	513	0	0	0
Real property rentals and leases	63,787	63,264	62,130	63,579	59,787
Equipment rental and leases	168	0	0	0	961
Miscellaneous expenses	1,690	694	1,029	4,753	3,007
Refunds	120	269	92	120	84
Total Expenditures	$ 1,200,228	1,161,413	1,112,518	1,128,710	1,081,785

THOMAS A. SCHWEICH
Missouri State Auditor

August 19, 2011

Honorable Jeremiah W. (Jay) Nixon
Governor
State Capitol
Jefferson City, Missouri

Dear Governor Nixon:

As you know, the extraordinary events and damage associated with the Joplin tornado, other storms, and the flooding on the both the Missouri and Mississippi rivers have created a significant financial obligation on our state. While I firmly agree with your position that communities and citizens affected by these disasters should receive state and federal assistance needed for a comprehensive and rapid recovery, I also want to ensure necessary resources are provided in a transparent and lawful manner.

This letter, in fulfillment of our duties under Chapter 29, RSMo, communicates the results of our comprehensive review of your actions to withhold state fiscal year (FY) 2012 appropriated expenditures. The objectives of our review were to determine whether:

1. The amount withheld from FY 2012 appropriated expenditures was accurately calculated and adequately supported.

2 The methods used to make the withholdings were in compliance with applicable legal provisions.

3. The budgetary process, as it relates to withholdings, is in need of improvement.

Our review has determined that my office cannot audit the accuracy of amounts withheld because your office prepared no calculation. Additionally, the reason provided for the withholdings does not appear to meet constitutional provisions. We are aware of no constitutional or statutory authority to withhold from appropriated expenditures based on state obligations that were unanticipated at the time the budget was passed by the General Assembly. To the contrary, the relevant constitutional provision allowing withholdings deals only with shortfalls of revenue, not increased costs. In addition, budgetary and related withholding processes need to be re-evaluated and/or state law revised.

Applicable Legal Provisions

Article IV, Section 24, Missouri Constitution, requires the Governor to submit to the General Assembly, within 30 days of it convening, a budget that contains the estimated available revenues and a complete and itemized plan of proposed expenditures of the state, with any recommendations of laws necessary to provide sufficient revenues to meet expenditures.

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

Article IV, Section 27, Missouri Constitution, grants the Governor the power to reduce the expenditures below appropriated amounts (withhold) when actual revenues are less than the revenue estimates upon which the appropriations were based. Article IV, Section 27(a), Missouri Constitution, also establishes the Budget Reserve Fund (commonly referred to the Rainy Day Fund). The Governor may request the General Assembly to appropriate emergency funds from this fund with certain restrictions, if there is a budget need due to a disaster. In addition, Article IV, Section 28, and Article III, Section 36, Missouri Constitution, allow monies in the state treasury to be spent only if appropriated.

Recent Disasters

Prior to the beginning of FY 2012, citizens and communities in the state suffered significant disasters. In April and May, flooding occurred in the southeastern section of the state along the Mississippi River, on May 22 a massive tornado destroyed a significant portion of Joplin, and beginning in June flooding occurred in the northwestern section of the state along the Missouri River. On June 10, 2011, you directed the Office of Administration (OA) to withhold over $172 million, approximately $57 million from the state General Fund (to be used for disaster recovery) and $115 million from FY 2012 appropriated expenditures of other funds. On July 1, 2011, based on your instructions, the OA committed an additional $100 million for disaster aid to be paid for with the better-than-expected revenues carried forward from FY 2011. You subsequently ordered the release of over $1.2 million of withholdings.

Withholding Procedures and Methodology

According to the state Budget Director, assumptions/predictions from the following categories are considered when determining withholdings: 1) actual and estimated revenues, 2) state spending obligations, 3) approved legislation which involves revenues/costs not considered in the current budget, and 4) legislation which involves revenues/costs considered in the budget but not approved. Obligations are items, with and without appropriations, which involve the state's share of expenses/costs, and may involve items difficult to estimate/predict such as natural disaster expenditures. Obligation/spending issues may be handled in several ways, including using an estimated (E) appropriation, supplemental budgets, withholdings, or a combination of these items. An example of an item approved by the General Assembly but not considered in FY 2012 appropriations is the legislation which approved the gradual repeal of the franchise tax. An example of an item not approved by the General Assembly, but included in the FY 2012 available revenue amount, is the tax amnesty program estimated to generate approximately $34 million.

According to the Budget Director, the OA does not prepare a formal documented withholding calculation, and does not use a formula to establish withholding amounts. Instead the Governor's office and the Budget Director negotiate withholding amounts and the amount is ultimately based on what the Governor believes is necessary. Each month the OA tracks and evaluates the actual revenues and predictions for future revenues to determine if revenue estimates are on target for the year. The OA also evaluates gaming and lottery revenues monthly because these monies affect the appropriations for education. Withholdings may also be necessary due to the amount of actual expenditures from E appropriations and supplemental budgets, according to the Budget Director. The Governor and General Assembly use E appropriations in the budgetary process. A $1 E appropriation is typically used for expenditures that cannot be readily estimated such as disasters or costs of the National Guard when ordered by the Governor to respond to emergency situations. Disaster recovery costs often are partially funded by federal monies; however, the federal participation rate is often unknown until weeks after the disaster occurred.

Since the early 1990s, the state has used a consensus revenue estimate (CRE) to estimate General Fund revenues. The CRE is an amount agreed upon by the Governor and the General Assembly, based on

recommendations prepared by the state Budget Director and the Directors of the House Appropriations and Senate Appropriations Committee Staff. The CRE comprises a significant portion of the resources available from the General Fund for appropriations by the General Assembly. A meeting is held in December each year to agree upon a CRE for the next fiscal year's budget and to revise the CRE for the current fiscal year.

State Auditor Methodology

The methodology to accomplish our objectives included:

1. Interviewing key personnel from the Governor's office, the OA, House Appropriations, and the Senate (including Appropriations Committee staff) regarding the budgetary and withholding process;

2. Reviewing and evaluating certain applicable legal provisions;

3. Reviewing Governor withholdings and related release of withholdings for FY 2012 and FY 2011; and

4. Reviewing the FY 2012 state budget, including the General Revenue summary of the estimated resources and obligations, and the FY 2011 consolidated revenue report which provides the actual revenues by type for the current and prior fiscal years.

Results and Conclusions

Because the OA did not document a calculation of the necessary withholding amount, it was not possible for us to determine whether the amount withheld from fiscal year 2012 appropriated expenditures was accurately calculated.

The method used to make FY 2012 withholdings does not appear to comply with constitutional provisions. When the Governor ordered the withholdings in June 2012, FY 2012 had not begun, and therefore, actual revenues could not have been lower than anticipated FY 2012 revenues. In addition, there is no provision in the Missouri Constitution, that allows the Governor to withhold amounts from appropriated expenditures based on obligations that were unanticipated at the time the budget was passed by the General Assembly. Your actions are troubling because the legislative branch of government was not provided appropriate checks and balances, and could result in the Governor basically rewriting the budget without recourse by the General Assembly. To address withholding issues and the constitutional separation of powers question, on July 22, 2011, several members of the General Assembly requested a legal opinion from the Office of Attorney General. The Attorney General has not yet issued an opinion related to this request.

One option available under state law would be to use the Rainy Day Fund to fund disaster related costs. This would require you to request an emergency appropriation to be approved by two-thirds of the members of the General Assembly. Utilizing the Rainy Day Fund would require both the Governor and General Assembly to make budgetary decisions and provide greater accountability and transparency for decisions related to funding unanticipated obligations needed for disaster recovery efforts.

State law provides little guidance regarding the proper manner and method to determine withholding amounts, whether withholdings must be released should actual revenues subsequently exceed revenue estimates, or how to determine if actual revenue shortfalls occur. During FY 2011, actual revenues were less than the CRE by about $97 million yet withholdings totaled over $301 million, of

which only $17.5 million were ultimately released. Also, withholdings and subsequent release of withholdings may be based on the revised CRE; however, case law provides that a revenue estimate prepared after passage of the budget has no legal significance. Also, determining when actual revenue shortfalls occur is problematic. While actual revenues for a current year cannot be determined until June 30, the current practice of comparing year-to-date revenues to prior years actual amounts and the CRE appears reasonable.

Several mechanisms currently used in the budgetary process are not authorized by state law. Neither, the CRE nor the E appropriations are authorized by state law. The use of the CRE appears to be a reasonable method to estimate revenues for budget purposes. However, the utilization of E appropriations is subject to misuse as the executive branch has no spending limit as long as cash is available in the State Treasury.

Recommendations

As noted above, my office does not question the need for the swift actions taken by you, as Governor, to address the unprecedented disasters faced by the citizens of the state and the state's responsibility for certain costs. However, the method you used to make FY 2012 withholdings does not appear to comply with constitutional provisions, and amounts withheld were not supported by adequate documentation. In addition, I believe you need to work with the legislature to propose legislation to clarify and/or address the following issues:

1. Whether the Governor can withhold due to spending based on obligations resulting from a disaster or emergency, and were unanticipated at the time the budget was passed by the General Assembly.

2. The establishment of well defined and measurable criteria to determine 1) when to initiate withholdings, 2) required documentation to support withholding amounts, and 3) whether and/or when withholding amounts are to be released.

3. Amending state law to provide for the use of the CRE and E appropriations in the budget process.

4 Consideration of a cap for estimated appropriations.

Sincerely,

Thomas A. Schweich
State Auditor

CC: Members of the General Assembly

Thomas A. Schweich

Missouri State Auditor

Grundy County

August 2011

Report No. 2011-42

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Grundy County

Prosecuting Attorney Procedures	Accounting duties are not adequately segregated. One legal assistant performs all duties of receiving, recording, and transmitting monies for bad checks and another legal assistant performs all duties for restitution without supervisory review. Bad check restitution and fees are not transmitted timely. Many money orders on hand during the February 8, 2011, cash count were not restrictively endorsed or did not indicate a payee. A monthly list of liabilities is not prepared and reconciled to the cash balance for the restitution account, and restitution monies are not distributed timely, which deprives victims of the use of their monies. Our two prior audit reports noted conditions similar to those discussed above. Also, the Prosecuting Attorney's office does not timely reconcile bank accounts or properly document outstanding checks. Write-off adjustments are made without supervisory review and are not adequately tracked and documented.
Sheriff Procedures	Accounting duties are not adequately segregated, and sufficient supervisory reviews are not conducted to safeguard assets. A monthly list of liabilities is not prepared and reconciled to the cash balance for the inmate account. When we asked for a list of liabilities for the inmate account, we discovered the liabilities list was $2,463 less than the inmate account balance as of March 8, 2011. This amount is thought to be profits made from selling telephone cards to the inmates, but a complete and accurate list of liabilities should be maintained, and any telephone card profits should be turned over to the County Treasurer in accordance with state law. The segregation of duties issue and turning over monies to the county treasury were noted in our two prior reports.
Ambulance Procedures	Official pre-numbered receipts slips are not issued for all monies received, monies received are not entered into the accounting system in a timely manner, and receipts are not transmitted to the County Treasurer in a timely manner, increasing the risk of loss, theft or misuse. As noted in our prior audit, no written policies on billing, collection and write-off of accounts receivables exist, and invoices are not prepared in a timely manner. As of December 31, 2010, the Ambulance Fund was owed $371,700, and of this amount $279,100 of which was delinquent by more than 29 days.
Fuel Card Procedures	The County Commission does not require the Ambulance and Sheriff departments to provide supporting receipts before it pays the monthly fuel card statements. The County Commission should require adequate documentation and a thorough review and approval before using public funds to pay the fuel card statements.
Capital Assets	The County needs to improve its county property procedures and records. The County should develop procedures to identify capital asset purchases and dispositions, ensure property records contain all necessary information, and require an annual inventory. Our two prior audits noted a similar condition.
Computer Controls	Unique user identifications are not required to log on to the County Clerk's

office computers, employees share passwords, and passwords do not have to be changed periodically, making unauthorized access and/or changes to the system more likely. Backup data is not kept in a secure off-site location, which impairs the County's ability to recover data in the event of a computer failure.

Additional Comments

Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Senate Bill 40 Board received $21,486 under Title V, Section 5001 of the Recovery Act for Medicaid expenditures reported between October 1, 2008 and December 31, 2010.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Grundy County
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Management Advisory Report - State Auditor's Findings

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THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Grundy County

We have audited certain operations of Grundy County in fulfillment of our duties under Section 29.230, RSMo. In addition, Kevin Hudson, Certified Public Accountant, has been engaged to audit the financial statements of Grundy County for the 2 years ended December 31, 2010. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2010. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Grundy County.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Randall Gordon, M.Acct., CPA, CGAP
In-Charge Auditor:	Denise Huddleston, MBA
Audit Staff:	Wayne Kauffman, MBA
	Kenneth Erfurth

1. Prosecuting Attorney Procedures

Procedures related to supervisory review, transmittal of bad check restitution and fees, liabilities, bank reconciliations, outstanding checks, and write-off of receivables are in need of improvement. Prosecuting Attorney receipts totaled approximately $124,200 in 2010 and $128,000 in 2009 for court ordered restitution, bad check restitution, and fees.

1.1 Supervisory review

Accounting duties are not adequately segregated. One legal assistant performs all duties of receiving, recording, and transmitting monies for bad check monies and another legal assistant performs all duties for restitution monies. Because the legal assistants are primarily responsible for all accounting functions, routine and thorough supervisory reviews are essential. The Prosecuting Attorney does not review the monthly report of fees turned over to the County Treasurer or the bad check case files. The Prosecuting Attorney also does not perform detailed reviews of other records, such as comparing transmittal amounts to receipt reports generated from the computer system, or reviews of bank reconciliations.

Thorough supervisory reviews help ensure all transactions are accounted for properly and assets are adequately safeguarded. Such reviews would reduce the possibility of errors, loss, or misuse of funds going undetected. Internal controls would be strengthened by the Prosecuting Attorney reviewing the receipting, recording, and disbursing functions. Documentation is necessary to demonstrate performance of the reviews.

1.2 Transmittals

Bad check restitution and fees are not transmitted in a timely manner. Fees are held for periods longer than a month before being transmitted to the Treasurer. In addition, although only money orders are accepted for payments, the money orders are not restrictively endorsed. Also, the payee is not always indicated on the money order. A cash count performed on February 8, 2011, indicated 29 money orders were for county fees and therefore should be restrictively endorsed and 7 money orders did not indicate a payee.

To adequately account for collections and reduce the risk of loss, theft, or misuse of funds, transmittals should be made on a timely basis. In addition, money orders should be restrictively endorsed immediately upon receipt, and the payee should be indicated on all money orders.

1.3 Liabilities

A monthly list of liabilities is not prepared and reconciled to the cash balance for the restitution account, and restitution monies collected are not distributed on a timely basis. As a result, the account has unidentified monies that have not been properly distributed and victims are deprived of the use of their monies. At our request, the Prosecuting Attorney's office prepared a liabilities list and the account had approximately $606 in unidentified funds at February 15, 2011. We also noted approximately $879 in monies included on the list were not in the Prosecuting Attorney's computer system due to a system crash in 2008, and these transactions had

not been re-entered into the system. The Prosecuting Attorney's office does not disburse monies to a victim until there is at least $10 due to the individual and will also wait until there is $5,000 to $10,000 in the restitution account before disbursing monies to victims. This has led to delays of up to 2 months in disbursing monies to victims.

A complete and accurate list of liabilities should be prepared monthly for the restitution account and reconciled to the book balance to ensure records are in balance and sufficient funds are available for payment of all liabilities. Further, the Prosecuting Attorney should attempt to identify the excess in the account. To expedite the distribution of restitution to victims and to reduce the amount of liabilities, the Prosecuting Attorney's office should consider distributing restitution payments to the victims on a monthly basis. If proper disposition of the unidentified monies cannot be determined, these monies should be disposed of in accordance with state law.

1.4 Bank reconciliations and outstanding checks

Bank reconciliations are not performed timely. Reconciliations for the months of July, August, September, and October, 2010, were not performed until November 10, 2010. In addition, a list of outstanding checks is not retained. While the total outstanding check amount is on the bank reconciliation, the total amount is not supported by a detailed list of outstanding checks. Also, five outstanding checks totaling $434 are not included in the computer system due to a system crash. These checks are old outstanding checks which were written between January 5, 2005, and December 16, 2008.

Complete and timely bank reconciliations are necessary to ensure bank activity and accounting records are in agreement, and to detect and correct errors timely. A detailed list of outstanding checks should be documented to support the amount indicated on the bank reconciliation, and to allow for procedures to routinely follow up on outstanding checks to prevent the accumulation of old outstanding checks and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

1.5 Uncollectible write-offs

Write-offs of receivables are not verified and approved by a person independent of the postings of such transactions to ensure they are legitimate. Write-offs are adjustments that may be necessary when a person has been released from probation and a court order states the remaining restitution does not have to be paid or when an individual cannot be located to collect payment for a bad check. Currently, the two legal assistants in the Prosecuting Attorney's office can make adjustments without an independent secondary approval or review. In addition, the Prosecuting Attorney's office was unable to provide a report of all adjustments during the audit period.

Proper authorization and adequate documentation, which fully explains the reason for the adjustments to customer accounts, are necessary to ensure

only the proper accounts and amounts are adjusted and to reduce the risk of loss, theft, or misuse of funds.

Similar conditions previously reported

Similar conditions to sections 1.1, 1.2, and 1.3 were noted in our two prior audit reports.

Recommendations

The Prosecuting Attorney:

1.1 Perform and document supervisory reviews of the receipting, recording, and disbursing functions.

1.2 Transmit bad check restitution and fees in a timely manner, restrictively endorse money orders upon receipt, and ensure the payee is indicated on all money orders.

1.3 Require a complete and accurate list of liabilities for the Restitution Account be prepared and reconciled to the book balance monthly, and ensure restitution payments to victims are distributed on a timely basis. In addition, an attempt should be made to investigate unidentified monies, and any monies remaining unidentified should be disbursed in accordance with state law.

1.4 Ensure bank reconciliations are performed timely and include a list of all outstanding checks. In addition, the Prosecuting Attorney should establish routine procedures to investigate outstanding checks.

1.5 Ensure a list of all adjustments is maintained, and an independent review and approval of all adjustments is performed and documented.

Auditee's Response

The Prosecuting Attorney provided the following responses:

1.1 We will start reviewing the bank reconciliations, the checks written, records pertaining to bad checks restitution received that are transmitted to the vendor, and transmittals made to the County Treasurer.

1.2 We will start transmitting bad check fees and bad checks and restitution monies to the vendors at least monthly. We have ordered endorsement stamps to endorse money orders when received. We are asking the remitter to fill in the payee name if not indicated or are filling in the payee name if the money order is received in the mail.

1.3 We agree. We will work on implementing these recommendations.

1.4 We are generating an outstanding checks list monthly and all checks are included. We are working on reviewing old outstanding checks and will handle accordingly.

1.5 We will print out a report for the file indicating why an adjustment is being made and the Prosecuting Attorney will review this report.

2. Sheriff Procedures

Procedures related to supervisory review, liabilities, and telephone profits are in need of improvement. Receipts totaled approximately $104,000 in both 2010 and 2009 for permits, fees, and bonds. Receipts totaled approximately $24,000 in both 2010 and 2009 for commissary items related to the inmate account.

2.1 Supervisory review

Accounting duties are not adequately segregated. One bookkeeper is responsible for receipting, recording, and depositing monies received; preparing and signing checks; and preparing month-end reports and reconciliations for the fee account. The other bookkeeper is responsible for all of these accounting duties for the inmate account. The Sheriff's review of the bank statement is documented by signing his initials on the bank statement. However, his review is limited to the bank statements and does not include other supporting documentation.

Thorough supervisory reviews help ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be strengthened by the Sheriff expanding his supervisory reviews to include the receipting and recording functions, and improving his review of the disbursement function. Documentation is necessary to demonstrate performance of the reviews.

2.2 Liabilities

A monthly list of liabilities is not prepared and reconciled to the cash balance for the inmate account. The liabilities are the account balances of each inmate and the profits from the sale of telephone cards. At our request, the Sheriff's department prepared a liabilities list. The liabilities list was $2,463 less than the inmate account balance at March 8, 2011. The Sheriff indicated this difference is profits from the sale of telephone cards to the inmates. A complete and accurate list of liabilities should be prepared monthly and reconciled to the book balance to ensure records are in balance and sufficient funds are available for payment of all liabilities.

2.3 Telephone profits

The Sheriff maintains telephone card profits from the inmate account outside the county treasury. Approximately $4,700 in telephone card profits were received from November 2008 through 2010. Profits were initially turned over to the County Treasurer; however, beginning in December 2009 they were kept by the Sheriff in the inmate account. From December 2009

through December 2010, approximately $1,700 in disbursements for items such as coffee pots and television mounts for inmate use were made from telephone card profits without approval of the County Commission.

Maintaining these funds outside the county treasury circumvents the appropriation process and the checks and balances system in place for other county funds. In addition, there is no statutory authority for the Sheriff to maintain such accounts outside the county treasury. Monies collected by the Sheriff's department should be distributed to the appropriate parties monthly and operating disbursements should be authorized by the Sheriff and made through the County Commission's normal disbursement process. Attorney General's Opinion No. 45, 1992 to Henderson, states ". . . sheriffs are not authorized to maintain a bank account for law enforcement purposes separate from the county treasury."

Similar conditions previously reported

Similar conditions to sections 2.1 and 2.3 were noted in our two prior audit reports.

Recommendations

The Sheriff:

2.1 Expand supervisory reviews to include periodic documented reviews of the receipting and recording functions, and improve the review of the disbursement function.

2.2 Require a complete and accurate list of liabilities for the Inmate Account be prepared and reconciled to the book balance monthly.

2.3 Turn over all telephone profits from the commissary to the county treasury.

Auditee's Response

The Sheriff provided the following responses:

2.1 We will attempt to review in more detail by reviewing the receipting and the disbursement records. We will work on determining some ideas to provide some supervision on the records.

2.2 We will start preparing a monthly list of liabilities and reconcile this listing to the book balance monthly.

2.3 We will turn profits over to the county treasury more frequently. However, we do want to keep some monies in the account in order to pay the commissary and the telephone card vendors.

3. Ambulance Procedures

Procedures related to the receipting of monies and billings are in need of improvement. In addition, there is no written policy for the billing, collection, and write-off of accounts receivable. Ambulance Fund receipts totaled approximately $953,000 in 2010, and $947,000 in 2009. Of these receipts, approximately $494,000 was received each year for ambulance services.

3.1 Receipts

Official prenumbered receipt slips are not issued for all monies received. Receipt slips are only issued when cash is received. Also, monies received are not entered into the ambulance accounting system in a timely manner. The Billing Director enters receipts in batches rather than when monies are received. In one instance, we noted receipts entered on December 14, 2010, were for a week of monies received and included 70 receipts. In addition, receipts are not transmitted to the County Treasurer in a timely manner. Transmittals are made to the County Treasurer on a weekly basis unless receipts are more than $5,000.

To adequately account for collections and reduce the risk of loss, theft, or misuse of funds, official prenumbered receipt slips should be issued for all monies immediately upon receipt. In addition, receipts should be entered in the accounting system and transmitted to the County Treasurer in a timely manner.

3.2 Billings/accounts receivables

Billings are not prepared in a timely manner. One accounting clerk prepares the invoices, and invoices are prepared as time allows. We noted two instances where it took more than 35 days to prepare an invoice after the date of the service. In addition, there are no written policies on the billing, collection, and write-off of accounts receivables. As of December 31, 2010, the accounts receivable balance was approximately $371,700, and approximately $279,100 was delinquent by more than 29 days.

Billings should be prepared timely to ensure timely collection of amounts owed. Written policies related to billing, collection, and write-off of accounts receivable are necessary to ensure consistency and to establish adequate internal controls over accounts receivable.

A similar condition was noted in our prior audit report.

Recommendations

The Ambulance Director:

3.1 Require official prenumbered receipt slips be issued for all monies received, enter receipts in the accounting system when received, and transmit receipts to the County Treasurer more timely.

3.2 Ensure patients are billed in a timely manner, and develop written policies for the billing, collection, and write-off of accounts receivable.

Auditee's Response

The Ambulance Director provided the following responses:

3.1 We will write a receipt slip for all monies received, enter receipts more often, and transmit receipts to the County Treasurer more timely. This will depend on how much we have and we will not have as much on hand since Medicare payment procedures have changed. Beginning in 2011, Medicare payments are directly deposited into a bank account so we will not have as much monies on hand as we used to in the past. Medicare is the majority of the payments received. We will review our processes based on this change.

3.2 We will work on entering billings more timely. We are looking at using a billing company to handle Medicaid/Medicare billings and it may also handle the payments. This will also address the write-off issues. If we do not do this, we are looking at making changes to free up some more time for the accounting clerk so that she is not handling as many responsibilities.

4. Fuel Card Procedures

The County Commission pays fuel card statements of the Ambulance and Sheriff departments without supporting documentation for charges and proper review and approval by department heads and county officials. Total payments for these fuel cards were approximately $38,000 in 2010 and $30,700 in 2009. The County Clerk receives monthly fuel card statements from the vendors; however, supporting documentation is not obtained from the Ambulance Department and the Sheriff. A copy of the statement is provided to the Ambulance Department and the Sheriff; however, they do not provide the receipts to support the statement or review and approve the fuel statements.

To ensure the validity and propriety of disbursements and compliance with statutory provisions, adequate supporting documentation should be obtained for each charge and statement reviews should be performed by all county officials who make fuel card purchases.

Recommendation

The County Commission require a thorough review and approval of all fuel card statements prior to approving payment and ensure adequate supporting documentation is maintained.

Auditee's Response

The County Commission provided the following response:

We will request that the Sheriff and the Ambulance Director provide verification of their review of the fuel purchases to ensure that all bills have proper supporting documentation.

5. Capital Assets

Procedures and records to account for county property are not adequate. The county has no procedure in place to identify capital asset purchases and dispositions throughout the year. Records lack some necessary information such as purchase date and acquisition cost. In addition, annual inventories are not performed in all offices. The County Clerk requests that each office submit an inventory list; however, she does not follow up with the offices that do not submit a list. In 2010, the County Collector-Treasurer, Sheriff, Prosecuting Attorney, and Recorder did not submit inventory lists.

Adequate capital asset records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Procedures to track capital asset purchases and dispositions throughout the year and compare to physical inventory results would enhance the county's ability to account for capital assets and potentially identify unrecorded additions and dispositions, identify obsolete assets, and deter and detect theft of assets. Section 49.093, RSMo, provides that the officer or their designee of each county department is responsible for performing annual inspections and inventories of county property used by their department and for submitting an inventory report to the County Clerk.

A similar condition was noted in our two prior audit reports.

Recommendation

The County Commission and the County Clerk work with other county officials to ensure complete and accurate inventory records are maintained and annual physical inventories are conducted, and implement procedures for tracking capital asset purchases and dispositions throughout the year.

Auditee's Response

The County Commission provided the following response:

We will contact the elected officials and department heads and reinforce that they need to submit the capital assets records to the County Clerk to help maintain adequate capital asset records. We will work on improving our records.

6. Computer Controls

Controls over computer systems are not sufficient to prevent unauthorized access or to restore key systems in the event of a disaster or systems failure.

6.1 User IDs and passwords

Unique user identifications are not required to log on to computers in the County Clerk's office and passwords are shared among employees in the

County Clerk's, County Collector's, and Prosecuting Attorney's offices. In addition, passwords are not required to be periodically changed and are not deleted after a computer user's termination.

The lack of an effective system of user identification and passwords may allow unauthorized access and/or changes to the system. To establish individual responsibility, as well as help preserve the integrity of computer programs and data files, access to information should be limited to authorized individuals. To control access, a unique user identification and password should be assigned to each user of a system. These passwords should be kept confidential and changed periodically to help limit unauthorized access to computer files.

6.2 Backup data

Backup data is not stored at a secure off-site location. In addition, backup data is not always tested to help prevent loss of information and ensure all essential county information and computer systems can be recovered following a disaster or computer failure. While backups are automatically prepared nightly in the County Clerk's office, the backups are not tested and the backups are not stored at an off-site location. Although the Prosecuting Attorney's office has already experienced computer failure and was not able to recover data from the accounting software because there was no backup, the Prosecuting Attorney's office still does not prepare backup files on a regular basis.

Failure to store computer backup data at a secure off-site location results in the backup data being susceptible to the same damage as the data on the computer. Preparation of backup data, preferably on a daily or at least weekly basis, periodic testing to ensure it is adequate, and off-site storage would provide increased assurance county data could be recreated if necessary.

Recommendations

The County Commission:

6.1 Work with county officials to require unique user identifications and passwords for all employees. In addition, user identifications and passwords should be deleted after a computer user's termination.

6.2 Work with county officials to ensure backup data is prepared for all county data, stored in a secure off-site location, and tested on a regular, predefined basis.

Auditee's Response

The County Commission provided the following responses:

6.1 We have already implemented this as we have made changes for user identifications and passwords. This process will also help

when a computer user terminates and we will ensure they are removed from access.

6.2 We are working on figuring out how best to do this and we plan on having this done by the end of the year. We will also work with county officials to ensure they are backing up properly.

The Prosecuting Attorney provided the following response:

6.2 We will work on obtaining an affordable backup system.

Grundy County
Organization and Statistical Information

Grundy County is a township-organized, third-class county. The county seat is Trenton.

Grundy County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. The townships maintain county roads. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 42 full-time employees and 21 part-time employees on December 31, 2010.

In addition, county operations include the Ambulance Department, the Senate Bill 40 Board, and the Senior Citizens' Services Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2011	2010
Rick Hull, Presiding Commissioner	$	27,080
Gene Wyant, Associate Commissioner		25,080
Joe Brinser, Associate Commissioner		25,080
Charlene Arnold, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Kristi Urich, County Clerk		38,000
Jason Spillman, Prosecuting Attorney		45,000
Rodney Herring, Sheriff		42,000
Tom Eads, County Coroner		11,000
Joyce Tuttle, Public Administrator		38,000
Colleen Williams, County Collector-Treasurer year ended February 28,	38,000	
Don Stotts, County Assessor, year ended August 31,		38,000

(1) Compensation is paid by the state.

Financing Arrangements

In December 2006, Certificates of Participation (COPS) totaling $4,995,000 were issued by First Bank of Missouri on behalf of the county and the proceeds of those certificates were used to construct a new Law Enforcement Center. The COPS are scheduled to be paid off in 2030. The remaining principal and interest due at December 31, 2010, was $4,600,000 and $2,594,822, respectively. A one-half cent capital improvement sales tax

was approved by the voters to provide funding for these obligations, and this sales tax expires in 2030.

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

For the years ended December 31, 2010 and 2009, the Senate Bill 40 Board received $21,486 under Title V, Section 5001 of the Recovery Act which provided additional federal funding through the Medicaid Federal Medical Assistance Percentage grant. The grant was awarded by the Missouri Department of Mental Health. The payments were made for Medicaid expenditures reported between October 1, 2008, and December 31, 2010.

Thomas A. Schweich

Missouri State Auditor

Marion County

August 2011

Report No. 2011-41

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Marion County

Financial Condition	The General Revenue Fund and the Special Road and Bridge Fund are in weak financial condition and not expected to improve during calendar year 2011. Disbursements have generally exceeded receipts for several years. In addition, due to errors in sales tax reduction calculations and voluntary property tax reductions taken, the county is limited in its ability to levy a general property levy. The County Commission needs to address the situation to avoid the reduction or loss of some county services.
Budgetary Practices	County budgets are not adequately monitored. Although quarterly reports comparing actual to budgeted receipts and disbursements are reviewed, actual disbursements exceeded budgeted disbursements for several funds.
County Sales Tax	The county did not reduce property taxes enough to meet the required 50 percent rollback. Marion County enacted a one-half cent sales tax with a provision to reduce property taxes by 50 percent of the sales tax collected, but the former County Clerk did not properly ensure the rollback was sufficient. We noted a similar condition in our prior audit report.
Sheriff Controls and Procedures	The Sheriff department's petty cash fund is not maintained at a constant amount, leaving it susceptible to misuse. In addition, the petty cash fund is used to reimburse employees for travel meals, but the amounts are not reported on form W-2 as required by the IRS. Procedures for approving and monitoring disbursements of the Law Enforcement Restitution Fund (LERF) need to be improved and may not be in compliance with state law. The LERF Board approves its budget but does not review and approve specific disbursements, and actual disbursements have consistently exceeded amounts budgeted.
Commissary Controls and Procedures	The Sheriff department needs to improve its reconciliation procedures for the Commissary Account to reduce the risk of errors and misuse. The Sheriff needs to determine the amount of profit, if any, in the account and turn it over to the County Treasurer as required by state law. The Sheriff department does not deposit some receipts, and commissary receipt slips are used for other types of receipts not deposited into the Commissary Account.
Payroll Procedures	Salaried county employees do not prepare and submit timecards, and leave is not granted in accordance with county policy. A similar condition was noted in our prior audit. The Marion County Board of Services for the Developmentally Disabled/Senate Bill 40 Board awarded its Executive Director a one-time bonus of $2,500, in violation of the Missouri Constitution.
County Property	The county is not maintaining up-to-date property records or conducting physical inventories, as also noted in our prior audit report. State law requires counties to account for personal property costing $1,000 or more.

Prosecuting Attorney Controls and Procedures	As noted in our two prior audit reports, the Prosecuting Attorney's office does not adequately account for the receipt and disposition of bad checks, which increases the risk of loss or misuse. The Prosecuting Attorney's office should assign a sequential number to each bad check complaint received that can be used to track the outcome of each matter.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	Marion County did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Marion County
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Management Advisory Report - State Auditor's Findings

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THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Marion County

We have audited certain operations of Marion County in fulfillment of our duties under Section 29.230, RSMo. In addition, Nichols, Stopp & VanHoy, Certified Public Accountants, has been engaged to audit the financial statements of Marion County for the 2 years ended December 31, 2010. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2010. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices. The accompanying Management Advisory Report presents our findings arising from our audit of Marion County.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
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1. Financial Condition

The financial condition of the General Revenue Fund and the Special Road and Bridge Fund is weak and not expected to improve during the year ended December 31, 2011, which could put citizens at risk of reduction or loss of some county services. The following tables reflect the actual receipts, disbursements, and cash balances of the General Revenue and Special Road and Bridge Funds for the years ended December 31, 2010, 2009, and 2008, along with anticipated amounts for 2011, according to the approved county budgets.

General Revenue Fund		2011 Budgeted	2010 Actual	2009 Actual	2008 Actual
Beginning Balance, January 1	$	80,513	327,780	235,574	635,904
Receipts		4,846,781	4,592,375	4,813,556	4,845,858
Disbursements		4,923,223	4,839,642	4,721,350	5,246,188
Ending Balance, December 31	$	4,071	80,513	327,780	235,574

Special Road and Bridge Fund		2011 Budgeted	2010 Actual	2009 Actual	2008 Actual
Beginning Balance, January 1	$	54,781	68,145	135,341	222,418
Receipts		1,975,235	1,880,559	1,893,688	2,117,026
Disbursements		2,023,904	1,893,923	1,960,884	2,204,103
Ending Balance, December 31	$	6,112	54,781	68,145	135,341

General Revenue Fund and Special Road and Bridge Fund disbursements have generally exceeded receipts and are projected to again exceed receipts during 2011. Additionally, receipts have consistently decreased and are projected to only slightly increase in 2011.

In addition, the county has not sufficiently reduced property taxes by approximately $2.5 million to offset the sales tax rollback requirement (see MAR finding number 3). The county also took a 15 cent voluntary property tax rollback in 2008, which automatically lowered the property tax rate ceiling in 2009. The district again took the voluntary property tax reduction in 2009 and 2010, thereby reducing the tax rate by a total of 30 cents. In addition, by taking the voluntary reduction again in 2010, the property tax rate ceiling is now reduced by a total 30 cents. As a result of these reductions and the various errors, the county might be unable to levy a general tax for 2011, which could significantly affect its financial condition.

It is essential the County Commission address the situation both in the immediate and long-term future. To improve the financial condition of the county, the County Commission should reduce spending as much as possible, evaluate controls and management practices to ensure effective use of county resources, attempt to maximize all sources of revenue, and closely monitor county budgets.

Recommendation

The County Commission closely monitor the county's financial condition and take the necessary steps to improve the financial condition of the General Revenue Fund and the Special Road and Bridge Fund. The County Commission should also perform long-term planning and ensure receipts are maximized and disbursements are closely monitored.

Auditee's Response

The County Commission provided the following response:

A significant portion of this is due to the economic environment. We have and will continue to closely monitor the county's financial condition.

2. Budgetary Practices

County budgets are not adequately monitored. As a result, actual disbursements exceeded amounts budgeted for several county funds under the control of the Sheriff, County Collector, Recorder of Deeds, and Prosecuting Attorney. Although quarterly reports comparing budgeted and actual receipts and disbursements are reviewed by each county official, budgeted disbursements were still exceeded.

Budget documents are an essential tool for the efficient management of county finances. Adequate budget monitoring allows the county to properly react and plan for increased disbursements and deceased revenues.

A similar condition was noted in our prior report.

Recommendation

County officials should adequately monitor budgets to ensure budgeted disbursements are not exceeded.

Auditee's Response

The Sheriff provided the following response:

I agree with this recommendation and will monitor the budgets more closely.

The Collector provided the following response:

I monitor the budget and do everything within my power to ensure the Collector's Tax Maintenance Fund is not overspent. We had equipment failures and had to replace equipment, which I did with funds from the Collector's Tax Maintenance Fund. I had no way of knowing the equipment was going to fail and therefore could not budget for the need of the new equipment. There were funds in the Collector's Tax Maintenance Fund to cover the expenses of the equipment and the purchases did not affect the General Revenue Fund. I will attempt to budget funds for emergency situations in the future and will continue to monitor the budget.

The Recorder provided the following response:

I monitor the budget and do everything within my power to ensure the Recorder's Technology Fund is not overspent. We had computer failures and had to replace these computers, which I did with funds from the Recorder's Technology Fund. I had no way of knowing the equipment was going to fail and therefore could not budget for the need of two new computers. There were funds in the Recorder's Technology Fund to cover the expenses of the two computers and the expenditure did not affect the General Revenue Fund. I will attempt to budget funds for emergency situations and will continue to monitor the budget.

The Prosecuting Attorney provided the following written response:

While some expenditures have exceeded the budgeted amounts, the expenditures were made because the Fund had accumulated more funds than were anticipated. The Fund was never "over-drawn." Every expenditure was made, with the approval of the County Treasurer's Office and the County Commission, pursuant to statue for benefit of the prosecution of crime in Marion County.

3. County Sales Tax

The county has not established procedures to monitor or assess the results of actual property tax reductions for sales tax collections. In addition, errors were made in the sales tax reduction calculation. As a result, property tax reductions were not sufficient to offset sales taxes received by a total of approximately $2.5 million for the years 2003 through 2010.

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. Marion County voters enacted a one-half cent sales tax with a provision to reduce property taxes by 50 percent of sales taxes collected. The county is required to estimate the annual property tax levy to meet a 50 percent reduction requirement, and certify to the State Auditor's office the annual property tax levy including the amount the levy is required to be reduced for sales tax collections, as well as any voluntary reductions. For 2007 through 2010, the county certified the sales tax reduction and voluntary reductions as follows:

	2010	2009	2008	2007
Sales tax reduction $	.0336	.0211	.1798	.2450
Voluntary reduction	.1500	.1500	.1553	.0897
Actual tax levy	.1153	.0950	.0950	.1138

The former County Clerk mistakenly utilized the calculated tax rate as the sales tax reduction in 2010 and 2009. In addition, he did not fully compare the estimated reduction amounts to actual amounts to ensure the sales tax reduction complied with state law. Without this calculation, the county

cannot consider excess property tax collections from prior years when computing the required reduction for the current year.

As noted in our prior report, the former County Clerk believed the voluntary reduction should also be considered in calculating actual excess and would offset any excess; however, these amounts were clearly designated as voluntary reductions, not sales tax reductions. Also as noted in the prior report, the September 2006 commission meeting minutes indicated the county had voluntarily reduced the General Revenue tax levy to offset the 15 cent levy for the Health Department per the "gentlemen's agreement" when voters passed the separate levy for the Health Department. If the county considers the voluntary reduction to be part of the sales tax reduction calculation, it should certify it as sales tax reduction to the State Auditor's office to clearly show compliance with state law.

Also, it is unclear if sales tax monies distributed to the city Tax Increment Financing (TIF) District should have been considered in the calculation, thus it was not included in the sales tax reduction calculation. The county distributed sales taxes of approximately $112,900, $85,600, $82,200, and $88,600 from the General Revenue Fund to the city TIF district during the years ended December 31, 2010, 2009, 2008, and 2007, respectively.

The county should review the classification of past designations of sales tax and voluntary reductions and ensure future property tax certifications properly reflect the purpose of property tax reductions. In addition, the County Clerk should ensure the proper amounts are utilized as the reductions when setting the tax rates for the year.

A similar condition was noted in our prior report.

Recommendation

The County properly distinguish between sales tax and voluntary reductions on certified property tax forms and assess the results of the actual property tax reductions to clearly show compliance with state law. In addition, the county should consult the Prosecuting Attorney to determine the effect of sales tax distributions to TIF districts on the property tax reduction calculations.

Auditee's Response

The County Commission and County Clerk provided the following written response:

The County agrees with the Auditor's finding and will distinguish between sales tax reduction and voluntary reductions on certified tax forms. The County agrees to assess the results of the actual sales tax rollbacks to show compliance on future calculations. The County assumed that since it had received a Certification Letter from the Auditor's Office each year that showed that the County was in compliance with Missouri Law, that the

Auditor's office was recalculating the rate to verify it was correct at that time. The County will consult with the Prosecuting Attorney to determine the effect of sales tax distribution to the Walmart TIF district on the calculations.

Auditor's Comment

The State Auditor's office annually certifies tax rates for compliance with Section 137.073, RSMo, which establishes the tax rate ceiling. This certification does not include a review and certification of compliance with Section 67.505, RSMo, which requires property tax reductions for sales tax receipts.

4. Sheriff Controls and Procedures

Sheriff department procedures related to petty cash are in need of improvement. In addition, approval procedures for disbursements from the Law Enforcement Restitution Fund do not appear to comply with state law.

4.1 Petty cash

The Sheriff's department uses a petty cash fund to pay for miscellaneous services, to pay inmates their monies when they have less than $2 in their commissary account when released from jail, and to reimburse employees for lunch and fuel when required to travel out of their official domicile for training purposes. During our review of the Sheriff's department petty cash fund, we noted:

- The petty cash fund is not maintained at a constant amount or on an imprest basis which leaves the petty cash fund more susceptible to abuse or mishandling. The Sheriff indicated the petty cash fund ranges from $400 to $600 and is replenished by requesting a flat amount from the County Treasurer. During the years ended December 31, 2010 and 2009, the Sheriff's department received approximately $2,500 and $1,800, respectively, in petty cash from the Treasurer.

  To reduce the risk of misuse, the petty cash fund should be maintained on an imprest basis. Also, on a periodic basis, cash on hand should be counted and reconciled to the balance per the petty cash ledger by an independent person to ensure funds are accounted for properly.

- The Sheriff provides employees with cash advances from the petty cash fund for meals when they travel out of their official domicile for official county business and for fuel if employees are required to use their personal vehicle. The Sheriff indicated the employees do not have to be in a 12-hour travel status to be provided cash for meals. The funds provided to employees are not reflected on the employees' form W-2 nor are the employees required to account for the funds. The Sheriff indicated approximately $1,600 annually was paid to employees during the 2 years ended December 31, 2010 and 2009.

According to Internal Revenue Service (IRS) Publication 463, *Travel, Entertainment, Gift, and Car Expenses*, the cost of business meals that does not involve overnight travel or travel long enough for the employees to stop for sleep or rest to properly perform their duties is a personal expense and, therefore, is not deductible as a business expense. Also, if employers reimburse employees for these business meals, federal regulations require employers to report the amount reimbursed as taxable income to the employee. In addition, any funds that are provided to an employee for fuel, which are not an actual expense accrued by the employee, are also not deductible as a business expense.

- The petty cash fund is not reimbursed from the Commissary Account for monies disbursed to inmates upon release. The Sheriff refunds the balance of each inmate's account to inmates upon release. When the inmate's balance is less than $2, the inmate is paid from the petty cash fund instead of issuing a check from the Commissary Account to avoid issuing so many small checks which are often never cashed. To properly account for inmate monies, disbursements to inmates from the petty cash fund should be reimbursed from the Commissary Account.

4.2 Law Enforcement Restitution Fund

Procedures for approving and monitoring disbursements of the Law Enforcement Restitution Fund (LERF) are in need of improvement and do not appear to be in full compliance with state law. As a result, disbursements exceeded the budget by approximately $29,300 in 2010 and $50,600 in 2009. Approximately $79,300 and $100,600 were disbursed from the fund during the years ended December 31, 2010 and 2009, respectively.

The LERF Board approves the fund's budget, which outlines the general disbursements (i.e., matching funds for a state law enforcement grant, continuation of the crime victim advocate, etc.) from the fund, at the beginning of the year; however, the LERF Board does not review and approve each specific disbursement from the fund. In addition, it appears neither the Sheriff nor the Prosecuting Attorney closely monitor the actual disbursements from the fund, resulting in the budget being over expended on a consistent basis (see MAR finding number 2).

Section 50.565.2, RSMo, provides that money from the LERF shall only be expended upon the approval of a majority of the members of the LERF Board of Trustees.

Recommendations

The Sheriff:

4.1 Ensure the petty cash fund is maintained on an imprest basis, discontinue the practice of providing employees cash advances for traveling purposes from the petty cash fund, and ensure the petty

cash fund is reimbursed from the Commissary Account for monies disbursed to inmates. Furthermore, the Sheriff should develop a travel policy that is in compliance with IRS regulations.

4.2 Work with the Prosecuting Attorney and the LERF Board to establish procedures to require the LERF Board to review and approve each disbursement from the fund.

Auditee's Response

The Sheriff provided the following responses:

4.1 I will maintain the petty cash fund on an imprest basis and discontinue the practice of providing petty cash to employees for fuel. I will not discontinue the practice of providing petty cash to employees for meals when they are required to travel away from the county for official business.

4.2 We met with the LERF Board regarding the additional expenditure; however, the approval might have been prior to the year the monies were spent. I will discuss this situation with the Prosecuting Attorney.

The Prosecuting Attorney provided the following written response:

4.2 The Prosecutor agrees to consider the suggestions of the Auditor concerning working with the Sheriff to more closely monitor the timing of expenditures from the Fund. The Marion County Prosecutor does not agree that the Law Enforcement Restitution Board has failed to approve the expenditures of the Fund pursuant to Missouri Statue 50.565.2. An annual budget is approved by the Board, and no expenditures have been made that were not previously approved by the Board. Admittedly, some expenditures, approved by the Board, were not made during the same budget year as when they were approved. Section 50.565.2 does not require that the Board meet to vote on each individual disbursement from the Fund, as the Auditor suggests. While some expenditures have exceeded the budgeted amounts (particularly relating to those for Courthouse Security), the expenditures were made because the Fund had accumulated more funds than were anticipated. The Fund was never "over-drawn."

5. Commissary Controls and Procedures

Sheriff department controls and procedures for the Commissary Account are in need of improvement. During the 2 years ended December 31, 2010, the Sheriff department received approximately $68,000 annually from inmates for commissary operations.

5.1 Liabilities

Reconciliation procedures for the Commissary Account are not adequate, which increases the risk of errors and misuse. The balance of the Commissary Account exceeded the liability list (list of inmate balances and other monies held) by approximately $4,200 on December 31, 2010.

Monthly lists of liabilities are prepared of inmate balances; however, the lists are not reconciled with the account balance. Although ledgers for the checking account transactions and medical fees charged to inmates are maintained, ledgers for commissary profits (see section 5.2 for additional information on commissary profits), interest income, and disbursement of commissary profit are not maintained. As a result, the Sheriff department cannot determine the amount of profit in the account but believes all monies exceeding the liabilities list are profit or fees that can be spent by the department. However, without a ledger of commissary profits, interest income, and purchases, the Sheriff department cannot ensure records are correct, monies have been properly handled, and the balance remaining in the account represents amounts which can be spent by the department.

5.2 Commissary profits

Commissary profits and other fees collected from inmates are not remitted to the county treasury. For example, the county pays for contracted medical services for inmates from the General Revenue Fund. When an inmate receives medical service, the inmate's account is charged a flat fee based on the medical service received (i.e., doctor fee, nurse fee, etc.); however, the amounts deducted for medical services are not remitted to the county treasurer for deposit to the General Revenue Fund, but are retained in the Sheriff's Commissary Account. The Sheriff indicated the commissary profit and fees retained in the Commissary Account are used to purchase additional commissary items and supplies for the jail.

Section 50.360, RSMo, requires every county official who receives any fees or other remuneration for official services to pay such money to the county treasurer.

5.3 Receipt procedures

Some receipts are not deposited, and commissary receipt slips are used for other types of receipts that are deposited into the Sheriff's General Account and not into the Commissary Account. If an inmate is held for only 24 to 48 hours, their monies are returned to them and not deposited. As a result, the Sheriff cannot reconcile the composition of receipts to deposits. In addition, no one accounts for the numerical sequence of receipt slips issued, which increases the risk of loss, theft, or misuse of funds.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited intact in a timely manner, the composition of receipts slips issued should be reconciled to the composition of deposits, and the numerical sequence of receipt slips issued should be accounted for properly.

Similar conditions previously reported

Similar conditions to sections 5.1 and 5.2 were noted in our prior audit report.

Recommendations

The Sheriff:

5.1 Ensure the monthly liabilities list is reconciled to accounting records and any differences are investigated and corrected.

5.2 Discontinue the practice of maintaining county fees and commissary profit outside the county treasury. If these monies continue to be maintained in the Sheriff's Commissary Account, a ledger should be maintained detailing the profit and fees received and spent (exclusive of inmate monies).

5.3 Ensure all receipts are deposited intact in a timely manner, reconcile the composition of receipt slips issued to the composition of amounts deposited, and account for the numerical sequence of all receipt slips. In addition, the Sheriff should ensure the appropriate receipt slips are used for each type of receipt received.

Auditee's Response

The Sheriff provided the following responses:

5.1 I agree with this recommendation and will attempt to keep track of the commissary profits.

5.2 I have an understanding with the County Commission that this money is to be used for the inmates and jail. I do not plan to implement this recommendation.

5.3 This recommendation will be implemented.

6. Payroll Procedures

Records and procedures regarding timecards are in need of improvement. In addition, procedures for salaried employees are not in compliance with county policy, and a bonus was paid by the Senate Bill 40 Board. During the years ended December 31, 2010 and 2009, the county disbursed approximately $3.3 million annually for payroll costs.

6.1 Timecards

Timecards are not prepared and submitted to the County Clerk's office and leave is not granted for salaried employees in compliance with county policy.

The county pays 23 employees, excluding elected officials, on a salary basis. Salaried employees do not prepare timecards or submit timesheets; therefore, their immediate supervisor cannot verify the actual time worked during the pay period nor is the County Clerk's office notified of actual time

worked for these individuals. In addition, county personnel indicated elected officials or the actual salaried employee, depending on whether an elected official is present in the department, take it upon themselves to grant or not grant leave to salaried employees. The leave unofficially granted to salaried employees is not tracked by the County Clerk's office nor are accumulated leave balances paid to employees upon termination.

The county personnel manual requires every employee complete, on a daily basis, official Marion County timecards distributed by the County Clerk's office and all information on the timecard be verified by the elected official of each office prior to submission to the County Clerk's office. In addition, the personnel manual indicates regular full-time employees of the County, who have completed their introductory period, earn vacation time in conjunction with their years of service and 12 days of sick leave each year, and are paid for unused vacation time upon leaving employment. The manual defines an "employee" as those full or part-time employees of the county who work on a salaried or an hourly basis and who are not elected by the electorate of the county; and defines a "regular employee" as an employee who has been designated to a full-time and regular position in the service of the county.

In addition to complying with county policy, adequate documentation of time worked and leave taken is needed to adequately document the legitimacy of payroll amounts and leave balances. Submission of detailed time records to the County Clerk's office, reviewed and approved by supervisors, would provide support for payroll processed by the county.

A similar condition was noted in our prior audit report.

6.2 Bonuses

The Marion County Board of Services for the Developmentally Disabled/Senate Bill 40 Board (MCBSDD) awarded the Executive Director of the MCBSDD a one-time salary bonus of $2,500 in December 2010. This one-time salary bonus was specifically for services previously rendered and, as such, is in violation of Article III, Section 39 of the Missouri Constitution and contrary to Attorney General's Opinion No. 72, 1955 to Pray, which states, "…a government agency deriving its power and authority from the Constitution and laws of the state would be prohibited from granting extra compensation in the form of bonuses to public officers after the service has been rendered."

Recommendations

6.1 The County Commission require all county employees comply with the documented personnel policies or update county policies.

6.2 The MCBSDD discontinue the practice of granting employees bonuses.

Auditee's Response

The County Commission provided the following response:

6.1 We will review this situation and determine the best method to implement the recommendation.

The Marion County Board of Services for the Developmentally Disabled and the Executive Director provided the following written response:

6.2 During the May 2011, board meeting the members discussed the concerns of Senate Bill 40 Board awarding employee bonuses and were in consensus that this would no longer be a practice of Marion County Services for the Developmentally Disabled. This is normally not a procedure that has been followed but due to the circumstances of the delayed evaluation for the Executive Director had been approved.

7. County Property

Property records are not up-to-date and various officials are not complying with statutory provisions related to accounting for county property, which increases the risk of loss, theft, of misuse of property. As of December 31, 2010, county property, including building and vehicles, was valued at approximately $16.7 million on the county's insurance policy.

The County Clerk does not have adequate procedures in place to identify property purchases and dispositions throughout the year, and county property records have not been thoroughly updated for several years. In addition, physical inventories of county property are not performed by county officials, updated county property lists are not turned over to the County Clerk, and written authorization is not obtained from the County Commission for the disposition of county property.

Section 49.093, RSMo, requires counties to account for personal property costing $1,000 or more, assigns responsibilities to each county department officer, and describes details to be provided in inventory records. Adequate county property records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. These records should be updated for any property additions and approved dispositions as they occur. Physical inventories, proper tagging of county property items, and periodic comparisons of inventories to overall county property records are necessary to evaluate the accuracy of records, and deter and detect theft.

A similar condition was noted in our prior report.

Recommendation

The County Commission and County Clerk implement procedures for tracking and tagging capital asset purchases throughout the year and work with other county officials to ensure complete and accurate inventory

records are maintained and annual physical inventories are conducted. In addition, the County Commission should establish procedures for approving all county property dispositions.

Auditee's Response

The County Commission and the County Clerk provided the following response:

We agree with this recommendation and plan to implement the recommendation within the next few months.

8. Prosecuting Attorney Controls and Procedures

The Prosecuting Attorney's office does not have an adequate system to account for the receipt and eventual disposition of bad checks, which increases the risk of loss or theft of funds. Currently, Marion County merchants complete a complaint form at the time the bad check is turned over to the Prosecuting Attorney for collection. If payment is collected by the 10 day deadline, the complaint form and information regarding the handling of the case is not recorded on the case log, thus only complaints not paid within the deadline are recorded on the case log and assigned a sequential number. No identifying or tracking numbers are assigned to the paid complaints in a manner that allows all bad checks complaints to be accounted for properly.

To ensure all bad checks turned over to the Prosecuting Attorney are handled and accounted for properly, a sequential number should be assigned to each bad check complaint received and this number should be used to track the status and dispositions of the corresponding bad check. Information in the records should include the complaint number, the merchant name, the issuer of the bad check, and the disposition of the bad check including the date restitution was received and disbursed to the merchant, and the date the criminal case was filed or other disposition.

A similar condition was noted in our two prior audit reports.

Recommendation

The Prosecuting Attorney develop procedures and records that provide sufficient information to better track the disposition of all bad check complaints, including those not prosecuted.

Auditee's Response

The Prosecuting Attorney provided the following written response:

The Marion County Prosecutor does not agree that a "sequential number system" should be implemented as part of the office's bad check system.

All of the information recommended by the Auditor's Office in its "Finding", is already maintained by the Prosecutor's Office. The Prosecutor's Office maintains the system by organizing it based upon the name of the defendant (like it does for all criminal cases), and does not organize it based on a

"sequential number system" as recommended by the Auditor. The complaint by the Auditor is a complaint concerning form and not substance.

Each bad check presented to the office is accompanied by an informational form completed by the victim. For each defendant, the office staff creates a file (using the defendant name), fills out an "index card" listing each bad check received, the amount of the bad check, the merchant's name, and the date that check was received by the Prosecutor's Office.

The Prosecutor's Office then immediately sends a letter to the defendant demanding payment. Those letters are reviewed by and signed by the Prosecuting Attorney. A copy of the letter is retained in the defendant's file.

Any payment made by the defendant is forwarded to the victim, that day, and a copy of the payment is retained in the Prosecutor's file. The payment is sent with a letter reviewed by, and signed by, the Prosecutor. A copy of that letter is also retained in the Prosecutor's file. The payments are also recorded on a computerized spreadsheet (Excel) which is retained on the office computer, and printed out and placed in the defendant's file.

Any extension for payment by the defendant is confirmed in writing by a letter which is reviewed by and signed by the Prosecuting Attorney. A copy of this letter is also retained in the Prosecutor's files.

The Prosecuting Attorney, and his staff, review all bad checks referred for prosecution on a monthly basis. The timely review of these bad checks is monitored by a separate employee in the Prosecutor's Office through the use of the office-wide tickle-card system.

If no payment is received, a criminal complaint is filed with the Associate Court. That complaint is reviewed by and signed by the victim. That complaint is also reviewed by and signed by the Prosecuting Attorney. The Prosecutor's Office then follows it's normal procedure in prosecuting the criminal case. A copy of every document related to the case is kept in the Prosecutor files.

Once the case has reached a disposition, the results are recorded on an index card, which is kept in alphabetical order (by defendant's name) in the Prosecutor's system. The results are also recorded in the defendant's file.

Marion County
Organization and Statistical Information

Marion County is a county-organized, third-class county. The county seat is Palmyra. The county also has a courthouse in Hannibal that serves as the basis of operations for several county elected officials.

Marion County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 99 full-time employees and 3 part-time employees on December 31, 2010.

In addition, county operations include the Senate Bill 40 Board and drainage districts established by the County Commission.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2011	2010
Lyndon Bode, Presiding Commissioner	$	43,510
Robert Heiser, Jr., Associate Commissioner		41,150
Randy Spratt, Associate Commissioner		41,150
Janet Dearing, Recorder of Deeds		62,894
Robert J. Ravenscraft, County Clerk		62,894
Thomas P. Redington, Prosecuting Attorney		109,366
Jimmy Shinn, Sheriff		66,387
F. Jean Buckman, County Treasurer		62,894
Peggy Porter, County Coroner		21,154
Mary Ann Viorel, County Collector, year ended February 28,	26,609	
Lee Viorel, County Collector, year ended February 28,	32,656	
Mark Novak, County Assessor , year ended August 31,		58,629

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

Marion County did not receive any federal stimulus monies during the 2 years ended December 31, 2010.

Thomas A. Schweich

Missouri State Auditor

Howard County

August 2011

Report No. 2011-40

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Howard County

Financial Condition	Some county funds are in poor financial condition. For several years, disbursements exceeded receipts, and the rental income from the Keller Building does not cover the costs of needed maintenance and repairs.
Property Tax System Controls and Procedures	The County Collector does not complete and timely file accurate annual settlements. The annual settlement for the year ended February 28, 2010, was not filed until February 2011, and contained several errors and omissions. Such mistakes can go undetected because, as noted in our last four audit reports, neither the County Clerk nor the County Commission adequately reviews the County Collector's property tax collection activities. In addition, the County Clerk does not prepare or verify the accuracy of the current and delinquent tax books and also does not prepare aggregate abstract reports as required by state law.
Sheriff Controls and Procedures	We have repeatedly identified weaknesses in the Sheriff's controls and procedures, but improvements still have not been made. Accounting duties are not adequately segregated, and bank reconciliations have not been performed for 5 years. Receipts are recorded on multiple receipt records which are not reconciled, the composition of receipts is not reconciled to deposits, deposits are not made timely, and monies are not kept in a secure location. The Sheriff purchases telephone cards to sell to inmates, but no records of purchases or sales are maintained. In addition, the Sheriff does not transmit fees to the County Treasurer monthly, as required by state law.
Capital Improvement Sales Taxes	The road and bridge capital improvement sales tax ballot language may not be consistent with state law since it does not specifically identify a capital improvement purpose. In addition, the county deposits road and bridge sales tax receipts into the Special Road and Bridge Fund and does not separately account for disbursements made from the sales tax receipts, and has not identified capital improvement projects funded with these monies. The county imposed capital improvement sales taxes in excess of that allowed by state statute; but, when the jail capital improvement sales tax expires on December 31, 2011, the remaining road and bridge capital improvement sales tax will not exceed the statutory maximum.
County Disbursements	Disbursements from some restricted funds were not in compliance with state law. The county does not have a written agreement with the Prosecuting Attorney. To avoid using county resources to subsidize the Prosecuting Attorney's private practice, this agreement should outline which expenses will be provided by the county and which will be provided by her private practice.
Rock and Pipe Sales	The county needs to improve its controls over rock and pipe sales by preparing an invoice for each sale, issuing a receipt slip for each payment, and charging a price sufficient to cover its costs.

Public Administrator Controls and Procedures	The Associate Circuit Court does not review annual status reports for accuracy. The Public Administrator does not always timely deposit checks received on behalf of wards, which increases the risk of loss or misuse and, if done to remain below the Medicaid eligibility threshold, may violate state law. In addition, the Public Administrator does not review bank reconciliations or maintain adequate bank reconciliation documentation.
Capital Assets	As noted in our prior audit, the county needs to improve its property procedures and records. The county should develop procedures to identify property purchases and dispositions, ensure property records contain all necessary information, affix asset tags, and require an annual inventory.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Poor**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	During the audit period, the county was awarded the following ARRA funds: ARRA - Energy Efficiency and Conservation Block Grant: $91,031 to replace the Keller Building heating and cooling systems. These funds had not been received or spent by the end of the audit period. Homelessness Prevention and Rapid Re-housing Program Grant: Howard County received and spent $28,446 to provide homelessness prevention assistance and rapid re-housing assistance during the audit period. Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant: During the year ended December 31, 2010, Howard County received $391 and expended $4,039 toward overtime costs for Howard County Sheriff deputies working on criminal cases. Recovery Act: Edward Byrne Memorial Justice Assistance Grant: During the year ended December 31, 2009, Howard County received and spent $9,226 to replace lightbars on Sheriff's department vehicles. ARRA - Immunization Grant: During the year ended December 31, 2010, the Howard County Health Department received vaccines and $1,425 to administer the vaccines to school children.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Howard County
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THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Howard County

We have audited certain operations of Howard County in fulfillment of our duties under Section 29.230, RSMo. In addition, Casey-Beard-Boehmer PC, Certified Public Accountants, has been engaged to audit the financial statements of Howard County for the 2 years ended December 31, 2010. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2010. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Howard County.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Kim Spraggs, CPA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Terese Summers, MSAS, CPA
	James M. Applegate, MBA

Howard County
Management Advisory Report
State Auditor's Findings

1. Financial Condition

Various county funds are in poor financial condition. The following table reflects the ending cash balances of various county funds for the last 4 years and the projected ending balances for 2011:

	Ending Cash Balance, Year Ended December 31,*				
	2011 Budgeted	2010 Actual	2009 Actual	2008 Actual	2007 Actual
General Revenue (GR) Fund	$ 436	82	25,533	3,777	53,472
Special Road and Bridge (SRB) Fund	0	178,829	233,071	208,044	473,029
Keller Building Fund	7,376	9,472	4	1	1,606

* Amounts were obtained from the county's budget documents.

Budgeted and actual disbursements have exceeded budgeted and actual receipts in the GR Fund in 4 of the last 5 years and the SRB Fund in 3 of the last 5 years. The county monitors budget to actual information and has reduced some county disbursements; however, these reductions have not been sufficient to offset declining receipts. Sales tax receipts, a significant funding source of both funds, declined during each of the years 2007 through 2009 and slightly increased in 2010.

The GR Fund cash balance has also declined due to increasing transfers to other county funds to offset expenses in those funds. During the 2 years ended December 31, 2010, transfers totaled approximately $18,300 and $137,900 from the GR Fund to the Civil Defense Fund and Law Enforcement (LE) Fund, respectively. In addition, the 2011 GR Fund budget includes a $100,000 transfer from the Economic Development Fund as a temporary loan to be paid back with 2011 property tax collections. Also, due to the lack of available funds, the county paid certain expenses from restricted funds; however, some of these disbursements were not in accordance with state law (see MAR finding number 5).

The SRB Fund includes road and bridge capital improvement sales tax receipts which total over $200,000 per year; however, it is unclear whether the county has complied with the state law authorizing the sales tax (see MAR finding number 4).

The Keller Building Fund is in poor financial condition because receipts have not been sufficient to cover building expenses. In addition, the county has been unable to accumulate sufficient monies in this fund to cover major repairs needed. The county has rented space in the Keller Building to various public and private tenants since the Keller Memorial Hospital closed in 1997. The County Commission made an unsuccessful attempt to sell the building in 2002.

The County Commission has increased Keller Building rental rates, including a 10 percent increase in 2010; however, these increases have not been sufficient to offset building maintenance and repair needs. Prior to 2010, the county transferred monies from the GR Fund to the Keller Building Fund to help cover building expenses. Transfers ranged from approximately $1,300 to $25,000 per year from 2006 to 2009. However, in recent years, because the GR Fund balance has declined and major repairs have been needed, the county had to obtain loans and grants to pay for repair and replacement of the heating and cooling systems. In March 2010, the county was awarded a $91,309 Missouri Department of Natural Resources (DNR) grant which requires the county to provide $59,928 in matching funds for the project. Because the county lacks these matching funds, in August 2010, the county was authorized a 6 1/2-year DNR loan of up to $60,000. As of June 2011, the county had borrowed $49,809. County officials indicated they are currently evaluating ways to reduce project costs, which would require lower grant and matching amounts. County officials also indicated any additional needed matching funds would be obtained through additional borrowing from the DNR loan and/or county-provided labor, equipment, and/or materials for the project. In addition, annual loan payments of approximately $3,000 and $1,900 are made from the GR and Keller Building Funds, respectively, for a 2008 16-year DNR loan for repairs to both the courthouse and the Keller Building.

The County Commission and County Clerk indicated they are aware of the concern and are monitoring the county's financial condition through monthly and quarterly budget reports and evaluating ways to reduce disbursements. In August 2010, Howard County voters authorized a 1/2-cent general sales tax levy to be collected beginning in January 2012. The county plans to deposit these collections, which the County Clerk estimates to be $275,000 annually, in the GR Fund.

To improve the financial condition of the county, the County Commission should review disbursements and reduce discretionary spending as much as possible, evaluate controls and management practices to ensure efficient use of county resources, and attempt to maximize all sources of revenue. In addition, the County Commission should continue to review and set Keller Building rental rates at a level sufficient to cover operating costs and establish an adequate cash reserve.

Recommendation

The County Commission continue to closely monitor and take necessary steps to improve the county's financial condition.

Auditee's Response

The County Commission provided the following written response:

1. *Revenue - Sales tax down and expenses increased. Monitor spending.*

2. *Budgets in all departments have all been kept the same for the last 4 years. Economic Development includes $100,000 transaction not used in the audit period.*
3. *State cuts in Health Department, Law Enforcement, and Assessment.*
4. *Road and Bridge Department, due to 3 years of heavy rain and snow, has created a substantial increase in fuel and rock.*
5. *Keller Building utility increases in 2007 has created an increased financial problem. Have replaced the cooling tower and boiler replacement is in the works which will be more efficient.*
6. *Law Enforcement, Road and Bridge, and Health Department - when employees leave they have not been replaced. We have taken steps and done our best to monitor spending.*

2. Property Tax System Controls and Procedures

The County Collector does not complete and file accurate annual settlements in a timely manner, the County Commission and the County Clerk do not adequately review property tax collection activities, and the County Clerk does not prepare and file aggregate abstracts. Property taxes and other monies totaling approximately $6.9 million and $6.7 million were collected and distributed by the County Collector during the years ended February 28, 2011 and 2010, respectively.

2.1 Annual settlements

As of January 2011, the County Collector had drafted, but not finalized, the annual settlement for the year ended February 28, 2010. The County Collector indicated the settlement was not finalized and filed because of tax book differences, and she had attempted but was unable to resolve these differences. Upon our request, the County Collector finalized and filed the settlement in February 2011; however, the settlement contained several errors and omissions. Protested real estate taxes totaling approximately $14,500 were double counted in delinquent and protested amounts. In addition, outlawed personal property taxes were reported as delinquent taxes; and as a result, delinquent tax charges reported on the settlement were approximately $39,300 less than delinquent tax credits reflected on the prior year settlement. Also, the settlement did not include several miscellaneous taxes and fees, including merchant license, vehicle, and late assessment fees totaling approximately $4,200. Other errors were also noted on the annual settlement. Additionally, total charges exceeded total credits by $5,471.

After we brought the above errors to her attention, the County Collector corrected these matters and filed an amended settlement in April 2011. Our review of the annual settlement for the year ended February 28, 2011, which was also filed in April 2011, noted no significant errors, omissions, or differences.

Untimely, incomplete, and/or inaccurate annual settlement information reduces the effectiveness of the settlement as a mechanism for accounting for all monies the County Collector is charged with collecting. To ensure the

validity of the tax book charges, collections, and credits, and for the County Clerk and the County Commission to properly verify these amounts, it is imperative the County Collector file accurate annual settlements on a timely basis. Section 139.160, RSMo, requires the County Collector to settle accounts with the County Commission by the first Monday in March.

2.2 Review of property taxes

As similarly noted in our prior four audit reports, neither the County Commission nor the County Clerk adequately reviews the property tax collection activities of the County Collector.

The County Clerk does not maintain an account book or other records summarizing property tax transactions and changes. In addition, the County Clerk and the County Commission do not perform procedures to verify the accuracy of the County Collector's monthly or annual settlements. As a result, neither the County Clerk nor the County Commission detected the errors in the County Collector's annual settlement noted above. The County Clerk indicated her review is limited to reviewing the County Collector's annual settlements for mathematical accuracy.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable to the county treasury. An account book or other records which summarize all taxes charged to the County Collector, monthly collections, delinquent credits, abatements and additions, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure the amount of taxes charged and credited to the County Collector each year is complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's monthly and annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

2.3 Tax books

As similarly noted in our prior four audit reports, the County Clerk does not prepare or verify the accuracy of the current or delinquent tax books. The County Collector prepares the tax books from the computer system and there is no independent review performed by the County Clerk. Because the County Collector is responsible for collecting property tax monies, good internal controls require someone independent of that process be responsible for generating and testing the accuracy of the property tax books. A review of the tax books should include verification of individual entries in the tax books and recalculating total tax book charges.

Sections 137.290 and 140.050, RSMo, require the County Clerk to extend the current and delinquent tax books and charge the County Collector with the amount of the taxes to be collected. If it is not feasible for the County Clerk to prepare the tax books, at a minimum, the accuracy of the tax books should be verified and approval of the tax book amounts to be charged to the County Collector should be documented.

2.4 Aggregate abstracts

The County Clerk does not prepare aggregate abstract reports as required. Section 137.295, RSMo, provides for the County Clerk to prepare and file these reports with the Missouri Department of Revenue and the State Tax Commission.

Recommendations

2.1 The County Collector file complete and accurate annual settlements in a timely manner. The County Collector should continue to investigate the differences reported on the annual settlements.

2.2 The County Clerk maintain an account book with the County Collector. The County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's monthly and annual settlements.

2.3 The County Clerk prepare the current and delinquent tax books or, at a minimum, verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts.

2.4 The County Clerk prepare and file aggregate abstracts.

Auditee's Response

The County Collector provided the following response:

2.1 I will continue to implement this recommendation.

The County Clerk provided the following written responses:

2.2 The County Clerk agrees with this recommendation. Beginning in 2011, the County Clerk is maintaining an account book with the County Collector. The County Clerk is reviewing the accuracy and completeness of the County Collector's monthly and annual settlements beginning in 2011.

2.3 The County Clerk agrees with this recommendation. Beginning in 2011, the County Clerk is verifying the accuracy of current and delinquent tax books.

2.4 The County Clerk agrees with this recommendation. Beginning in 2011, the County Clerk is preparing and filing aggregate abstracts.

The County Commission provided the following written response:

2.2 County Clerk stated that she has started an account book and adequate review of County Collector tax transactions. The Commission is reviewing monthly and annual settlements from both the Collector and Clerk.

3. Sheriff Controls and Procedures

The Sheriff's accounting procedures do not provide assurance that monies collected are accounted for properly. Prior audit reports have addressed the inadequacy of the Sheriff's controls and procedures. Improvements have not been made and significant weaknesses still exist.

The Sheriff's department received monies totaling approximately $105,000 and $115,000 for the years ended December 31, 2010 and 2009, respectively.

3.1 Segregation of duties

As noted in prior audits, accounting duties are not adequately segregated and adequate supervisory review of the accounting records is not performed. The Sheriff's bookkeeper is primarily responsible for receiving, recording, depositing, and disbursing monies, and reconciling bank accounts. The Sheriff indicated he reviews certain documentation supporting monthly fee transmittals to the County Treasurer; however, he does not document his review.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are safeguarded. Internal controls would be improved by segregating accounting duties among available employees or by implementing a documented independent or supervisory review of records by another employee or the Sheriff.

3.2 Bank reconciliations

As noted in prior audits, bank reconciliations have not been performed for any of the Sheriff's four bank accounts since July 2006. At our request, a bank reconciliation was prepared for the Sheriff's fee account as of February 28, 2011, and noted an unidentified balance of $1,278. As of January 31, 2011, the Sheriff's revolving fund, bond, and old garnishment accounts had bank balances of $888, $9, and $19, respectively. In addition, running book balances are not maintained for any of these accounts.

The Sheriff's bookkeeper indicated she has been too busy to perform bank reconciliations because she is required to perform other department duties including jailer, prisoner transport guard, dispatcher, and various office duties. In 2009, an intern working in the Sheriff's department attempted to reconcile the bank accounts; however, these reconciliations were not useful because they contained errors and were not reviewed for accuracy.

Monthly bank reconciliations and running book balances are necessary to ensure bank activity and accounting records are in agreement, reconciling items are properly monitored, and any errors or discrepancies are corrected on a timely basis.

3.3 Receipts and deposits

As similarly noted in our four prior audits, receipting and depositing procedures continue to need improvement.

- Receipts are recorded on multiple receipt records and the Sheriff's department does not reconcile the various receipt records or reconcile the receipt records to deposits. Cash bonds and inmate board bills are received and receipted by jailers and transmitted to the bookkeeper. The bookkeeper records these and other fee receipts in two manual one-write ledgers and also posts the fee receipts to an electronic ledger which is submitted to the County Treasurer with the monthly fee transmittal. A separate receipt book is used for carry and conceal weapon permits. The lack of reconciliations between the various records makes it difficult to ensure all monies are recorded and deposited.

- The method of payment (cash, check, or money order) is not consistently or accurately indicated on receipt slips, and the composition of deposits is not indicated on deposit slips. As a result, the composition of receipt slips cannot be compared to the composition of deposits.

- Fee receipts are not deposited intact or in a timely manner. Monies are normally collected each business day, but deposits are only made approximately five times each month. Some receipts are turned over to the court rather than deposited; however, a record of receipt from the court is not maintained.

- Generic prenumbered receipt slips are issued for monies received at the jail, and the receipt books are not purchased or issued in numerical order. In addition, our review of jail receipts noted some receipt slips were skipped or missing and not noted as voided.

- Monies received are not kept in a secure location until deposited. Fee receipts are held in an unlocked desk drawer prior to deposit. In addition, seized cash is not stored in a secure location. On March 31, 2011, we identified seized cash totaling $3,500 held for one case in an envelope on a shelf in the unsecured evidence room. Sheriff's records indicate this cash was seized in August 2010. Sheriff's department records also showed seized cash totaling over $5,000 was held in the evidence room from October 2008 to April 2009.

To safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be adequately recorded, secured, and deposited; and receipt records should be reconciled to deposits. In addition, all seized cash should be deposited or stored in a secure location such as a vault or safe.

3.4 Telephone cards

Records are not maintained of prepaid telephone cards purchased and sold to inmates, and telephone cards and related receipts are maintained in an unsecure location. Batches of 50 telephone cards are periodically purchased from a telephone card vendor for $6.50 per card and held by the Sheriff until sold to inmates for $10 per card. The telephone cards and related cash

receipts are maintained in the Sheriff's desk, and no records of telephone card inventories or sales are maintained. Cash receipts are used to purchase additional telephone cards, and profits are periodically transmitted to the County Treasurer. A cash count performed on February 22, 2011, identified $595 in telephone card receipts maintained in the Sheriff's desk. Based on information obtained from the telephone card vendor, the Sheriff's department purchased telephone cards valued at $4,500 (with a profit value of $1,575) during the 2 years ended December 31, 2010. The Sheriff made two transmittals of profits totaling $1,625 to the County Treasurer during this time period.

Detailed records are necessary to adequately account for telephone cards. Loss, misuse, or theft of the telephone cards and receipts may go undetected without adequate telephone card records and procedures.

3.5 Monthly transmittals

The Sheriff does not always transmit fees to the County Treasurer on a monthly basis as required by state law. For example, fees for December 2009, totaling $2,459, were not disbursed to the County Treasurer until February 10, 2010. Section 50.370, RSMo, requires every county official who receives fees for official services to pay such monies monthly to the County Treasurer.

Recommendations

The Sheriff:

3.1. Segregate accounting and bookkeeping duties to the extent possible or, at a minimum, perform and document periodic reviews of the work performed.

3.2. Maintain running book balances, perform monthly bank reconciliations, and investigate and resolve any differences.

3.3. Ensure official prenumbered receipt slips are issued for all receipts; receipts are maintained in a secure location and deposited intact and in a timely manner; the method of payment is accurately indicated on all receipt slips; voided receipt slips are properly voided and retained; and receipt records, including the composition of receipt slips issued, are reconciled to the composition of deposits. In addition, the Sheriff should ensure seized cash is deposited or stored in a secure location.

3.4. Maintain records of telephone card sales and inventories. Such records should document the beginning number of telephone cards, cards purchased, cards sold, and the ending balance of cards. Periodic physical inventory counts should be performed and reconciled to telephone card records. Any discrepancies should be investigated in a timely manner. In addition, telephone cards and receipts should be maintained in a secure location, receipts should

be deposited, and telephone cards should be purchased through the county disbursement process.

3.5. Transmit fees monthly to the County Treasurer.

Auditee's Response

The Sheriff provided the following responses:

3.1 We are doing the best job we can in reviewing and documenting the review of records given the amount of manpower available to review the records.

3.2 We will contact the State Treasurer regarding how to dispose of the unidentified balances. We will work to implement monthly bank reconciliations starting in the month of June 2011.

3.3. Effective immediately, we plan to do a more accurate job of keeping track of any monies received in the jail, reconciling jail receipt records to our ledger in order to track to each individual, making sure each item is receipted, and making deposits more timely. In addition, any seized cash will be kept in a safety deposit box at the bank.

3.4. During the next couple of months, I will try to begin keeping a ledger of phone cards and statements and maintain the monies that come in for payment of the phone cards in a more secure location.

3.5. Beginning in June 2011, we will do monthly transfers no later than the 20th of each month.

4. Capital Improvement Sales Taxes

Various concerns related to the capital improvement sales taxes were identified. County voters approved two capital improvement sales taxes under Section 67.700, RSMo. In April 1992, the county passed a 1/2-cent road and bridge capital improvement sales tax. The ballot stated the sales tax would be used for "the general operating expense incurred by the Road and Bridge Fund, including but not limited to the following: road rock, salaries, fuel expense, equipment purchases, and bridges and culverts, etc." This sales tax has no expiration date. In November 2002, the county passed a 1/2-cent jail capital improvement sales tax for the purpose of constructing, furnishing, and equipping a Sheriff's office and jail. This sales tax expires December 31, 2011. For each of these sales taxes, the county collected approximately $453,000 during the 2 years ended December 31, 2010.

4.1 Road and bridge sales tax

Although it appears the county spends road and bridge capital improvement sales tax monies in accordance with ballot language, such language may not be consistent with the intent of the authorizing state law.

Section 67.700, RSMo, allows counties to impose a sales tax for any capital improvement purpose designated by the county in its ballot submitted to its voters, and requires the monies received from the sales tax be deposited in a separate fund and used solely for the designated capital improvement purpose. However, as noted above, the ballot did not specifically identify a capital improvement purpose. In addition, the county deposits road and bridge sales tax receipts into the SRB Fund and does not separately account for disbursements made from the sales tax receipts, and has not identified capital improvement projects funded with these monies. Further, the county distributes approximately 20 percent of these receipts to two special road districts; however, the county has not entered into written agreements with the districts or established a system of monitoring the districts' use of these and other monies received from the county.

The County Commission should consult with legal counsel regarding the ballot language and the county's procedures related to the road and bridge sales tax and, if necessary, implement procedures to ensure compliance with state law. In addition, written agreements, along with monitoring procedures, would help ensure monies distributed to special road districts are expended in compliance with state law and as intended by the County Commission.

4.2 Excessive capital improvement sales taxes

The county appears to have exceeded the statutory maximum for capital improvement sales taxes allowed by Section 67.700, RSMo, by 1/2 of 1 percent. In addition, Attorney General's Opinion No. 97-99, to Neel states total capital improvement sales tax rates cannot exceed 1/2 of 1 percent. The jail capital improvement sales tax will expire on December 31, 2011. At that time, the remaining road and bridge capital improvement sales tax will not exceed the statutory maximum.

County officials were unaware the county had imposed capital improvement sales taxes in excess of the maximum rate allowed by state law. This was due in part because the county does not maintain a record of the county's various sales taxes (five sales taxes were in effect at December 31, 2010). Such a record, which would assist officials in monitoring sales taxes for compliance with state law, should include the description, rate, statutory authority, effective date, and expiration date for each county sales tax. Prior to submitting any future sales taxes to voters for approval, the county should review a record of current sales taxes imposed, research the statutory requirements for current and proposed sales taxes, and ensure the sales taxes do not exceed statutory limits.

Recommendations

The County Commission:

4.1 The County Commission should consult with legal counsel regarding the ballot language and procedures related to the road and

bridge capital improvement sales tax and, if necessary, implement procedures to ensure compliance with state law. In addition, the County Commission should enter into written agreements and establish procedures to monitor the special road districts' expenditure of county monies.

4.2 Maintain and periodically review a record of all county sales taxes. In addition, prior to submitting any future sales taxes to voters for approval, the county should review the record of current sales taxes imposed, research the statutory requirements for current and proposed sales taxes, and ensure the sales taxes do not exceed statutory limits.

Auditee's Response

The County Commission provided the following written responses:

The Commission has reviewed the 2002 and 2006 audit recommendations and have not found any problems until this year's audit with capital improvement tax.

4.1 We contacted the Board of Special Road Districts. We have asked for year beginning budget and financial report. At end of year, we have requested an ending balance sheet of expenses. At beginning of each budget year, we will be revisiting the percent of reimbursement for sales tax and CART funds for the Special Road Districts.

We have spoken to the County Attorney for legal advice regarding language and procedures concerning ballot for Road and Bridge sales tax.

4.2 Due to the Jail Sales Tax expiring December 31, 2011, this shouldn't be a concern in the future.

5. County Disbursements

Concerns related to disbursements were identified.

5.1 Restricted funds

Disbursements from some restricted funds were not in compliance with state law.

- During the 2 years ended December 31, 2010, the county spent a total of $6,740 from the Election Services Fund on financial accounting software for the County Clerk's office. The County Clerk indicated this software is not used for election purposes; however, Section 115.065, RSMo, restricts the use of Election Services Fund monies to these

purposes. She also indicated the expenditure was inadvertently charged to the wrong fund.

- In 2010, the county transferred $8,400 from the Sheriff's Revolving Fund to the LE Fund to cover Sheriff's department expenses such as salaries, overtime, and equipment purchases. The 2011 county budget provides for a similar transfer of $3,100. Section 50.535, RSMo, provides Sheriff's Revolving Fund monies are to be used to process applications for concealed carry endorsements or renewals. The Sheriff indicated monies were spent from this restricted fund because the LE Fund lacked sufficient monies to cover the expenses.

5.2 Prosecuting Attorney's office expenses

The county does not have a written agreement with the Prosecuting Attorney outlining the portion of his/her expenses to be paid by the county.

The Prosecuting Attorney operates the county Prosecuting Attorney's office from his/her private law office. From 1999 to 2010, the county paid the former Prosecuting Attorney $3,600 and $2,400 per year for office and equipment rent, respectively. Beginning in 2011, the current Prosecuting Attorney pays the county $100 per month for her office located in the county-owned Keller building. The County Commission determined this rental rate based on the percentage of time she spends on her private practice. In addition, the county pays her $1,500 per year for office equipment rent, and leases a copy machine for her office. The County Commission indicated the current Prosecuting Attorney's rental rate will be reviewed as her private practice changes. In addition, the county pays the salaries of the Prosecuting Attorney's two secretaries. The former Prosecuting Attorney indicated one of his secretaries performed some private practice work, which he estimated was less than 5 percent of her time. The current Prosecuting Attorney indicated one secretary works very little for her private practice, as her private practice has not been fully developed.

The agreed-upon payments are requested and approved through the county's annual budget process. However, there is no written agreement with the Prosecuting Attorney outlining how the rent amounts and/or expenses to be paid by the county were determined. In addition, timesheets prepared by the secretaries do not document time spent on county business and private practice.

To ensure county resources are used only for county business, the county should enter into a written agreement with the Prosecuting Attorney outlining what expenses will be provided by the county and what expenses will be provided by the private practice. Section 432.070, RSMo, requires contracts of political subdivisions be in writing. In addition, the basis for the arrangements should be adequately documented and timesheets supporting time worked by Prosecuting Attorney secretaries on county business and/or

private practice should be prepared. The agreement should be updated when the arrangements and/or county/private practice caseloads change.

Recommendations

5.1 The County Commission, County Clerk, and the Sheriff ensure monies in restricted funds are spent in accordance with state law.

5.2 The County Commission enter into and periodically update written agreements with the Prosecuting Attorney, document the basis for the arrangements, and require timesheets when appropriate.

Auditee's Response

The County Commission provided the following written responses:

5.1 The Commission, Sheriff, and Clerk visited and will take under advisement and ensure monies and restricted funds will be spent according to MO Statutes.

5.2 Prosecutor will have written agreement about the outlining expenses to be paid by the county completed by July 22, 2011 and signed.

The County Clerk provided the following written response:

5.1 The County Clerk agrees with this recommendation and will ensure monies in restricted funds are spent in accordance with state statutes.

The Sheriff provided the following response:

5.1 This transfer was needed to cover Sheriff department expenses; future expenses will be covered from other sources, if available, as provided by state statute.

The Prosecuting Attorney provided the following written response:

5.2 I will work with the County Commission to develop a written agreement outlining the arrangements for payments and/or reimbursements for office expenses. My secretaries will document the time that they spend on my private practice and the time that is spent on county business. The supporting documentation will be available to the Commission when appropriate.

6. Rock and Pipe Sales

The county does not maintain complete and accurate records of all sales of rock and pipe to the public and other governmental entities and related payments. In addition, the county does not fully recover the costs associated with these materials. The county received approximately $71,500 from these sales during the 2 years ended December 31, 2010.

Although the county improved controls over rock and pipe sales in 2009, these controls continue to need improvement. In 2009, the Road and Bridge department administrative assistant began preparing invoices for these sales and receipting responsibilities were transferred from the County Clerk's office to the administrative assistant. However, the administrative assistant does not always prepare an invoice for each sale; and although she began issuing receipt slips in October 2010, she does not issue a receipt slip for each payment. In addition, pipe is sold at 2009 rates rather than the rates the county paid/would pay for the pipe when needed.

To ensure all rock and pipe sales and monies received are accounted for properly, invoices should be prepared for all sales and prenumbered receipt slips should be issued for all monies received. In addition, the County Commission should ensure charges are sufficient to ensure recovery of costs associated with the items sold.

Recommendation

The County Commission ensure invoices are prepared for all sales of rock and pipe, receipt slips are issued for all monies received, and charges are sufficient to ensure recovery of costs.

Auditee's Response

The County Commission provided the following written response:

The Commission have discussed with the Road and Bridge Supervisor and Administrative Assistant to keep inventory and invoice records on pipe and rock. Update billing and receipts will be provided to purchaser and Clerk.

7. Public Administrator Controls and Procedures

Weaknesses involving preparing and reviewing annual settlements and status reports, depositing monies, and reconciling bank accounts were identified. The Public Administrator is the court-appointed personal representative for wards or decedent estates of the Associate Circuit Court-Probate Division, and is responsible for the financial activity of approximately 65 individuals.

7.1 Annual settlements and status reports

The Associate Circuit Court has not established procedures to adequately monitor the activity of cases assigned to the Public Administrator. The Associate Circuit Court requires the Public Administrator to annually report financial activity for each case on either an annual settlement or status report, as determined by the Associate Circuit Judge. The Associate Circuit Judge reviews and approves annual settlements and status reports; however, the court does not verify the accuracy of the information contained in status reports. While the Probate Clerk reviews each annual settlement by verifying its accuracy and reviewing supporting documentation, her review of the annual status reports is limited to a review for reasonableness. Because an annual status report, rather than an annual settlement report, is required for most cases, the court has no assurance all financial activity of each ward is appropriately reported to the court for review.

Failure to adequately review and monitor the activity of cases assigned to the Public Administrator by the Associate Circuit Court increases the risk that errors or misuse of funds could go undetected.

7.2 Undeposited checks

Some checks received by the Public Administrator on behalf of wards are held for extended periods of time before deposited. Three death benefit checks totaling $17,945 received on behalf of a ward during 2010 were held for 3 weeks, 1 month, and 9 months, respectively, before deposit. Two of these checks were not reported as income/assets on the ward's annual settlement filed in March 2011. According to the Public Administrator, these types of checks are often held for future expenses so a ward's assets remain below Medicaid eligibility funds.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited timely and appropriately reported on annual settlements. In addition, Section 208.210.1, RSMo, requires recipients to notify county welfare offices if they possess property which affects their right to receive benefits. Further, Section 208.210.2, RSMo, provides that if it is found that a recipient or spouse possessed income in excess of the amount reported that would affect his right to receive benefits, the amount of benefits may be recovered as a debt due the state.

7.3 Bank reconciliations

Adequate bank reconciliation documentation is not maintained, and the Public Administrator does not review the bank reconciliations performed by her deputy. The Public Administrator indicated bank reconciliations are performed on the computer system and are not saved, and previous reconciliations are not available from the system.

To ensure bank statements are properly reconciled to accounting records, documentation should be maintained of the reconciliations performed by the deputy and reviewed by the Public Administrator.

Recommendations

7.1 The Associate Circuit Judge establish procedures to adequately monitor the activity of all cases assigned to the Public Administrator.

7.2 The Public Administrator discontinue the practice of holding checks and contact the Missouri Department of Social Services, Family Support Division, to determine whether any monies are due to the state. In addition, all monies should be deposited timely and appropriately reported on annual settlements.

7.3 The Public Administrator maintain documentation of bank reconciliations and ensure periodic reviews of bank reconciliations are performed and documented.

Auditee's Response

The Associate Circuit Judge provided the following written response:

7.1 Please be advised that the audit covers the period prior to my being sworn in to the position of Associate Judge, and that the prior Probate Clerk left her position along with my predecessor, so I cannot speak to their standards and practices.

With regard to the concern listed in the audit stating that additional financial scrutiny of annual status reports are needed, our response is as follows:

The Judge has met with the Public Administrator regarding this matter. The Public Administrator has agreed to submit the most recent bank statement as an attachment with the annual status report so the Court can verify the financial status of each ward.

It is my understanding that the Auditor's office feels that this will give an adequate safeguard against any error or misuse of funds.

The Public Administrator provided the following written responses:

7.2 This was one case I held checks to establish a trust. Although I was late reporting it to the court, I did do a settlement and got court approval. It is not my regular practice to hold checks.

7.3 My deputy is now giving me a monthly bank statement with a copy of the reconciliation attached, which I review and initial.

8. Capital Assets

As noted in the prior audit report, procedures and records to account for county property are not adequate. The County Clerk has no procedures to identify and track property purchases and dispositions throughout the year. In January 2011, the County Clerk requested and received inventory reports from all county officials and department heads. Inventory reports had not been received for several years, except for the road and bridge department which submits the reports annually. The inventory reports lacked some necessary information such as purchase dates, acquisition costs, serial numbers, and disposal information. In addition, most property was not tagged as county property until the January 2011 inventory process.

Adequate capital asset records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Section 49.093, RSMo, provides the officer or their designee of each county department is responsible for performing annual inspections and inventories of county property used by their department and for submitting an inventory report to the County Clerk.

Recommendation

The County Commission and the County Clerk work with other county officials to ensure complete and accurate inventory records are maintained, annual physical inventories are conducted, and procedures are implemented for tracking capital asset purchases and dispositions throughout the year. In addition, all capital assets should be adequately tagged and identified as county property.

Auditee's Response

The County Commission provided the following written response:

All departments have, as of this year, started inventory. All capital assets will be tagged and identified as county property.

The County Clerk provided the following written response:

The County Commission and County Clerk agree with this recommendation. We have begun to ensure complete and accurate inventory records are maintained, annual physical inventories are conducted, and procedures have been implemented for tracking capital asset purchases and dispositions throughout the year. All capital assets are currently tagged and identified as county property.

Howard County
Organization and Statistical Information

Howard County is a county-organized, third-class county. The county seat is Fayette.

Howard County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 48 full-time employees and 23 part-time employees on December 31, 2010.

In addition, county operations include the Health Department, the Senate Bill 40 Board, and four levee districts.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2011	2010
William Lowell Eaton, Presiding Commissioner	$	25,760
Richard Conrow, Associate Commissioner		25,080
Howard McMillian, Associate Commissioner		25,080
Charles J. Flaspohler, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Kathyrne Harper, County Clerk		36,000
Mason R. Gebhardt, Prosecuting Attorney		43,000
Charlie Polson, Sheriff		42,000
Susan Keyton, County Treasurer		36,000
Frank Flaspohler, County Coroner		11,000
Marsha Davis, Public Administrator		38,000
Sharon Himmelberg, County Collector (2), year ended February 28,	42,052	
John (Woody) McCutcheon, County Assessor, year ended August 31,		38,000
Gene Bowen, County Surveyor (3)		

(1) Compensation is paid by the state.

(2) Includes $6,052 of commissions earned for collecting city property taxes.

(3) Compensation on a fee basis.

Financing Arrangements

The county entered into a lease purchase agreement with United Missouri Bank on March 28, 2003. The terms of the agreement called for the county to lease the Howard County Law Enforcement Center to United Missouri Bank, then the bank leases the law enforcement center back to the county with lease payments equal to the amount due to retire the indebtedness. Certificates of Participation totaling $1,725,000 were issued by United Missouri Bank on behalf of the county and the proceeds of those certificates were used to construct the law enforcement center. The lease is scheduled to be paid off in January 2012. The remaining principal and interest due on the lease at December 31, 2010, totaled $430,000. Funding for these obligations is provided by a 1/2-cent capital improvement sales tax which expires December 31, 2011.

The county entered into two energy efficiency loan agreements with the Missouri Department of Natural Resources (DNR) to finance major repairs at the courthouse and the Keller Building. In July 2008, the DNR issued a 16-year loan, in the amount of $49,336 with a 4.1 percent interest rate, for courthouse and Keller Building repairs. The remaining principal due on the loan at December 31, 2010, was $42,210. In August 2010, the DNR authorized a 6 1/2-year loan up to $60,000, with a 0 percent interest rate, for Keller Building repairs. As of June 2011, the county had borrowed $49,809 and made no principal payments on the second loan.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

According to county personnel, the county was awarded the following American Recovery and Reinvestment Act of 2009 (ARRA) funding during the 2 years ended December 31, 2010:

An ARRA - Energy Efficiency and Conservation Block Grant was awarded by the U.S. Department of Energy to the DNR. Through this grant, the DNR awarded a grant in the amount of $91,031 to Howard County in March 2010 to replace the Keller Building heating and cooling systems. As of December 31, 2010, the county had not received or spent any of these grant funds.

A Homelessness Prevention and Rapid Re-housing Program grant was awarded by the U.S. Department of Housing and Urban Development to the Missouri Department of Social Services and $28,446 was passed through to Howard County and spent during the year ended December 31, 2010. This program provides homelessness prevention assistance to households that would otherwise become homeless and rapid re-housing assistance to persons who are homeless.

A Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant was awarded by the U.S. Department of Justice to the Missouri Department of Public Safety (DPS). Through this grant, the DPS reimbursed Howard County for overtime payments to law enforcement officers working criminal cases. During the year ended

December 31, 2010, $4,039 was expended toward the overtime costs for Howard County Sheriff deputies and $391 was received by the county related to this grant.

A Recovery Act: Edward Byrne Memorial Justice Assistance Grant was awarded by the U.S. Department of Justice to the DPS and $9,226 was passed through to Howard County and spent during the year ended December 31, 2009, to replace lightbars on Sheriff's department vehicles.

An ARRA - Immunization grant was awarded by the U.S. Department of Health and Human Services to the Missouri Department of Health and Senior Services (DHSS). Through this grant, during the year ended December 31, 2010, the DHSS provided the Howard County Health Department DTaP vaccines and $1,425 for administration of the vaccines to school children.

Thomas A. Schweich

Missouri State Auditor

Thirty-Fourth Judicial Circuit

City of Howardville Municipal Division

August 2011

Report No. 2011-39

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Thirty-Fourth Judicial Circuit, City of Howardville Municipal Division

Accounting Controls and Procedures

The audit identified significant weaknesses with the municipal division's accounting controls and procedures, making it difficult to ensure that all receipts are deposited and accounted for properly. Accounting duties are not segregated. The Court Clerk performs all accounting duties without adequate supervision or review, and accountability over receipts is inadequate.

Receipts are not recorded on a cash control ledger, receipt slips are not always issued in numerical order, method of payment is not always noted, and procedures for voiding receipt slips need improvement. The municipal division's practices do not meet the requirements of the Missouri Municipal Clerk Manual, and there is no assurance all monies received are properly deposited.

Receipts are not deposited timely and intact, and checks and money orders are not restrictively endorsed until the deposit is prepared. The municipal division collected $267.50 that does not appear to have been deposited.

For 68 percent (44 out of 65) of the violations we reviewed, fines and court costs collected did not agree with the amounts authorized by the violations bureau schedule, mainly because no court costs were collected in the majority of these cases. The final disposition of some cases was not documented on the dockets as required by state law, and the Municipal Judge does not always sign the court dockets after case dispositions are recorded.

Partial payments received and balances due are not accounted for or followed-up on properly. The municipal division is collecting a Law Enforcement Training fee; however, the city has not passed an ordinance authorizing this fee. Fines and court costs are not disbursed to the city at least monthly, as required by state law. As of February 28, 2011, the municipal division bank account contained $18,700, most of which should be disbursed to the city.

The municipal division does not perform monthly bank account reconciliations and does not identify or reconcile month-end liabilities. The bank signature card for the municipal division bank account only listed the former City Clerk who resigned in 2010. Bank signature cards need to be updated in a timely manner.

Records and Reports	Some municipal division records for periods prior to October 2009, could not be located, including case files, dockets, and most financial records. Moreover, 45 percent (17 out of 38) of the traffic tickets dated after October 2009 selected for review could not be located. The lack of records makes it impossible to confirm whether traffic tickets and court cases were processed and accounted for properly. Missouri Supreme Court Operating Rule 8.04.6 requires municipal divisions to retain all case file records, which is essential for establishing accountability and demonstrating compliance with state law. The municipal division has not always filed accurate and timely monthly summary reports of cases heard in court, including fines and court costs collected, as required by state law.
Ticket Accountability	Neither the police department nor the municipal division adequately accounts for the numerical sequence of traffic tickets issued. Our review of the 200 tickets assigned to the police department during the audit period revealed 42 could not be located. Because tickets are not adequately tracked by number and ultimate disposition, the municipal division cannot be sure all tickets assigned and issued are properly submitted or voided.
Court Clerk Trainer	The Board of Aldermen authorized an individual to help train a temporary court clerk and perform certain duties, such as preparing deposit slips and requesting the city disburse Law Enforcement Training fees to the state. This individual was allowed access to municipal division assets and court records without the knowledge and authority of the Municipal Judge and without being bonded. To reduce the risk of loss or misuse of funds, all persons with access to court assets should be bonded, and to protect confidential court records, individuals should not be given access to court records without authorization from the Municipal Judge.

In the areas audited, the overall performance of this entity was **Poor**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The Thirty-Fourth Judicial Circuit, City of Howardville Municipal Division, did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Thirty-Fourth Judicial Circuit
City of Howardville Municipal Division
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THOMAS A. SCHWEICH
Missouri State Auditor

Presiding Judge
Thirty-Fourth Judicial Circuit
and
Municipal Judge
Howardville, Missouri

We have audited certain operations of the City of Howardville Municipal Division of the Thirty-Fourth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2010. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.

2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. The municipal division could not locate or provide us any financial or other records related to transactions conducted prior to October 2009. In addition, some court cases filed and citations issued by the City of Howardville Police Department subsequent to October 2009 could not be located by the municipal division. Because of this limitation on the scope of our audit, we could not audit those transactions or information related to the transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

Except as discussed in the second paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Howardville Municipal Division of the Thirty-Fourth Judicial Circuit.

A petition audit of the City of Howardville, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Heather R. Stiles, MBA, CPA

1. Accounting Controls and Procedures

Significant weaknesses were identified with accounting controls and procedures of the municipal division. As a result, there is little assurance all municipal division receipts were deposited and accounted for properly.

1.1 Segregation of duties

Accounting duties are not segregated. The Court Clerk performs all accounting duties, including receiving, recording, depositing, disbursing, and reconciling court receipts. Neither the Municipal Judge nor other city personnel provide adequate supervision or review of the work performed by the Court Clerk.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, there should be documented independent reviews of the municipal division records.

1.2 Receipt procedures

Accountability over municipal division receipts is inadequate.

- Receipts are not recorded on a cash control ledger, and receipt slips were not always issued in numerical sequence. As a result, the municipal division does not account for the numerical sequence of receipt slips.

- The method of payment (i.e., cash, check, or money order) and case number or ticket number were not always recorded on the receipt slips issued.

- Procedures to void receipt slips need improvement. In one instance, four receipt slips were issued to the same defendant within 3 days for the same amount for the same court case. While the defendant confirmed to us that he only paid the court once, only two of the receipt slips were physically voided. Additionally, the original copies of some voided receipt slips were not retained.

Without proper receipt procedures, there is little assurance all receipts are accounted for properly and deposited intact. The Missouri Municipal Clerk Manual, Chapter Four - Financial Procedures, requires pre-numbered receipt slips for all payments received which include the date, case number, name of person making the payment, amount received, type of payment, and initials of the person receiving the payment. The manual also requires the receipt information including the receipt slip number be recorded on a cash control ledger and the individual case file to provide adequate supporting documentation and a proper audit trail. Proper accounting for the numerical

sequence of receipt slips and retaining original copies of voided receipt slips provides better controls over receipts.

1.3 Deposit procedures

Receipts totaling $267.50 could not be traced to deposits. In addition, receipts are not deposited timely or intact, the composition of receipts is not reconciled to the composition of bank deposits, and checks and money orders are not restrictively endorsed until the deposit is prepared.

During October 2009, $170 of cash received could not be traced to specific deposits. These cash receipts were recorded on October 5 ($70) and October 13 ($100) and court personnel could not explain why these receipts could not be traced to deposits. Additionally, on March 2, 2010, a court receipt slip was issued for a money order for $97.50; however, the deposit of this money order could not be traced into the court's bank account.

Deposits are generally made one to three times per month while receipts are generally received throughout the month. Also, in December 2010, following the resignation of the Court Clerk on December 6, 2010, no additional court receipts were deposited until a deposit was made on January 4, 2011. This deposit was for $4,098 which included court monies received in the month of December 2010.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, all monies should be deposited intact, on a timely basis, and checks and money orders should be restrictively endorsed immediately upon receipt. Additionally, to ensure all receipts are properly recorded and deposited intact, receipt slips included in each deposit should be documented and the composition of receipt slips issued should be reconciled to the deposit. The municipal division should investigate the monies which could not be traced to deposits and take appropriate action.

1.4 Case disposition

Fines and court costs collected did not agree with the amounts authorized by the violations bureau (VB) schedule for 44 of 65 violations reviewed. For 31 of these 44 violations, only the fine amount and no court costs were collected. In addition, it is municipal division procedure to document the final disposition of all cases on the court dockets, including cases handled through the VB; however, the final disposition of some cases was not documented on the dockets, and the Municipal Judge does not always sign the court dockets after case dispositions are recorded. As a result, there is less assurance fines and court costs are properly handled and deposited.

Section 479.070, RSMo, requires the proceeding for every case commenced before the municipal division to be entered on the docket. Accurate recording of the case disposition is necessary to ensure all fines and court costs have been properly collected and deposited. In addition, procedures to ensure amounts collected through the VB agree to the schedule approved by

the Municipal Judge are necessary to ensure the proper amount of fines and court costs are collected.

1.5 Accounts receivable

Procedures to properly account for partial payments received and balances due need improvement. Monthly court dockets did not always contain a list of cases with amounts owed to the municipal division as required by court policy. Defendants are allowed to pay fines and court costs over time after signing a payment agreement form, and the Court Clerk keeps track of these payments on the cover of each case file.

To ensure proper follow up on amounts due to the court, all cases with amounts due should be included on the monthly court dockets.

1.6 Law enforcement training fees

The city has not established an ordinance authorizing the collection of the Law Enforcement Training (LET) surcharge. The municipal division assesses and collects a $2 surcharge for LET for each municipal ordinance violation to pay for training of law enforcement personnel employed or appointed by the city.

Section 488.5336.1, RSMo, provides that municipal divisions may collect the LET surcharge if authorized by the city government. To ensure compliance with state law, applicable court fees should be established by city ordinance.

1.7 Fines and court costs

The municipal division does not regularly disburse fines and court costs deposited in the court bank account. As of February 28, 2011, approximately $18,700 remained in the court bank account, the majority of which represents fines and court costs not remitted to the city. Since the current municipal division bank account was opened in October 2009, only two disbursements to the city totaling $11,022 have been made.

The lack of monthly disbursements of fines and court costs deprives the city of the use of these funds. Section 479.080, RSMo, requires the municipal division disburse fines and court costs to the city at least monthly.

1.8 Bank reconciliations

The municipal division does not prepare bank reconciliations for the division bank account or maintain a balance in the check register. In addition, month-end liabilities are not identified or reconciled to the division bank account balance.

Monthly bank reconciliations are necessary to ensure bank activity and accounting records are in agreement and to detect and correct errors in a timely manner. An accurate check register balance is necessary to facilitate reconciliation with bank account balances. In addition, liabilities should be identified at each month-end and reconciled to the bank account balance to ensure accounting records are in balance and monies held in trust are

sufficient to meet the payment of all liabilities. Such reconciliations would allow for prompt detection of errors.

1.9 Bank signature card

The municipal division has not adequately updated the bank signature card. The signature card as of March 16, 2011, only lists the former Court Clerk who resigned in December 2010. Failure to remove a prior employee's name from bank records in a timely manner could increase the possibility of misuse of funds. To protect court assets, the signature card should be updated to include only those individuals authorized to conduct municipal division business.

Recommendations

The City of Howardville Municipal Division:

1.1 Ensure there are documented periodic reviews of municipal division records by the Municipal Judge or city personnel independent of the accounting functions.

1.2 Issue official pre-numbered receipt slips for all monies received in numerical sequence, and ensure the method of payment is accurately recorded on each receipt slip. The municipal division should maintain a cash control ledger and periodically account for the numerical sequence of receipt slips issued. Also, the original copies of voided receipts should be properly defaced and retained.

1.3 Deposit all monies received intact in a timely manner and ensure all checks and money orders are restrictively endorsed immediately upon receipt. The composition of receipt slips should be reconciled to the composition of deposits. In addition, the municipal division should investigate the receipts not deposited in October 2009 and March 2010 and take appropriate action.

1.4 Collect the proper amount of fines and court costs in accordance with the VB schedule. Additionally, the court dockets should include the proper disposition of all cases and be signed by the Municipal Judge.

1.5 Ensure all cases with amounts due are included on monthly court dockets.

1.6 Request the city Board of Aldermen establish an ordinance authorizing the collection of the Law Enforcement Training surcharge.

1.7 Disburse all fines and court costs due to the city monthly in accordance with state law.

1.8 Maintain a current balance in the check register and prepare monthly bank reconciliations. In addition, month-end liabilities should be identified and reconciled to the bank account balance. Any differences should be investigated.

1.9 Update the bank signature card on a timely basis to include only those individuals currently authorized to sign checks.

Auditee's Response

The Municipal Judge provided the following written response:

A new Court Clerk has been hired and the State Auditor's recommendations have been implemented or will be implemented.

1.1 The City Clerk is now performing an independent review and signing applicable court accounting records.

1.2 This has already been implemented.

1.3 Deposits are now made intact daily or when at least $100 is received, and checks and money orders are restrictively endorsed immediately. Due to the significant turnover in court clerks, it may not be feasible to determine the cause of the discrepancies noted in October 2009 and March 2010.

1.4 This has been corrected.

1.5 A show cause docket is now prepared for each court date which lists all defendants who owe money to the court.

1.6 The Mayor has indicated the city recently passed an ordinance authorizing the collection of the LET fee.

1.7 We have recently distributed the balance of fines and court costs to the city and will make monthly disbursements to the city.

1.8 This will be implemented.

1.9 The Judge and the Mayor will be the only two individuals on the bank signature card.

2. Records and Reports

Records prior to October 2009 have not been maintained by the municipal division, and some court case files subsequent to that time could not be located. As a result, we could not audit some municipal division transactions. In addition, monthly reports of court activity were not accurate and were not filed with the city as required by state law.

2.1 Missing records

Some records related to municipal division activities pertaining to periods prior to October 2009, could not be located, including case files, dockets, and most financial records. The municipal division was shut down in 2003 and reestablished in August 2008. City personnel indicated from August 2008 to October 2009, fines and court costs received were recorded on city receipt slips and deposited into a city bank account. While city receipt slips and deposit records prior to October 2009 were retained, the municipal division could not locate court records, such as court dockets, traffic tickets issued, and court case files, to support these amounts deposited. Additionally, there are no records of any amounts being disbursed to the state for court fees collected for Crime Victims Compensation (CVC) and Peace Officer Standards Training (POST) prior to October 2009.

In addition, case files could not be located for some traffic tickets issued subsequent to October 2009. The municipal division could not locate copies of traffic tickets or related case files for 17 of 38 (45 percent) traffic tickets selected for review. As a result, the ultimate disposition of each ticket cannot be adequately tracked nor can tickets be accounted for properly.

Because these records could not be located, neither the municipal division nor the city has reasonable assurance that all traffic tickets and other court cases were processed by the division and accounted for properly. There is also no assurance that all fines and court costs received by the city or court were recorded and accounted for properly.

Missouri Supreme Court Operating Rule 8.04.6 requires municipal divisions to retain all case file records. Retention of municipal records is essential to establish accountability of division activity and in demonstrating compliance with state law.

2.2 Monthly reports

Municipal division summary reports were not always prepared timely, were not always accurate, and were not filed with the city. Reports are required to be prepared monthly and include caseload information, warrant information, and amount collected for each type of fine or court cost. Collection amounts on these reports did not always agree to court receipt slips and deposits, and some reports were prepared and filed with the Office of State Courts Administrator (OSCA) more than 30 days after the end of the reporting period.

Section 479.080, RSMo, requires the court to prepare and file with the city a monthly list of all cases heard in court, including fines and court costs collected. Missouri Supreme Court Operating Rule 4.29 allows the municipal division to submit the monthly summary report to the city to fulfill this requirement. Accurate reports are necessary to ensure the proper amount of fines and court costs are reported to OSCA and to the city.

Recommendations

The City of Howardville Municipal Division:

2.1 Maintain all court records, including case files for each traffic ticket filed, in accordance with court operating rules.

2.2 Ensure accurate municipal division summary reports are completed and filed with the city and OSCA as required by state law and court rule.

Auditee's Response

The Municipal Judge provided the following written response:

2.1 All court case files and traffic tickets are now being retained.

2.2 This has been implemented.

3. Ticket Accountability

The police department and municipal division do not adequately account for the numerical sequence of traffic tickets issued. The municipal division maintains a log of traffic ticket books assigned to officers; however, a log or list of all tickets issued or voided by the police department is not maintained. City records indicate a total of 200 tickets were assigned to the police department during the year ended June 30, 2010, and our review noted 42 of these 200 tickets could not be located by the municipal division or the Howardville Police Department.

Without properly accounting for the numerical sequence and ultimate disposition of tickets issued, the police department and the municipal division cannot be assured all tickets issued were properly submitted for processing. A record should be maintained accounting for the ultimate disposition of each ticket assigned to police officers to ensure all tickets have been accounted for properly and to decrease the risk of loss, misuse, or theft of funds.

Recommendation

The City of Howardville Municipal Division work with the police department to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.

Auditee's Response

The Municipal Judge provided the following written response:

The city's new Police Chief is now retaining copies of all traffic tickets and submitting them to the court.

4. Court Clerk Trainer

An individual was allowed access to municipal division assets and court records without the knowledge and authority of the Municipal Judge, and without being properly bonded.

In October 2009, the Board of Aldermen authorized this individual to help train a temporary court clerk and this arrangement continued into December 2009 when another new court clerk was hired. There was no compensation involved with this arrangement.

Since October 2009, this individual has periodically performed duties such as issuing receipt slips, preparing deposit slips, preparing and submitting monthly summary reports to OSCA, and requesting the city disburse LET and CVC fees to the state. Some of these duties continued to be performed after June 2010 despite a city board decision to terminate the arrangement at that time. The Municipal Judge indicated he was never contacted by city officials regarding the training arrangement and was not aware this individual was allowed to handle court monies or access court records. Additionally, this individual was not bonded.

Failure to bond all persons with access to court assets increases the risk of loss or misuse of funds. In addition, allowing an individual access to court records without approval of the Municipal Judge could result in unauthorized access to confidential court records.

Recommendation

The Municipal Division work with the Board of Aldermen to ensure all individuals with access to court assets and records are bonded and authorized by the Municipal Judge.

Auditee's Response

The Municipal Judge provided the following written response:

I did not authorize this individual to access court assets or records. The current Court Clerk is the only person (besides myself) authorized to handle court assets and records.

Thirty-Fourth Judicial Circuit
City of Howardville Municipal Division
Organization and Statistical Information

The City of Howardville Municipal Division is in the Thirty-Fourth Judicial Circuit, which consists of New Madrid and Pemiscot Counties. The Honorable Fred Copeland serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At June 30, 2010, the municipal division employees were as follows:

Title	Name
Municipal Judge	Phillip Santie
Court Clerk (1)	Vacant

(1) Latosha Maxwell resigned as Court Clerk in June 2010. Valleria Austin started as Court Clerk in August 2010. She resigned in December 2010. As of March 2011, the court clerk position remains vacant.

Financial and Caseload Information

	Year Ended June 30, 2010
Receipts	$14,373
Number of cases filed	167

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The Thirty-Fourth Judicial Circuit, City of Howardville Municipal Division, did not receive any federal stimulus monies during the year ended June 30, 2010.

Thomas A. Schweich

Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Department of Mental Health
Office of Director

July 2011

Report No. 2011-38

http://auditor.mo.gov

Department of Mental Health, Office of Director
Follow-Up Report on Audit Findings
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Mental Health Commission
and
Keith Schaefer, Ed.D., Director
Department of Mental Health
Jefferson City, Missouri

We have conducted follow-up work pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program on certain audit report findings contained in Report No. 2010-167, *Department of Mental Health, Office of Director,* issued in December 2010. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the department about the follow-up review on those findings.

2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:

    - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
    - In Progress: Auditee has begun to implement and intends to fully implement the recommendation.
    - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
    - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the department, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. We reviewed documents and other evidence indicating the level of implementation for each recommendation reviewed.

As part of the AFTER work conducted, we obtained a cost analysis prepared by the department related to the use of overtime, interviewed Department of Mental Health (DMH) officials concerning changes in overtime and compensatory time policies, received data related to complaint investigations and preliminary reports, and discussed with DMH officials monitoring of a service contract. This report is a summary of the results of this follow-up work, which was substantially completed during April 2011.

Thomas A. Schweich
State Auditor

2.1 Overtime

Neither the Department of Mental Health (DMH) nor its operating facilities had established policies to limit the amount of overtime an employee is allowed to work. As a result, some DMH facility employees worked excessive amounts of overtime.

For the 3 years ended June 30, 2010, the DMH paid employees approximately $47.8 million in overtime department-wide. During calendar year 2009, we noted over 40 habilitation center employees that received overtime in excess of, and in addition to, their regular pay. From January 1, 2008, to June 30, 2010, the DMH paid approximately $10.2 million in overtime to 527 employees whose paid overtime was 50 percent or more of their regular salary.

Neither the DMH central office nor its facilities had performed cost analyses or studies to determine whether hiring additional employees would be more cost effective than paying significant amounts of overtime to existing staff.

Recommendation

The DMH establish a policy to limit the amount of overtime an employee is allowed to work. In addition, a cost analysis should be performed to determine whether hiring additional employees would be more cost effective than paying significant amounts of overtime to existing staff.

Status

In Progress

The DMH, Division of Developmental Disabilities (DD) established a policy in December 2010 to limit the amount of overtime per employee to 24 hours per pay period unless approved by a superintendent or his/her designee. Additionally, DD established a real-time tracking system to document the amount of overtime hours each employee worked each pay period in order to assist in employee scheduling. The new policy requires facility human resources officials to review the number of overtime hours worked each pay period to ensure the 24-hour requirement is met.

DD has not fully implemented this new policy, and further efforts are needed to ensure all facilities are in compliance with the policy. However, records indicated at least one facility had made significant improvements in staff overtime.

The DMH, Division of Comprehensive Psychiatric Services (CPS) implemented an overtime policy in April 2011 that limits the amount of overtime an employee can work to (1) no more than 16 hours in a rolling 24-hour period; (2) no more than 32 hours overtime in any 7 consecutive day period; (3) no more than 40 hours overtime in any given pay period; (4) no more than 40 hours of either regular or overtime work across 3 consecutive days. DMH officials said CPS is working with information technology staff to modify the division's time and attendance system so that

the overtime hours worked could be used with the division's scheduling system to improve monitoring of employee overtime.

Department officials performed a cost analysis of overtime payments and concluded that cost effective use of overtime saves the department more than $2 million annually versus hiring additional employees.

2.2 Compensatory time balances

Section 105.935, RSMo, provides that at the beginning of each calendar year nonexempt direct care state employees are to be paid for any overtime hours earned and accrued under the Fair Labor Standards Act from the previous calendar year, though employees have the option of retaining up to 80 hours of compensatory time at year end.

In January 2010, we identified 153 nonexempt direct care employees in excess of the 80-hour limit.

Recommendation

The DMH ensure that overtime payment and accrued compensatory balance policies are in compliance with state law.

Status

Implemented

DMH officials indicated the department policy has been revised to align with Section 105.935, RSMo. Employees may now only retain up to 80 hours of overtime. Officials will work to ensure that employees whose compensatory time balances are currently above the 80 hour limit are reduced by June 30, 2011.

3.1 Complaint investigations - initial inquiry

Initial complaint investigation inquiries were not always completed timely by the Investigations Unit.

A review of 25 randomly selected investigations disclosed the initial inquiry into 4 (16 percent) of these complaints had not met the DMH 10 work-day criteria for timeliness. Regional offices provided good cause for only two of the exceptions.

Recommendation

The DMH ensure that initial complaint inquiries are completed within timeframes established by DMH regulations. If additional time is needed to complete the inquiry, any extension should be approved and adequately documented.

Status

Implemented

Both the CPS and DD divisions at the central office have reemphasized to regional office staff the DMH policy requirements concerning initial inquiries into investigations. The DD division has begun monitoring regional office compliance with the timeliness of initial inquiries. In

addition, DMH officials said an authorization field has been added to the investigation tracking system to document approval of justifiable reasons for extended time to complete the initial inquiry.

3.2 Initiation of investigations

While significant improvements have been noted, the Investigations Unit did not always start investigations in a timely manner as defined by criteria established by that unit.

Delayed investigations may make it more difficult to determine whether an incident or violation actually occurred.

Recommendation

The investigations unit continue recent improvements in starting complaint investigations in a timely manner.

Status

Implemented

DMH officials indicated a continued emphasis on the timeliness of the initiation of an investigation. Additionally, "dash board" notifications have been added to the DMH monitoring system identifying late investigations. As a result, the fiscal year 2011 compliance rate increased to 99.8 percent.

3.3 Preliminary reports

Generally, investigations are expected to be completed within 30 working days after the investigation is initiated. Investigators may be granted additional time to complete the investigations. Our review of 25 investigations noted 2 instances where a preliminary report was issued and additional time was granted for the completion of a final report. However, in both of these instances, the investigations were not completed within the time of the extension granted.

Department Operating Regulation 2.205 allows the assigned investigator 30 working days to complete an investigative report. If the report cannot be completed within this period of time, a preliminary report may be completed along with a notice of additional time needed to complete the report. The preliminary report shall include a statement of findings acquired during the period of the preliminary investigation, the reason for the need of additional time and the proposed completion date.

Recommendation

The DMH ensure, for investigations with preliminary investigation reports, the Investigation Unit require investigators to meet revised completions dates or request an additional extension.

Status

Implemented

The Investigations Unit has established a new policy requiring more documentation concerning preliminary reports and now requires a new

proposed completion date be established when the initial proposed completion date is not met.

4. Monitoring of BRIDGES program contract

The department did not adequately monitor a service contract involving expenditures in excess of $320,000 during the 3 years ended June 30, 2010.

CPS did not properly monitor this contract to ensure contract requirements were met or applicable services were actually provided.

Recommendation

The DMH properly monitor service contracts to ensure the documentation required by contract provisions is submitted and reviewed, and the applicable services have been properly provided to consumers. The DMH should also determine whether benefits obtained continue to justify the related expenditures of service contracts.

Status

Implemented

DMH officials indicated a CPS employee has been assigned to specifically monitor all expense and equipment contracts for compliance. In addition, DMH officials indicated CPS staff reviewed the contract for compliance with key provisions and, as a result of this review, division officials are considering contract modifications.

Thomas A. Schweich

Missouri State Auditor

OFFICE OF ATTORNEY GENERAL

Medicaid Fraud Control Unit

July 2011

Report No. 2011-37

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Office of Attorney General, Medicaid Fraud Control Unit

Background

The Medicaid Fraud Control Unit was created in 1994. It investigates and prosecutes Medicaid fraud by health care providers and reviews complaints of abuse or neglect of nursing home residents. Section 191.909.1, RSMo, requires the Attorney General's office to annually report certain activities related to the Medicaid Fraud Control Unit.

Audit Findings

The state auditor is required to conduct an audit to determine the amount of money invested in the unit and the amount of money actually received by the unit. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2010. The Medicaid Fraud Control Unit collected almost $39 million and $80 million in 2010 and 2009, respectively. No findings resulted from our audit.

In the areas audited, the overall performance of this entity was **Excellent**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Medicaid Fraud Control Unit did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

Office of Attorney General
Medicaid Fraud Control Unit
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
Honorable Chris Koster, Attorney General
Jefferson City, Missouri

We have audited certain operations of the Office of Attorney General, Medicaid Fraud Control Unit, as required by Section 191.909.1, RSMo. The objectives of our audit were to:

1. Determine the amount of money recovered by the unit.

2. Determine the amount of money invested in the unit.

3. Evaluate the unit's compliance with certain legal provisions.

Our audit determined the amount of money recovered by and invested in the unit, and reported those amounts in Appendixes A and B. In addition, for the areas audited, we identified no significant noncompliance with legal provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and, other than Appendixes A and B, was not subject to the procedures applied in our audit of the Medicaid Fraud Control Unit.

No findings resulted from our audit of the Office of Attorney General, Medicaid Fraud Control Unit.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Douglas Porting, CPA, CFE
Audit Manager:	Toni Crabtree, CPA
In-Charge Auditor:	Terri Erwin, MBA, CGAP
Audit Staff:	Gina Henley

Office of Attorney General
Medicaid Fraud Control Unit
Introduction

Background

Starting in 2008, pursuant to Section 191.909.1, RSMo, the Attorney General's office is to report annually, by January 1 of each year, the following activities related to the Medicaid Fraud Control Unit (MFCU):

"(1) The number of provider investigations due to allegations of violations under sections 191.900 to 191.910 conducted by the attorney general's office and completed within the reporting year, including the age and type of cases;

(2) The number of referrals due to allegations of violations under sections 191.900 to 191.910 received by the attorney general's office;

(3) The total amount of overpayments identified as the result of completed investigations;

(4) The amount of fines and restitutions ordered to be reimbursed, with a delineation between amounts the provider has been ordered to repay, including whether or not such repayment will be completed in a lump sum payment or installment payments, and any adjustments or deductions ordered to future provider payments;

(5) The total amount of monetary recovery as the result of completed investigations;

(6) The total number of arrests, indictments, and convictions as the result of completed investigations."

Additionally, the state auditor is required to conduct an audit of the MFCU ". . . to quantitatively determine the amount of money invested in the unit and the amount of money actually recovered by such office."

Scope and Methodology

The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2010.

Our methodology included conducting interviews with appropriate MFCU and Department of Social Services (DSS) personnel; reviewing written policies and procedures; obtaining and reviewing the MFCU annual report for the years ended December 31, 2010 and 2009; reviewing applicable state law and MFCU records; and testing of certain transactions.

We obtained an understanding of internal controls that were significant within the context of the audit objectives and assessed whether such controls had been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that

were significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

To determine the amount of monies recovered by and invested in the unit, we compared the annual report information to the revenues and expenditures recorded in the state accounting system (SAM II), and to supporting documentation. We ensured the annual report included all amounts and information required by Section 191.909.1, RSMo, and compared the amounts and information to supporting documentation to ensure the report was complete and accurate. We also tested the amounts and information in the case files to ensure MFCU supporting documentation was complete and accurate.

Office of Attorney General
Medicaid Fraud Control Unit
Organization and Statistical Information

The Attorney General's office is located in Jefferson City. There are branch offices in Kansas City, St. Louis, Springfield, and Cape Girardeau. The office is organized into nine divisions: Agriculture and Environment; Consumer Protection; Civil, Disability and Workers' Rights; Criminal; Financial Services; Governmental Affairs; Labor; Litigation; and Public Safety. Each division is headed by a chief counsel who is responsible for the operations of the division.

The Medicaid Fraud Control Unit (MFCU) is organizationally located within the Public Safety Division, and was created in 1994.

The MFCU conducts a statewide program for the investigation and prosecution of health care providers that defraud the Medicaid program. Additionally, the MFCU reviews complaints of abuse or neglect of nursing home residents and may review complaints of the misappropriation of patients' private funds in these facilities. The MFCU is also charged with investigating fraud in the administration of the Medicaid program and providing for the collection or referral for collection to the state Medicaid agency, the Department of Social Services (DSS). Referrals are received from the DSS Program Integrity Unit and Investigations Unit, other state agencies, and federal agencies. Additionally, the MFCU initiates its own investigations.

The MFCU operates under the administration oversight of the Office of Inspector General (OIG) of the U.S. Department of Health and Human Services (HHS), and must be recertified annually by the OIG. To receive certification, the MFCU must be separate and distinct from the state Medicaid agency (DSS). Federal regulations also prohibit 1) any official from DSS from having authority to review or overrule activities of the MFCU, 2) the MFCU from receiving funds from the DSS, 3) the MFCU from pursuing recipient fraud, unless there is a conspiracy with a provider, and 4) the MFCU from engaging in the routine computer screening activities that are the usual monitoring function of the DSS. In addition, the MFCU is required to enter into a Memorandum of Understanding with the DSS which outlines each agency's responsibilities and duties to each other. An annual federal grant from HHS reimburses 75 percent of MFCU expenses, with the state paying the remaining 25 percent of expenses.

Section 191.905.11, RSMo, provides restitution monies recovered by the MFCU be deposited to the MO HealthNet Fraud Reimbursement Fund and appropriated to the federal government and affected state agency(s) to refund monies falsely obtained from the federal government and state agency(s). For federal fiscal years 2009 and 2010, monies collected were distributed between the federal government and state agency at a rate of 63.19 percent and 36.81 percent, and 64.51 percent and 35.49 percent, respectively. These rates changed in federal fiscal year 2011 to 63.29

percent and 36.71 percent, respectively. Any monies remaining in this fund after appropriation to the federal government and state agency(s) are to be used to increase the MO HealthNet provider reimbursement until it is at least 100 percent of the Medicare provider reimbursement rate for comparable services. Any cost reimbursements for the investigation and/or prosecution of the Medicaid fraud are to be deposited to the MO HealthNet Fraud Prosecution Revolving Fund. These monies may be appropriated to the Attorney General, or to any prosecuting or circuit attorney who has successfully prosecuted and been awarded such costs of prosecution.

Restitution and investigation/prosecution costs recovered by the MFCU are transmitted to the DSS, Division of Finance and Administrative Services for depositing and recording in SAM II.

At December 31, 2010, the Office of Attorney General, MFCU employed 20 full-time employees, including a director, attorneys, investigators, auditors, a programmer analyst, and secretaries.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Office of Attorney General, MFCU did not receive any federal stimulus monies during the 2 years ended December 31, 2010.

Appendix A
Recoveries - 2 Years Ended December 31, 2010

For the 2 years ended December 31, 2010, the MFCU recovered the following funds:

	Year Ended December 31,		
	2010	2009	
Federal	$ 3,061,644	62,161	(1)
State	14,397,677	50,226,979	(2)
Federal direct	21,372,374	29,586,133	(3)
Total	$ 38,831,695	79,875,273	

(1) Federal government's share of the funds recovered by the unit.

(2) State's share of the funds recovered by the unit and from multi-state cases. In 2009, the unit received a settlement in the amount of $31 million which is being held pending litigation. A portion will be subject to the federal split when resolved.

(3) This amount includes the federal government's share of multi-state settlements, which is remitted directly to the federal government by the multi-state trustee.

Appendix B
Operating Costs - 2 Years Ended December 31, 2010

For the 2 years ended December 31, 2010, the costs incurred to operate the MFCU were:

	Year Ended December 31,		
	2010	2009	
Salaries and wages	$ 801,804	875,305	
Fringe benefits	343,920	387,068	
Travel, in-state	3,718	4,783	
Travel, out-of-state	2,336	4,736	
Supplies	23,020	26,446	
Professional development	19,715	10,275	
Communication services and supplies	14,365	13,851	
Professional services	14,734	156,984	
Maintenance and repair services	15,331	15,794	
Computer equipment	108,816	9,355	
Office equipment	40,055	1,173	
Debt service	3,704	1,858	
Miscellaneous expenses	1,477	6,475	
Court costs	1,060	60,063	
Building lease payments	69,683	65,484	
Total	$ 1,463,738	1,639,650	(1)

(1) For 2010 and 2009, funding of these costs included both state monies and a federal reimbursement. The federal reimbursement for 2010 was $1,097,803, with $120,236 being indirect costs. The federal reimbursement for 2009 was $1,229,738, with $133,922 being indirect costs. The state funding for 2010 and 2009 was $365,935 and $409,912, respectively.

Thomas A. Schweich

Missouri State Auditor

City of Neosho

July 2011

Report No. 2011-36

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Neosho

Financial Condition	The city's financial condition has worsened due to decreased revenues, cost overruns, real estate purchases, golf course subsidization, and a failure to adequately monitor the city's budget and cash balances. At September 30, 2009, the General Fund balance was more than $1 million negative.
Accounting Records and Budgets	The city does not maintain accurate and complete accounting records and budgets, is not performing timely bank reconciliations, and is not comparing actual receipts and expenses to budgets. The city did not always submit annual financial reports to the State Auditor's office as required by law.
Real Estate Transactions	The city sold property to the Neosho R-V School District for almost $200,000 less than its appraised value without soliciting any other bids. The city also agreed to exchange services for land without appraising the land or calculating the costs of the services to be provided. The city spent nearly $400,000 to purchase properties for additional parking, but, because it did not plan for development costs, the properties remain unused.
Civic Center	The city spent $600,000 more than planned on the renovation of the civic center and did not effectively plan how the financing would be paid. The renovation project included 47 change orders, none of which were separately bid. The city paid an individual $12,690 to promote events at the civic center without soliciting bids or ensuring contract requirements were met.
Senior Center	Because the city failed to obtain a performance bond on the senior center renovation, it spent $135,313 to compensate subcontractors when the general contractor defaulted. The city also did not have a written agreement with a general contractor as required by state law.
Procurement Procedures	The city failed to abide by its own procurement policy by not soliciting bids for several purchases. The city also did not periodically solicit proposals for services, such as golf course management and banking. Also, the city may have saved interest costs if it had used a competitive sale rather than a negotiated sale when selling certificates of participation in March 2010.
Disbursements	The city does not reconcile fuel used to fuel purchased or require mileage and fuel use logs, and records show a total fuel shortage of 1,375 gallons over a 3 month period. The Interim City Manager is allowed to use a city vehicle, but the value of commuting miles is not properly reported as compensation. The city did not always enter into written contracts and did not monitor contract compliance, so it overpaid a consultant $7,500 and did not properly bill the Neosho school district for its resource officer. Also, some contract terms were not adequate to ensure the city's needs would be met. The city spent nearly $11,000, to purchase items from a local business owned by the spouse of former Councilman/Mayor Werneke without seeking bids.

Payroll Controls and Procedures	Timesheets are not always signed and retained, and some employees are not properly compensated for overtime. The city is not properly and consistently managing the tuition reimbursement program and is not reporting reimbursements as taxable wages. Three retired employees retained city health insurance at the subsidized rate for several years after retiring.
Accounting Controls and Procedures	Accounting duties are not adequately segregated and there is no documented review of the Accounting Manager's duties or the Finance Director's wire transfer duties. Receipts are not always issued, the numerical sequence of receipts and batch numbers are not accounted for properly, and monies received are not deposited timely and intact. Business licenses are not pre-numbered and license and permit fees are not reconciled.
Utility System Controls and Procedures	Utlility revenues are used to subsidize General Fund operations, and the city increased utility rates without performing a cost analysis or rate review. The city does not reconcile gallons of water billed to gallons of water pumped, so unauthorized use or leaks could go undetected. The city also does not compare amounts billed for utilities to amounts paid and does not properly handle delinquent accounts. An independent review of any adjustments made to utility accounts is not conducted. Customer utility deposits are not reconciled to the deposit payable balance.
Meeting Minutes	Closed meeting topics were not limited to those specifically identified in the open meeting minutes and allowable under the Sunshine Law.
Capital Asset and Insurance Procedures	The city is not properly managing its capital assets and unnecessarily carried insurance on vehicles it no longer owned.

In the areas audited, the overall performance of this entity was **Poor**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The city was awarded a $7,758,719 Clean Water State Revolving Fund Grant for sewer system and wastewater treatment facility improvements, of which $4,348,772 was received and $4,789,246 was expended in fiscal year 2010. The city was also awarded a $58,640 Energy Efficiency and Conservation Block Grant for upgrades of the city wastewater treatment plant, but funds related to this grant were not received or expended in fiscal year 2010.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Neosho
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Management Advisory Report - State Auditor's Findings

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THOMAS A. SCHWEICH
Missouri State Auditor

To the Honorable Mayor
and
Members of City Council
City of Neosho, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Neosho. We have audited certain operations of the city in fulfillment of our duties. The city engaged Davis, Lynn, and Moots, P.C., Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended September 30, 2010. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm for the year ended September 30, 2009, since the year ended September 30, 2010, audit had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended September 30, 2010. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.

2. Evaluate the city's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Neosho.

An additional report, 2010-102, *Fortieth Judicial Circuit, City of Neosho Municipal Division,* was issued in August 2010.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Pamela Allison Tillery, CPA
In-Charge Auditor:	Donald Troy Royer
Audit Staff:	Michelle Crawford, M. Acct.

1. Financial Condition

The General Fund is in poor financial condition because of a prolonged decline in sales tax revenues; low cash reserves resulting from real estate purchases (see MAR finding number 3); cost overruns on renovation projects (see MAR finding numbers 4 and 5); and subsidization of the golf course for several years. The city failed to monitor its budget and cash balances, and as a result, it was not aware of the severity of its financial condition. In addition, the city's financial obligations have risen significantly over the last several years. The city failed to plan how it was going to make principal and interest payments on financing obtained for renovation projects and incurred additional costs due to poor project planning and management (see MAR finding number 4 and 5); and improperly borrowed monies from restricted funds, including using water and sewer monies to finance general operations.

The General Fund balance significantly deteriorated from 2007 to 2009. General Fund revenues, expenditures, and fund balances for those years are noted below:

	Year ended September 30,		
	2009	2008	2007
Beginning fund balance	$ 776,755	1,188,181	1,508,363
Revenues	9,138,245	9,525,160	6,048,122
Expenditures	(12,001,042)	(15,710,367)	(6,956,495)
Other financing sources	1,043,386	5,773,781	588,191
Ending fund balance	$ (1,042,656)	776,755	1,188,181

Information was obtained from independent audit reports.

In addition, city records indicate the General Fund balance was ($3,412,239) as of September 30, 2010. This balance is likely inaccurate because the beginning fund balance per city records as of October 1, 2009, was $192,098 less than the audited fund balance. The city has yet to receive its independent audit report for fiscal year 2010. However, the city clearly has a very serious financial condition concern.

Financial information

The City Council does not receive and review accurate financial information which would assist in effectively monitoring cash balances and the financial condition of city funds. Accounting records and annual budgets are not accurate (see MAR finding number 2). Revenues and expenditures of the General Fund appear to have increased significantly in fiscal year 2008; however, this is misleading because the city consolidated several restricted funds into the General Fund.

Golf course subsidization

The city has historically operated its golf course at a loss, and the Golf Fund had a deficit fund balance at the end of the city's last two audited fiscal years. As a result, the General Fund is required to subsidize its operations and activities. The Golf Fund revenues, expenditures, and operating loss for the last 4 years are noted in the table below:

	2010*	2009**	2008**	2007**
Revenues	$ 509,815	502,277	481,455	481,212
Expenditures	(579,979)	(584,210)	(641,768)	(638,224)
Operating Loss	$ (70,164)	(81,933)	(160,313)	(157,012)

* Information was obtained from city records.

** Information was obtained from independent audit reports.

According to the independent audit report, the Golf Fund had a deficit fund balance of ($62,711) as of September 30, 2009. While city records indicate the Golf Fund had a fund balance of $881,812 at September 30, 2010, this fund balance is likely not accurate because the beginning fund balance per city records as of October 1, 2009, was $878,220 more than the audited fund balance at that same date. Additionally, city records indicated approximately $3.5 million of the city's debt balance is for golf course improvements and equipment. Further, the city contracts with an individual to manage the golf course (see MAR finding number 6), and has not evaluated whether these services could be provided by city employees at a lower cost to the city.

Obligations

The city's independent audit report for the year ended September 30, 2009, indicated the city inappropriately borrowed restricted monies to subsidize the General Fund as noted below, and accurate information is not available for the year ended September 30, 2010:

Fund	Amount
STAR Loan	$ 739,200
Street	451,976
Hotel/Motel Sales Tax	204,367
Economic Development Sales Tax	157,044
Tax Increment Financing (TIF)	139,027
Senior Center Sales Tax	13,652
Water and Sewer	397,473
Total	$ 2,102,739

In addition, the General Fund has significant financial obligations related to long-term debt. Financial obligations have risen significantly over the last several years. Independent audit reports show that from fiscal year 2006 to fiscal year 2009, the financial liability of the General Fund has increased approximately 229 percent from $4.8 million to $15.8 million. Most of this

increase was incurred to refinance past debt and finance renovations of the civic center and senior center through the use of Certificates of Participation (COPs). Further, the city issued additional COPs totaling $1.3 million in March 2010 (See MAR finding number 4).

Actions taken

At the recommendation of its independent auditor, the city developed a financial plan in July 2010, to address current and future cash flow issues to assist in meeting financial obligations and the repayment of restricted funds. The city also eliminated 36 jobs during the year ended September 30, 2010.

The financial plan includes approving a property tax levy rate increase from $0 to $0.4225 on real property which is expected to generate property tax receipts of approximately $401,000 in fiscal year 2011. The financial plan also includes provisions for repayment of the above restricted monies (excluding the STAR Loan Fund) over the next 5 years. In addition, the Missouri Department of Transportation has required the city to commit to the completion of airport capital projects originally funded by the STAR loan. These projects are now required to be funded by the General Fund and the General Fund is required to repay the STAR loan which was inappropriately used for general city purposes.

The city contracted with an accounting firm in April 2010 to perform General Fund cash flow projections for the next 6 years. The cash flow projections did not include the estimated property tax receipts because the levy was approved after the completion of the projections and did not include the repayment of some restricted monies noted above as these were unknown at the time. We adjusted the cash flow projections for these differences in the table below:

	Year ended September 30,					
	2010	2011	2012	2013	2014	2015
Actual/projected beginning cash balance	$ 1,892	1,052,140	125,653	(132,222)	(492,288)	(979,954)
Projected receipts	7,761,689	7,299,471	7,377,188	7,445,953	7,515,406	7,585,553
Projected disbursements	(6,813,640)	(6,069,184)	(6,227,222)	(6,414,038)	(6,606,460)	(6,804,653)
Projected COP Proceeds	1,324,285	50,000	0	0	0	0
Projected debt payments and repayment of restricted monies	(1,222,086)	(2,206,774)	(1,407,841)	(1,391,981)	(1,396,612)	(1,400,972)
Projected ending cash balance	$ 1,052,140	125,653	(132,222)	(492,288)	(979,954)	(1,600,026)

It is essential the City Council continue to address the General Fund financial condition both in the immediate- and long-term future. To improve the financial condition, the Council should review disbursements and reduce spending as much as possible, evaluate controls and management practices to ensure efficient use of city resources, and attempt to maximize all sources

of revenue. Additionally, the city should perform a cost-benefit analysis to determine whether the continued operation of the golf course is beneficial and cost-effective. Although short-term interfund transfers are sometimes necessary to overcome temporary cash flow problems, interfund transfers are not appropriate as a long-term funding mechanism. Further, to effectively monitor the available cash and financial condition, the city needs complete and accurate financial reports.

Recommendation

The Neosho City Council require accurate and timely financial reports be prepared, closely monitor the city's financial condition, and take the necessary steps to improve the financial condition of the General Fund and Golf Fund. The Council should also develop a debt policy and monitor the overall financial obligations of the city.

Auditee's Response

The Neosho City Council provided the following written response:

The City Council agrees with the recommendation of monitoring the city's financial condition and has taken steps necessary to improve the accuracy in financial reporting used for decision making by the City Council. The City Council's long-term plan is to build a 90-day reserve in the General Fund. The City Council is now requiring cash-flow projections as part of our decision making process.

The City Council concurs with the recommendation that the golf course needs to be self-supporting. While the city recognizes the importance of making the golf course self-supporting, high debt loads from past renovations/expansions and current economic conditions continue to create challenges in the short-run.

The City Council agrees with the recommendation to develop a debt policy and will take steps necessary to do so. Such a policy should work to establish specific debt limits based on the city's projected future cash flows. It should also provide criteria to determine the overall affordability of any new debt before such debt is incurred.

Starting in January 2011, the City Council began receiving the requested financial reports. The City Council will continue to monitor the delivery of timely and accurate financial information and will take all steps necessary to ensure it continues.

2. Accounting Records and Budgets

Improvement is needed in the preparation of accounting records and budgets, and with financial reporting. Accounting records are not accurate, and the City Council cannot adequately monitor the financial condition and cash balances of the city.

2.1 Accounting records

Accounting records are not maintained in a manner to allow the city to properly track and record the financial activity of restricted monies, and as a result, the accounting records maintained by the city are not accurate. State motor vehicle-related receipts; auditorium, economic development, senior center, street, street and bridge, fire, park, and drainage sales taxes; and Police Officer Standards Training (POST) and Law Enforcement Training (LET) fees are not accounted for properly. The city consolidated several of these restricted funds into the General Fund in fiscal year 2008. Until October 2010, these monies were deposited into the General Fund, and while receipts and disbursements were tracked, the balances of the restricted monies were not. Thus, while the city has taken steps to deposit current restricted receipts into separate funds, the balances of restricted funds as of September 30, 2010, have not been determined and transferred to these new restricted funds.

To be of maximum assistance to the Council and to adequately inform the public, the accounting records of the city should accurately report financial activity and account balances. Additionally, Article IV, Section 30, Missouri Constitution, requires motor vehicle-related receipts apportioned by the state of Missouri be disbursed for street related purposes only. Sections 94.577, 94.705, 321.242, and 644.032, RSMo, specify how sales tax monies are to be used and indicate these monies should be deposited into separate funds. Section 488.5336.2, RSMo, requires POST and LET fees be used only for the training of law enforcement officers.

2.2 Bank reconciliations

As of February 2011, bank reconciliations had not been performed for the master fund bank account since September 2009, and our review of the last bank reconciliation performed of the city's investment bank account for August 31, 2010, noted a difference of $121,500 between the reconciled bank balance and the general ledger balance.

Monthly bank reconciliations are necessary to ensure all accounting records balance, transactions have been properly recorded, and errors or discrepancies are detected and corrected on a timely basis. Complete documentation of the reconciliations should be maintained to support conclusions and corrections, and to facilitate independent reviews.

2.3 Budgets

The 2011 and 2010 fiscal year budgets were not accurate and complete. The budgets did not include the beginning and estimated ending cash balances, and actual receipts and disbursements for the preceding year. Because the city did not include beginning and estimated ending cash balances on the

budget, the city cannot determine whether it is budgeting a deficit balance. The Council indicated various information was not included in the budgets because it was not accurate.

A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations and provides a means to effectively monitor actual costs and receipts. Sections 67.010 to 67.040, RSMo, establish specific guidelines as to the format and approval of the annual operating budget. Further, Section 67.010, RSMo, prohibits municipalities from budgeting a deficit balance.

2.4 Monitoring of budgets

The Council has not developed a process to monitor budget to actual receipts and disbursements. A report of budgeted and year-to-date actual receipts and disbursements is not prepared and reviewed by the Council. To help ensure the budget and financial condition are adequately monitored, detailed budget to actual reports should be prepared and reviewed by the Council.

2.5 Financial reporting

The city did not submit an annual financial report to the State Auditor's office for the years ended September 30, 2010 and 2009. In addition, the city did not submit an annual financial report for the year ended September 30, 2008, until October 2009. Section 105.145, RSMo, requires each political subdivision to file an annual report of its financial transactions. In addition, 15 CSR 40-3.030 requires the annual financial report be filed within 4 months after the end of the political subdivision's fiscal year if an unaudited financial report is filed and within 6 months after the end of the political subdivision's fiscal year if an audit report prepared by a certified public accountant is filed.

Recommendations

The Neosho City Council:

2.1 Ensure accounting records accurately reflect the financial activity of the city. The Council should also determine the amount of restricted monies in the General Fund, make appropriate transfers, and continue to track restricted monies as required by state law.

2.2 Ensure bank reconciliations are performed each month, the reconciled bank balance is compared to the general ledger balance, and any differences are investigated.

2.3 Prepare complete and accurate budget documents.

2.4 Periodically compare year-to-date receipts and disbursements with budgeted amounts to monitor city finances.

2.5 Submit an annual financial report to the State Auditor's office as required by state law.

Auditee's Response

The Neosho City Council provided the following written responses:

2.1 The City Council agrees with this recommendation. Separate funds were set-up to reflect the fiscal year 2010-2011 annual budget, implemented October 1, 2010.

2.2 The City Council agrees with the recommendation of bank reconciliations. Currently, the investment account has been reconciled through January 2011 and the master account has been reconciled through September 2010. Going forward, timely reconciliations of all cash accounts will be an expectation of the City Council and policies will be developed to require timely reconciliations.

2.3 The City Council agrees with the recommendations as provided by the State. The 2011-2012 fiscal year budget will be prepared and reviewed for accuracy.

2.4 The City Council concurs with the recommendation and is currently provided monthly financial reports with budget-to-actual comparisons.

2.5 The City Council agrees with the recommendation that the financial report needs to be submitted as required by state law. City staff will be directed to provide the year end 2009 audit. The fiscal year end audit is in progress and will be provided at its completion. The fiscal year end 2011 annual financial report will be provided as required by statute.

3. Real Estate Transactions

The city failed to ensure it received and exchanged reasonable amounts for city properties. In addition, the city did not properly plan financing to develop properties purchased for parking, and as a result, is unable to utilize the properties for the intended purpose.

3.1 Park recreation center

While the city obtained an appraisal for its park recreation center property, the city did not solicit bids for its sale and sold the property at a price significantly less than the appraised value. In October 2010, the recreation center property was appraised at $570,300. In December 2010, the city sold the recreation center property to the Neosho R-V School District for $375,000 ($195,300 less than the appraised value) without soliciting any other bids. The city sold several properties, including the park recreation center, to raise money to help the city's poor financial condition. Good business practices require the sale of real estate be formally publicized and bids solicited to ensure a reasonable price is received.

3.2 Exchange of services for property

The city entered into an oral agreement for the exchange of land from a not-for-profit entity (NFP) for subsequent services, and the value of neither the land nor the services was determined. In September 2009, 11 acres of land were given to the city by an NFP to construct a public works building in exchange for engineering, surveying, and road and sewer infrastructure work needed to prepare the adjoining properties still owned by the NFP for commercial development. There was no appraisal to determine a fair value of the land, and the city did not determine the value of the proposed services prior to the exchange. In November 2010, the city calculated its costs for surveying, engineering, and infrastructure as approximately $84,000. Good business practices require independent appraisals and a determination of the cost of services to be exchanged to ensure a reasonable value received and exchanged. In addition, written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

3.3 Downtown parking

The city spent a total of approximately $392,000 in fiscal years 2008 and 2009 to purchase properties for parking (including $290,000 for additional civic center parking), but did not plan financing for the development of the properties, and as a result, the properties remain unused. Given the city's financial condition, it is unclear when the city will be able to demolish the buildings on these properties and complete the parking projects.

Considering the city's financial condition and the large investment of city funds, the City Council should consider and document its plans to pay for the cost of developing these properties. Adequate planning will help ensure the best use of city funds.

Recommendations

The Neosho City Council:

3.1 Ensure future sales of real estate are formally publicized and bids are obtained.

3.2 Obtain appraisals and determine the cost of services to be exchanged to support future real estate transactions, and enter into written agreements.

3.3 Document plans to develop properties purchased.

Auditee's Response

The Neosho City Council provided the following written responses:

3.1 The City Council concurs. Current policy and practices are in line with these recommendations. While the sale of the parks recreation center was below appraisal, it was in accordance with Attorney General Opinion 2001-111. Furthermore, the City Council believes that this sale was the best option given the circumstances of the

city's financial situation, the deteriorating state of the recreation center, and the interest of the citizens.

3.2 The City Council agrees and current practices are in line with recommendations.

3.3 The City Council agrees with the recommendation provided and will strive to handle future endeavors more efficiently. Development plans for many of the properties listed were discussed by the City Council at various times in open session, but minutes of those meetings do not specifically list details of such discussions.

4. Civic Center

The city did not adequately plan how it was going to finance the civic center renovation and did not adequately monitor civic center renovation and operating costs. Significant change orders were approved without additional bidding, and some of the change orders were incurred due to poor planning. The city paid an individual to promote events at the civic center; however, the individual did not fulfill the terms of his contract. In addition, these services were not bid.

4.1 Monitoring and planning

The city did not adequately monitor the operating and renovation costs of the civic center. The city budgeted approximately $3 million to renovate, $200,000 to furnish, and $70,000 to operate the civic center during the year ended September 30, 2008. The renovation project cost approximately $3.4 million, and the city spent an additional $500,000 during fiscal year 2008 for the civic center including property for a parking lot (see MAR finding number 3), paving for an existing parking lot, office furniture, asbestos removal, operating expenses, and other minor capital purchases. As a result, the city spent approximately $600,000 more than it planned.

In addition, the city did not effectively plan how it was going to make principal and interest payments for 20 years on the financing obtained. The city issued $3.6 million in COPs in 2007 of which $3 million was for the civic center renovation project and $600,000 was for the senior center renovation project (see MAR finding number 5); however, the actual costs of the civic center renovation exceeded the COPs proceeds, and monies from the General Fund were used to pay for the remainder of the project costs.

As a result of the overspending, the city issued additional COPs totaling $1.3 million in March 2010, to repay the General Fund for cost overruns on this renovation project and assist in the continued operations of the city for the upcoming year.

Good business practices require adequate planning prior to approving significant capital improvement projects and monitoring of project costs.

Adequate planning for major capital projects is necessary to ensure the projects are financially feasible and supported by the taxpayers, and to help prevent potential problems or misunderstandings during the project.

4.2 Change orders

There were significant change orders to the civic center project, which contributed to project cost overruns. Some of these change orders were incurred due to poor planning. Additionally, the services provided and items purchased through the change orders were not bid. During the civic center renovation, 47 change orders totaling $334,754 were processed representing 12 percent of the original contract amount. Some of the change orders include:

Reason for Change Order	Cost
Theater lights	$ 40,217
Refinish balcony treads and risers	25,513
Window treatments	23,624
Increase in amount budgeted for exterior signage	19,162
Additional light fixtures required by the addition of black ceiling tiles	18,503
Relocate concession stand to an office	15,928
Low voltage aisle lights for balcony seats	14,745
Time extension for contractor to complete added change orders	13,690
Stage curtains	11,688

While change orders often occur on construction contracts, they are normally used to make adjustments for problems that are unknown when construction projects are originally bid. Change orders should be kept to a minimum to ensure the maximum amount of construction costs are subjected to competitive bidding and to reduce the amount of administrative time and effort in processing change orders. If the scope of a project changes substantially, consideration should be given to bidding those parts of the project.

4.3 Civic event promoter

The city paid an individual $12,690 to promote events at the civic center from February 2009 to February 2010; however, the individual did not fulfill the terms of his contract. The contract required the individual to promote one event each quarter, provide the city with a full financial accounting of each event, and establish a budget for each event to be approved by the City Manager.

The individual only promoted two events during the 12 month contract period, did not provide the city with a full financial accounting of the events held, and did not provide the city with a budget for each event. The city paid the individual $1,000 each month for the 12 month contract period and an additional $690 for audio and tear down services. In addition, the city did not bid these services.

The city should monitor contracts to ensure compliance with contract terms. In addition to complying with city ordinances, which require services costing more than $5,000 to be advertised for bids and for bids to be approved by City Council, competitive bidding helps ensure all parties are given an equal opportunity to participate in city business and the city has received the best and lowest price.

Recommendations

The Neosho City Council:

4.1 Ensure adequate planning and monitoring is performed and documented on future projects.

4.2 Ensure adequate planning is performed to reduce the number of change orders, and give consideration to bidding when substantial project changes are needed.

4.3 Ensure compliance with contract requirements. The City Council should also ensure bids are solicited for all applicable purchases and services in accordance with city ordinances and sufficient documentation is maintained.

Auditee's Response

The Neosho City Council provided the following written responses:

4.1 The City Council agrees with the recommendation of monitoring the planning and performance of future projects. Current practices do provide for better monitoring and oversight. Recent projects have received greater scrutiny prior to approval and project costs have been closely monitored.

4.2 The City Council agrees with the recommendation. The City Council is currently being provided detailed information from the directors when a change order is presented. All change orders are reviewed and approved by the City Council. Recent change orders have been limited to unknown or unexpected events. Significant changes to current and future projects will be done by bid, not by change order.

4.3 The City Council agrees with the recommendation and will ensure future bids are solicited in accordance with city ordinances and policy. The city will also work to better monitor compliance of contracts and maintain adequate documentation for any agreed-upon changes that may impact performance.

5. Senior Center

The city failed to require a performance bond on the senior center renovation project, resulting in additional costs to the city. In addition, the city did not enter into a written agreement with a general contractor for the project.

In July 2007, the city entered into a construction contract for the renovation of the senior center. The total cost of the project was estimated to be approximately $518,000. The renovation project was completed in April 2008, at a cost of approximately $634,000.

5.1 Performance bond

The city unnecessarily spent an additional $135,313 because it did not require the general contractor to furnish a performance bond. In February 2008, the city was notified the general contractor had not paid several subcontractors for work performed totaling $141,340, and the city had already paid the general contractor for some of these amounts. The City Attorney negotiated payments to these subcontractors down to $135,313; however, amounts previously paid to the general contractor could not be recovered because there was no performance bond.

Section 107.170, RSMo, requires all public entities to obtain a performance bond for public works contracts with costs estimated to exceed $25,000. Performance bonds provide assurance for proper completion of such projects and may have relieved the city from any potential liability to subcontractors upon default by the contractor.

5.2 Written contract

The city did not enter into a written agreement with the general contractor hired to complete the senior center renovation project, at a cost of $11,000. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

Recommendations

The Neosho City Council:

5.1 Ensure performance bonds are obtained on construction projects as required by state law.

5.2 Enter into written agreements when appropriate.

Auditee's Response

The Neosho City Council provided the following written responses:

5.1 The City Council agrees that performance bonds should be obtained for construction projects as required by state law and current city practices require such bonds.

5.2 The City Council agrees that all contracts should be in writing. All current contracts are in writing and are presented to the City Council for approval.

6. Procurement Procedures

6.1 Bidding

Procurement practices need improvement. According to accounting records, disbursements (including payroll) totaled approximately $16.6 million during the year ended September 30, 2010.

Although the city has a procurement policy which requires city officials to solicit bids for items or services costing more than $1,500 and advertise and obtain City Council approval for bids for items or services costing more than $5,000, the city did not solicit bids for numerous purchases made during the year ended September 30, 2010, and through January 2011, including:

Item or Service	Cost
Public works and golf course bulk fuel (two vendors-annual)	$ 125,080
Bulk fuel (aviation-annual)	96,591
Water testing	43,743
Fuel (local gas station-annual)	35,663
Accounting services (two vendors)	15,043
Leak detection services	10,590

In addition, while the city solicited and received six bids for cleaning services in April 2010, for city hall, the senior center, and the Lampo Community Center, the Council did not clearly document its decision and did not ensure compliance with the bid amounts. The city used the lowest bidder; however, the price charged by the low bidder was $421 per month higher than the amount quoted in the bid, and as a result, the city paid amounts in excess of the next lowest bid received. The city paid this contractor approximately $18,400 during the year ended September 30, 2010.

Also, the city has not solicited proposals for golf course management services for several years. The city has contracted with an individual for these services since 2005, and entered into a 3 year contract with him in October 2009. The city paid this individual $211,297 during the year ended September 30, 2010. The city also paid this individual an additional 12.5 percent ($24,090) of all golf cart rental fees during the year ended September 30, 2010. The city owns or leases all golf carts and pays all expenses for maintenance, so it is unclear why this individual is paid a percentage of these fees.

Further, while the City Council had adopted and approved a formal purchasing policy, various versions of the policy, which include conflicting purchasing and bidding requirements, are used by city departments.

In addition to complying with city ordinances, competitive bidding helps ensure all parties are given an equal opportunity to participate in city business. Complete documentation should be maintained of all bids and

proposals received and the reasons why a bid or proposal was selected. Also, one centralized purchasing policy, which clearly defines the levels of purchase authorization or approval requirements for various purchases should be adopted to ensure purchasing procedures are consistent and purchases are properly approved.

6.2 Banking services

The city has not solicited proposals from various banking institutions since 2003 for the deposit of city monies. The Council should solicit formal proposals for its banking services on a periodic basis. Doing so will help ensure the banking services received, as well as the costs of those services, are reasonable and competitive.

6.3 Financing

COPs totaling $1.3 million were sold in March 2010, through a negotiated instead of a competitive sale. In addition, the City Council did not select the COPs underwriter or legal counsel competitively. The Council used an underwriter and legal counsel it was familiar with and relied upon the advice of the underwriter instead of seeking open bids assuring the most competitive rate of return for taxpayers. The COPs were issued to repay the General Fund for cost overruns on renovation projects and to assist in the continued operations of the city for the upcoming year.

COPs are a method of financing a capital project whereby a financial institution sells interests in the capital project, leases the project to a local government, and repays the certificates with the lease payments. After the certificates have been repaid, the local government typically has the option to purchase at a nominal amount the capital project it has been leasing. COPs are not required to be approved by city voters.

While Missouri law does not require competitive sales of these types of financing instruments or competition in selecting underwriters and legal counsel, competitive sales may result in lower interest costs for the city.

Recommendations

The Neosho City Council:

6.1 Ensure bids are solicited for all applicable purchases and services in accordance with city ordinances and sufficient documentation is maintained. The Council should also ensure the adopted and approved purchasing policy is used by all departments.

6.2 Solicit proposals for banking services on a periodic basis.

6.3 Pursue fair and open competition in any future financing option sales.

Auditee's Response

The Neosho City Council provided the following written responses:

6.1 The City Council agrees that bids should be solicited for all applicable services and purchases. City staff is working towards perfecting that process. The City Council also agrees that the only purchasing policy that should be used city wide is what was approved by ordinance. That policy has been redistributed to all departments to ensure compliance.

6.2 The City Council agrees with the recommendation of soliciting proposals for banking services. City staff is working on preparing a request to be solicited by the end of the fiscal year. The City Council will ensure our policy for banking services will require those services be bid on a 3-year schedule (or less) to ensure costs are reasonable and competitive.

6.3 The City Council agrees with the recommendation of pursuing fair and open competition and will ensure compliance in any future financing.

7. Disbursements

Weaknesses were noted in controls and procedures over disbursements.

7.1 Fuel and usage records

Controls and procedures over fuel use and purchases need improvement. The city purchased $110,849, $35,663, $14,231, and $1,172 of fuel for the public works and parks departments, police department, golf course, and airport courtesy car, respectively, during the year ended September 30, 2010.

- Significant differences between fuel use and purchases are not investigated. The city maintains use records for bulk tanks used by the public works department and compares use to fuel purchases. City records reported shortages during June, July, and August 2010, totaling 1,015 gallons of unleaded fuel and 360 gallons of diesel fuel.

- Police department fuel use is not reconciled to fuel purchases. Mileage logs are maintained by the police department and could be used in this reconciliation.

- Mileage or fuel use logs are not maintained for bulk fuel tanks used by the golf course, and as a result, fuel use is not reconciled to fuel purchases.

- A mileage log is not maintained for the courtesy car at the airport, and as a result, fuel use is not reconciled to fuel purchases.

- Mileage logs maintained by the City Manager, Fire Chief, and employees of the police department, park department, and public works department were not always accurate and complete. The purpose of travel was not always documented on mileage logs, and several logs did not include all miles driven. For example, a public works employee log did not include 1,711 miles driven between February 15 and June 1, 2010.

Procedures for reviewing fuel used and reconciling use to fuel purchased and on hand, are necessary to ensure the reasonableness and propriety of fuel use and disbursements. In addition, mileage and fuel use logs are necessary to document the appropriate use of equipment and vehicles and to support fuel charges. Failure to account for fuel purchases could result in theft and misuse of fuel going undetected.

7.2 Interim City Manager commuting mileage

The value of commuting use of the Interim City Manager's city vehicle is not properly reported by the city as compensation. In addition, given the city's poor financial condition and the on-going employment of the Interim City Manager, the city should reconsider providing this benefit.

The original employment contract with the Interim City Manager, approved in April 2010, provided a city owned vehicle for him to take home daily. The Interim City Manager lives in Eucha, Oklahoma (approximately 130 miles round trip from Neosho). After we questioned the Interim City Manager about personal commuting miles, the city entered into a new contract in October 2010, which provided for the Interim City Manager to take a city owned vehicle home daily and personal commuting miles valued at $300 per month to be reported as a taxable fringe benefit.

The Interim City Manager indicated the city valued the commuting miles ($300) using the Internal Revenue Service (IRS) lease value method; however, the city valued the vehicle at $12,000 while the city acquired the vehicle in June 2010 valued at $15,900. As a result, the city under reported the taxable fringe benefit during the year ended December 31, 2010 by $533 or ($63 each month).

In addition, the city charter requires the City Manager to live within the city. Given the city has employed the Interim City Manager since April 2010, and has an employment contract with him which extends to October 2011, the city should re-consider whether this is still an interim position and whether a city vehicle should continue to be provided for personal commuting miles.

Federal regulations require all employers to withhold payroll taxes and include the value of personal automobile (commuting) use in taxable

income. The IRS provides several methods to determine automobile commuting values.

7.3 Written contracts and contract compliance

The city did not always enter into written contracts defining services provided and benefits received and did not monitor contracts for compliance. As a result, a consultant was overpaid and the Neosho R-V School District was not billed in accordance with contract terms. Also, some contract terms were not adequate to ensure the city's needs would be met.

- The city entered into a verbal agreement with an individual for the rental of city property. The city received $6,255 in rental payments during the year ended September 30, 2010.

- The city failed to properly monitor payments to a consultant hired to establish a Transportation Development District (TDD), and as a result, overpaid the consultant by $7,500. The city entered into a written contract with a consultant in December 2007. The contract provided for the city to pay the consultant a total of $17,500 ($10,000 at the signing of the agreement and another $7,500 when the TDD was created). However, the city paid the consultant a total of $25,000 ($10,000 in December 2007, $11,250 in December 2008, and another $3,750 in July 2009). The TDD was not formally established until February 2011.

- The city provides a resource officer to the Neosho R-V School District, but did not bill the district in accordance with the contract for the 2010-2011 school year. The Council entered into a written contract with the school district on August 18, 2009, to provide a resource officer in exchange for the district to pay the city 75 percent of the costs of the officer with payment to be made by November 30 of each school year. The city did not bill the district for the 2010-2011 school year until we brought this to the city's attention in February 2011.

- The city did not ensure bank reconciliations were prepared in accordance with contract requirements. In February 2010, the city was behind in preparing bank reconciliations and hired an accounting firm to prepare the bank reconciliations. The contract required the accounting firm to reconcile city bank accounts for October 2009 through January 2010, at a cost of approximately $10,000. The accounting firm only completed bank reconciliations for the investment bank account and did not prepare bank reconciliations for the master bank account for this time period.

  In addition, some contract requirements were not adequate to ensure the city's needs would be met. In September 2010, the city contracted with an individual to prepare "as many" of the remaining bank reconciliations for the investment and master fund bank accounts as he

could for the year ended September 30, 2010, up to the cost of $5,000. This individual only completed bank reconciliations for the investment bank account through May 2010, and none were completed for the master bank account. This poorly written contract did not provide the city any assurance accounting work would be completed and the city's needs met. Neither of these accounting services were bid (see MAR finding number 6).

Clear and detailed written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing. In addition, the city should monitor contracts to ensure compliance with contract terms, and request reimbursement for any overpayments.

7.4 Potential conflicts of interest

The city purchased items valued at $6,214 from a local business owned by the spouse of former Councilman/Mayor Werneke during the year ended September 30, 2009. The city purchased an additional $1,555 of items from this business during the period October 1, 2009, through April 20, 2010, (the end of the former Mayor's term of office). Some of these transactions exceeded $500, and bids were not solicited by the city for the purchases. In addition, the former Mayor signed 15 checks made payable to his wife's business totaling $3,224 during the period April 2009 to April 2010. These purchases included notepads given away at a senior center booth during a business exposition, plaques, and flower box signs.

Officers of a city serve in a fiduciary capacity. Personal interests in business matters of the city could create the appearance of conflicts of interest. In addition, Section 105.454(3), RSMo, provides no elected official may participate in any matter directly or indirectly in which he or she attempts to influence any decision of the political subdivision when he or she knows the decision could result in the acceptance of a service, sale, rental, or lease for consideration exceeding $500 per transaction or $5,000 annually to his or her spouse unless the transaction(s) is subject to bid and is the lowest bid received.

Recommendations

The Neosho City Council:

7.1 Require fuel use logs be maintained for all city-owned vehicles and equipment, and these logs be reviewed for accuracy and reconciled to fuel purchases. Any significant discrepancies should be investigated.

7.2 Ensure commuting use in city vehicles is properly reported as taxable income, and reconsider offering this benefit to the Interim City Manager.

7.3 Enter into written agreements defining services provided and benefits received, monitor contracts for compliance and request reimbursement for overpayments, and bill the school district in compliance with the contract.

7.4 More closely examine city transactions to identify and avoid apparent and actual conflicts of interest. The Council should ensure strict compliance with the law when conducting city business.

Auditee's Response

The Neosho City Council provided the following written responses:

7.1 The City Council agrees with the recommendation stated. City staff will be directed to implement a more consistent procedure for maintaining, reviewing, and reconciling fuel logs to fuel purchases.

7.2 The City Council agrees and confirms that city staff has reported the taxable benefit as required by law. It is also the City Council's intention to not offer this benefit in the future.

7.3 The City Council agrees with the recommendation and currently requires all contracts be in writing and monitored for compliance of all terms. Past practices by former employees resulted in an accounting work backlog. Current staffing allows for such accounting functions to be performed internally and future use of outside accounting assistance is not anticipated.

7.4 The City Council agrees with the recommendation of closely examining transactions to identify and avoid apparent and actual conflicts of interest. Better controls related to the signing of checks have been put in place to prevent such conflicts from occurring in the future.

8. Payroll Controls and Procedures

Controls and procedures over payroll disbursements need improvement.

8.1 Timesheets

Timesheets were not signed by some employees, and some original timesheets prepared and signed by park department employees were not retained. Original signed timesheets are necessary to document hours worked, substantiate payroll disbursements, and provide the city with a method to monitor hours worked and leave taken, and are beneficial in demonstrating compliance with Fair Labor Standards Act of 1938 (FLSA) requirements. In addition, timesheets should be signed by the employee and the employee's supervisor to indicate their agreement to the actual time reported each month and to ensure the accuracy of time worked and leave taken.

8.2 Personnel policies

The city is not compensating some employees for overtime in compliance with its overtime policy and FLSA requirements.

- Several employees have multiple duties, work over the standard 40 hour work week, and are not paid overtime. For example, during the 2-week pay period ended August 15, 2010, a full time wastewater department employee worked 80 hours and also worked 18 hours for the park department. The employee was not compensated at time and a half for the overtime hours. The city personnel policy and the FLSA require any time worked over 40 hours in a week (for non-emergency personnel) to be paid at time and a half.

- Nonworking time (vacation, sick leave, compensatory time taken, and holidays) is included in total hours worked when determining the amount of overtime earned by employees, which is disallowed by the city personnel policy and not required by the FLSA. The city may be paying more overtime to employees than required as a result of using nonworking time in its calculations of overtime earned.

8.3 Tuition reimbursements

Improvement is needed in the handling of tuition reimbursements. The city personnel policy provides for reimbursement of tuition expenses, and the city reimbursed employees $4,979 and $16,891 during the years ended September 30, 2010 and 2009, respectively.

- The city did not properly report tuition reimbursements to the IRS as taxable income for two employees. IRS Publication 970, requires employers to report tuition reimbursements in excess of $5,250 in a calendar year on the employee's W-2 form as taxable wages.

- Tuition was not consistently reimbursed to employees, and the city did not have documentation to explain the inconsistencies. The city reimbursed two administrative employees for all classes taken to obtain their bachelors of science degrees, but reimbursed two police department employees for only law enforcement classes taken to obtain their bachelors of science degrees.

- In February 2010, an employee was reimbursed $4,979 through the reimbursement program without adequate documentation that program requirements were met. To qualify for reimbursement, an employee is required to file an application for reimbursement 30 days prior to the class starting and obtain supervisory approval. The employee must also provide a report card showing a grade of A or B, and proof of payment. The application for this reimbursement was not signed by the employee or her supervisor (the former City Manager) or submitted 30 days prior to the class starting, a grade was not provided for one of the courses taken, and records provided by the employee appear to indicate the

employee received a refund from the university for one of the classes she was reimbursed for by the city.

To help ensure employees are treated fairly and equitably, the city should ensure all employees are reimbursed consistently and require documentation that program requirements were met.

8.4 Retiree health insurance benefits

Three retired employees were allowed to retain city health insurance at active city employee rates for 3 to 8 years after their respective retirement dates in violation of city policy. The city personnel policy allows for retired employees to continue health insurance coverage at the group Consolidation Omnibus Budget Reconciliation Act (COBRA) rates for up to 18 months after retirement. In addition, any employee who reaches age 65 during the 18 month period will be discontinued from the COBRA coverage due to eligibility for Medicare. To ensure retired employees are treated fairly and equitably, the city should develop procedures to monitor retiree benefits for compliance with its personnel policy.

Recommendations

The Neosho City Council:

8.1 Ensure timesheets are prepared, properly signed and approved, and retained for all employees.

8.2 Ensure compliance with the city overtime policy and the FLSA.

8.3 Report tuition reimbursements as wages in accordance with IRS regulations. The Council should ensure tuition reimbursements are consistent and supported by adequate documentation. The Council should also seek reimbursement for any unsubstantiated amounts.

8.4 Ensure compliance with city policy regarding retiree health insurance benefits.

Auditee's Response

The Neosho City Council provided the following written responses:

8.1 The City Council agrees with the recommendation. City staff are currently providing timesheets signed by the employee and their supervisor and these timesheets will be retained in accordance with the State's records retention policy.

8.2 The City Council agrees it is important to be in compliance with FLSA for overtime. The city will work to be in compliance by correcting known issues regarding overtime compensation.

8.3 The City Council agrees with the recommendation. Currently, the city does not offer tuition reimbursements. A further review will be

made to determine if any reimbursement should be sought for previously paid tuition reimbursements.

8.4 The City Council agrees with the importance of adhering to the current personnel policy and will require strict compliance with city policy and federal law related to COBRA benefits.

9. Accounting Controls and Procedures

Accounting duties are not adequately segregated; procedures for receipting, posting, and depositing monies are not adequate; and improvement is needed in the controls and procedures over business licenses and building permits. As a result of these numerous control weaknesses, there is no assurance all monies are handled and accounted for properly. According to the independent audit report, approximately $14 million in receipts were processed during the year ended September 30, 2009, and according to city records approximately $19 million in receipts were processed during the year ended September 30, 2010.

9.1 Segregation of duties

Accounting duties are not adequately segregated.

- The Accounting Manager prepares deposits, takes deposits to the bank, and reconciles some city bank accounts. In addition, there is no documented supervisory review of the duties performed by the Accounting Manager.

- In June 2010, the Finance Director was given authority by the City Manager to make electronic wire transfers between city bank accounts; however, procedures do not provide for documented supervisory reviews of such wire transfers. The Finance Director prepares some city bank reconciliations. While no wire transfers have been made by the Finance Director, these duties should be segregated or an independent review of wire transfers performed.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, a timely supervisory review of the work performed is necessary.

9.2 Receipting, posting, and depositing procedures

Receipting, posting, and depositing procedures need improvement. During cash counts conducted in October 2010, and review of the related deposits, we noted the following:

- Manual receipt slips are not issued for some monies received.

- The numerical sequence of manual receipt slips issued by the receptionist at city hall and employees of the collection department and park department are not accounted for properly.

- Amounts recorded on the manual receipt slips are not reconciled to the city accounting system and deposits. As a result, the city did not detect duplicate receipt slips issued for some monies collected by the park department. A cash count performed on October 5, 2010, in the park department, revealed two receipt slips issued on October 1 and October 4, 2010, for the same monies received.

- Receipt slips are not always issued by the collection department for monies collected at other departments and then transmitted to the collection department.

- The numerical sequence of receipt and batch numbers assigned by the city computerized accounting system are not accounted for properly. Receipt numbers restart with each new batch and multiple batches are used daily. In addition, the computer programmer indicated the accounting system is not capable of tracking voided or deleted receipt numbers.

- City receipts are typically not deposited timely and intact and are not always posted to the computerized accounting system timely. An October 5, 2010, cash count identified monies totaling $39,280 received from October 1 through October 5 which had not been posted to the computerized accounting system. Some of these monies were not posted until as late as October 20, 2010. Also, $18,475 of these monies were held and not deposited for more than 8 days. Numerous other instances were noted where other types of city receipts, such as golf fees, building permits, and park department receipts, were not deposited intact and timely. City officials indicated receipts are recorded and deposited only when time permits.

- Rental deposits for use of the Lampo Community Center are held until refunded, and no documentation is retained to support the refunds.

Failure to implement adequate receipting, posting, and depositing procedures increases the risk that loss or misuse of monies received will go undetected.

9.3 Business licenses and building permits

Business licenses are not prenumbered, and there is no procedure to reconcile business licenses and building permits issued to fees collected and amounts deposited. To ensure fees for all licenses and permits are properly collected, recorded, and deposited, the licenses should be prenumbered and the numerical sequence accounted for properly, and the licenses and permits issued should be periodically compared to fees recorded and deposited.

Recommendations

The Neosho City Council:

9.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.

9.2 Require receipt slips be issued in numerical sequence for all monies received and the numerical sequence of receipt slips be accounted for properly. The Council should also ensure manual receipt slips are reconciled to amounts recorded on the computerized accounting system and deposits, deposit all monies intact and in a timely manner, and issue all refunds by check. The Council should account for the numerical sequence of computerized receipt and batch numbers and work with the computer programmer to ensure the accounting system tracks voided or deleted receipt numbers.

9.3 Issue prenumbered business licenses and account for the numerical sequence, and reconcile licenses and permits issued to fees recorded and deposited.

Auditee's Response

The Neosho City Council provided the following written responses:

9.1 The City Council agrees that accounting duties need to be segregated and will direct the City Manager to ensure proper procedures are implemented to address the specific concerns listed. As of this date, the Finance Director no longer has the ability to make electronic wire transfers between the city's bank accounts.

9.2 The City Council agrees with the need to improve receipting procedures and will direct the City Manager to develop and present for approval a more controlled and consistent policy regarding receipts, posting, and deposits. Such a policy is essential to ensure public funds are handled properly. City staff currently provides refunds by check and has developed a system of tracking voided/deleted receipt numbers which includes the review of a supervisor.

9.3 The City Council agrees and city staff is currently working on a new procedure of issuing pre-numbered business licenses and building permits so that proper accounting and tracking can be ensured.

10. Utility System Controls and Procedures

Significant weaknesses were indentified in control procedures related to the utility system. As a result of these weaknesses, there is less assurance all utility monies have been accounted for properly and utility charges are set at the appropriate level to cover the cost of providing the related services. Per city accounting records, the utility system operating receipts exceeded $3.9 million for the year ended September 30, 2010.

10.1 Subsidization and utility rates

Utility revenues are used to subsidize General Fund operations, and as a result, city customers may be paying too much for utility services. As of September 30, 2009, $397,473 (see MAR finding number 1) is due to the Water and Sewer Fund from the General Fund, and accurate information is not available for the year ended September 30, 2010.

The city increased water and sewer rates in fiscal years 2008 and 2009, respectively, without performing cost analyses or utility rate reviews. As a result, the city did not determine and cannot demonstrate whether utility rates charged to customers are set at a level consistent with the costs of providing the related services.

Section 67.042, RSMo, provides that fees may be increased if supported by a statement of costs, which shows the increase is necessary to cover costs of providing the service. Utility rates should be set to cover the cost of providing the related services; not at a level which results in excessive fund balances. In addition, utility services should not generate profits to fund (through subsidizations) other services provided by the city. Periodic rate studies are necessary to ensure user charges are set at appropriate levels.

10.2 Water usage

Although the city compares the gallons of water billed to customers to gallons of water pumped each month, significant differences are not investigated. In addition, city water usage is not tracked, and without this information the city cannot properly perform the reconciliation. During the months of January and June 2010, the gallons of water pumped exceeded gallons billed by approximately 54.9 (54 percent) and 44.9 (49 percent) million gallons, respectively. As a result of not investigating these differences, unauthorized use might occur and not be billed and leaks may go undetected.

Tracking city water usage and investigating significant differences between water billed and water pumped is necessary to help detect significant water loss on a timely basis and ensure water usage is properly billed.

10.3 Reconciliations

The city did not perform monthly reconciliations of total amounts billed, payments received, and amounts unpaid for utility services including water, sewer, and trash. Monthly reconciliations are necessary to ensure accounting records balance, transactions are properly recorded, and any errors or discrepancies are detected on a timely basis.

10.4 Delinquent utility reports

While delinquent utility reports are prepared on a monthly basis by the Billing Analyst, the city has not established procedures to monitor or review these delinquent accounts. At March 31, 2011, the city had $147,020 in delinquent utility accounts.

To ensure delinquent accounts are handled properly, the delinquent accounts should be monitored and reviewed by someone independent of the utility department.

10.5 Adjustments

While the Finance Director reviews and approves adjustments to the utility system, which are submitted by the Billing Analyst, a subsequent review of the actual changes made to the utility system is not performed. To ensure all adjustments are valid and accounted for properly, a subsequent review of all changes made to the utility system should be performed and documented.

10.6 Utility deposits

Utility deposits posted to customer accounts in the utility system are not reconciled to the deposit payable balance in the general ledger. New customers are required by ordinance to pay a refundable deposit before receiving utility service. At our request, the Billing Analyst printed a list of deposits posted to customer accounts and the Accounting Manager printed the deposit payable balance in the general ledger as of August 31, 2010. The list of utility deposits from the utility system totaled $51,992 and the deposit payable balance in the city's general ledger totaled $51,467, resulting in a difference of $525.

Monthly reconciliations of the list of deposits to the deposit payable balance are necessary to ensure deposits are properly recorded in both customer accounts and the general ledger. Any discrepancies should be promptly investigated and resolved.

Recommendations

The Neosho City Council:

10.1 Discontinue using utility monies to fund other city operations. In addition, the Council should review utility rates periodically to ensure receipts are sufficient to cover all costs of providing these services, but not set at a level which results in excessive fund balances. Such reviews should be documented.

10.2 Investigate significant differences between gallons of water pumped to gallons billed and track city usage on a monthly basis.

10.3 Ensure monthly reconciliations of amounts billed to amounts collected and delinquent accounts are performed. In addition, the Council should ensure adequate documentation to support reconciliations is retained.

10.4 Ensure someone independent of the utility department monitors and reviews delinquent accounts.

10.5 Ensure approved adjustments are compared to actual changes made to the utility system.

10.6 Ensure a complete list of utility deposits is reconciled monthly to the deposit payable balance in the general ledger. Any discrepancies should be investigated and resolved.

Auditee's Response

The Neosho City Council provided the following written responses:

10.1 The City Council agrees utility monies should not be used to fund other city operations. Those practices are no longer viewed as acceptable and such subsidization is no longer occurring. The City Council concurs that utility rates should be evaluated periodically to ensure there is an accurate and adequate rate structure in place for covering all necessary utility costs. Periodic rate studies will be done as required by law.

10.2 The City Council is aware of ongoing water loss issues. Recently approved water system improvements will help with reducing water loss. Other contingencies will be evaluated and pursued to bring the city's loss ratios in line with acceptable limits.

10.3 The City Council agrees that monthly reconciliations should be performed and reviewed pertaining to utility amounts billed, collected, and delinquent and will endeavor to improve its process. The City Council will direct the City Manager to develop and present for approval a more controlled and consistent policy regarding such reconciliations.

10.4 The City Council agrees that a review of delinquent accounts should be performed independent of the billing department. The City Council will direct the City Manager to develop and present for approval a formal policy to monitor delinquent utility accounts.

10.5 The City Council agrees the need to review adjustments after entry into the utility system and will encourage city staff to review procedures to improve that process.

10.6 The City Council agrees with this recommendation and will work to ensure monthly reconciliation of bank accounts, include the utility deposit account.

11. Meeting Minutes

The city did not ensure compliance with the Sunshine Law for closed session meetings.

- Meeting minutes were not sufficient to demonstrate how some issues discussed in closed meetings were allowable under the Sunshine Law. These issues included discussing the attentiveness of city staff to customers and city residents, the financial operations of the civic center,

the condition of the civic center when shown to potential renters, and a salary increase for the Interim City Manager.

- Open meeting minutes indicated meetings were closed by the City Council for a specific reason; however, closed meeting minutes indicated other topics, that were not specifically identified in the open meeting minutes, were discussed.

To ensure compliance with state law, the City Council should restrict discussion in closed sessions to the specific topics listed in the Sunshine Law, Chapter 610, RSMo; document the specific reasons for going into closed session; and adequately document discussions held in closed meetings.

Recommendation

The Neosho City Council ensure only allowable topics are discussed in closed meetings and specific reasons for closing a meeting are documented. Closed meeting discussions should be limited to the topics announced in open session.

Auditee's Response

The Neosho City Council provided the following written responses:

The City Council agrees with the recommendation. Compliance with the requirements of the Missouri Sunshine Law is a top concern of this City Council, and we strive to limit conversations to the specific reason(s) documented for closing any meeting.

12. Capital Asset and Insurance Procedures

Capital asset records are not complete and have not been updated since 2008. In addition, the city disposed of two vehicles in June 2008, and another vehicle in January 2009; however, these vehicles were still carried on the city insurance policy as of January 14, 2010. Also, property is not tagged for specific identification, and an annual physical inventory is not performed. The audited financial statements for the year ended September 30, 2009, valued city property at approximately $26.4 million.

Adequate capital asset records and procedures are necessary to secure better internal controls and safeguard city assets that are susceptible to loss, theft, or misuse; and to provide a basis for determining proper insurance coverage. In addition, given the city's financial condition, the city should better monitor its insurance coverage to ensure unnecessary costs are not incurred.

Recommendation

The Neosho City Council ensure property records include all pertinent information for each asset such as tag number, description, cost, acquisition date, location, and subsequent disposition, and are compared to the city's insurance coverage. The Council should also properly tag, number, or otherwise identify all applicable city property and conduct an annual inventory.

Auditee's Response

The Neosho City Council provided the following written response:

The City Council agrees with this recommendation and recognizes the value of keeping the capital asset list updated. The City Council will direct the City Manager to review the procedures in place for tracking city assets and ensure all recommendations are addressed.

City of Neosho
Organization and Statistical Information

The City of Neosho is located in Newton County. The city was incorporated in 1878 and is currently a home rule-charter class city. The city employed 106 full-time employees and 30 part-time employees on September 30, 2010.

City operations include fire, law enforcement, utilities (water, sewer, wastewater, and trash), street maintenance, senior center, airport, golf course, and park services.

Mayor and City Council

The city government consists of a five-member council. The members are elected for 3-year terms. The mayor and mayor pro tem are elected by the council for a 1-year term. The mayor presides over the council, and may vote on all matters. The mayor and city council at September 30, 2010, are identified below. The mayor and city council members are paid $10 for each meeting attended with a maximum of $25 per month. The compensation of these officials is established by ordinance.

Richard Davidson, Mayor
Tom Workman, Mayor Pro Tem
Matt Persinger, Councilman
Heather Bowers, Councilwoman
Chris Wright, Councilman

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

According to city personnel, the city was awarded the following American Recovery and Reinvestment Act of 2009 funding during the year ended September 30, 2010.

A $7,758,719 Clean Water State Revolving Fund Grant was awarded by the U.S. Environmental Protection Agency for sewer system and wastewater treatment facility improvements. During the year ended September 30, 2010, $4,789,246 was expended and $4,348,772 was received by the city related to this grant.

A $58,640 Energy Efficiency and Conservation Block Grant was awarded by the U.S. Department of Energy for upgrades of the city wastewater treatment plant. During the year ended September 30, 2010, no funds were expended or received by the city related to this grant.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Daviess County, Missouri

The Office of the State Auditor, in cooperation with Daviess County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Kevin G. Hudson, Certified Public Accountant, is attached.

Thomas A. Schweich
State Auditor

July 2011
Report No. 2011-35

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

DAVIESS COUNTY, MISSOURI
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE TWO YEARS ENDED
DECEMBER 31, 2010

Daviess County, Missouri
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Independent Auditors' Report

To the County Commission of
Daviess County, Missouri
Gallatin, Missouri

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Daviess County, Missouri, (the County) as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As discussed more fully in Note 1, the County prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2010 and 2009, and the respective changes in financial position-cash basis, thereof for the years then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards,* I have also issued my report dated May 24, 2011, on my consideration of the County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information, budgetary comparison information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements of Daviess County, Missouri. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kevin G. Hudson, C.P.A.
Trenton, Missouri
May 24, 2011

Daviess County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2010

The discussion and analysis of Daviess County's financial performance provides an overall review of the County's financial activities for the years ended December 31, 2010 and 2009. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements, including the notes to the financial statements, to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2010 and 2009 are as follows:

- The county's total governmental expenditures exceeded total governmental revenues by $14,285 for the year ended December 31, 2010. The total governmental expenditures exceeded governmental revenues by $347,670 for the year ended December 31, 2009.

- The county's governmental funds ended the year ended December 31, 2010 with a combined cash balance of $2,962,317 and the year ended December 31, 2009 of $2,976,602.

- County revenues for the year ended December 31, 2010 of $3,157,580 decreased by $320,420 over the county revenues for the year ended December 31, 2009 of $3,478,000.

- County expenditures for the year ended December 31, 2010 of $3,192,973 decreased by $532,697 over the county expenditures for the year ended December 31, 2009 of $3,725,670.

Overview of the Financial Statements

The contents of this report comply with the presentation requirements of Statement No.34 of the Governmental Accounting Standards Board, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments,* as applicable to the cash basis of accounting. The county's basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. The notes are an integral part of the government-wide and fund financial statements and provide more detail about the information presented in the statements. This report also contains other financial information in addition to the basic financial statements.

The county has elected to present its financial statements on the cash basis of accounting, a basis of accounting other than accounting principles generally accepted in the United States of America. "Basis of accounting" refers to when financial events are recorded. Under the cash basis of accounting, revenues are recorded when received rather than when earned, and expenditures are recorded when paid rather than when the related liabilities are incurred. Therefore, when reviewing the financial information and discussion in this report, the reader should recall the limitations resulting from use of the cash basis of accounting.

Government-Wide Financial Statements

The Government-Wide Statement of Net Assets and the Government-Wide Statement of Activities report information about the county as a whole. These statements present the county's net assets and show how they have changed. Over time, increases or decreases in the county's net assets are one indicator of whether its financial health or position is improving or deteriorating. However, to assess the county's overall financial health, the reader needs to consider additional nonfinancial factors. The government-wide financial statements report only governmental activities - activities such as general government operations, public safety, and health and welfare that are usually financed through taxes and intergovernmental receipts. The county has no business-like activities-activities financed wholly or partially by fees charged to external parties for goods or services.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the county as a whole. Some funds are required to be established by state law or by bond covenants. However, the County Commission establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, or other sources of receipts. The fund financial statements include only governmental funds, which focus on the flow of money into and out of those funds and the balances left at year end that are available for spending. The governmental fund statements provide a detailed view of the county's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether more or fewer financial resources can be spent in the near future to finance the county's programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages18-27 of this report.

Other Information

This report also includes as required supplementary information this Management's Discussion and Analysis and the Budgetary Comparison Schedules for all governmental, special revenue funds and capital projects funds - cash basis. Such information is intended to supplement the government-wide financial statements, fund financial statements, and notes to the financial statements but is not a part of those statements.

In addition, the report includes the following components that are not a required part of the financial statements: the Schedule of Expenditures of Federal Awards, required for audits of federal program expenditures conducted in accordance with Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.*

Government-wide Financial Analysis

Below is a chart showing assets, receipts and disbursements for the years ended December 31, 2010 and 2009.

	Year Ended December 31, 2010	2009
Net Assets	$2,962,317	$ 2,976,602
Program Receipts	1,769,671	1,995,867
General Receipts	1,409,017	1,382,133
Disbursements	3,192,973	3,725,670
Change in Net Assets	(14,285)	(347,670)

For the two years disclosed in the audit, the change in Net Assets is primarily due to the General Fund and Capital Improvements Fund. The General Fund had net assets of $1,749,160 in 2008 as compared to $1,656,670 in 2010. The Capital Improvements Fund had net assets of $264,913 in 2007 as compared to $178,358 in 2010. General receipts did not fluctuate much between 2009 and 2010. Disbursements decreased between 2009 and 2010 due to the county paying out a $500,000 grant to the Daviess County Public Water Supply District No.1 that the county was a subrecipient of.

Financial Analysis of the County's Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of December 31, 2010, the county's governmental funds reported combined ending fund balances of $2,962,317, a decrease of $14,285 over the prior years fund balance of $2,976,602. The unreserved portion of fund balance was $1,656,670 for 2010 and $1,664,094 for the year ended 2009. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the County. At the end of the fiscal year 2010, unreserved fund balance of the General Fund was $1,656,670 and the unreserved fund balance of the General Fund for fiscal year 2009 was $1,664,094. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

The unreserved fund balance of the General Fund decreased by $7,424 for fiscal year 2010 as compared to a decrease of $85,066 for fiscal year 2009.

County Revenue Fund Budgeting Highlights

The County's budget is prepared according to Missouri law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the county's General Fund.

The original and final budgeted revenues for the general fund were $1,331,595 for 2010 and $1,008,490 for 2009. The original and final budgeted expenditures were $1,157,682 and $1,650,786 for 2010 and $1,080,883 for 2009.

The County did make budget amendments to various funds.

Economic Factors and Next Year's Budgets

The county sales taxes and property taxes have increased slightly in the past two years, which is a positive sign for revenue growth.

The County's General Fund has increased $42,510 over the two year period that was audited. This is encouraging due to the current economic times. The increased costs for fuel, materials, equipment, utilities, and operating expenditures continues to be a source of concern as well as the general state of the economy.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the County Clerk, 102 N. Main, Gallatin, Missouri 64640, (660) 663-2641.

GOVERNMENT WIDE FINANCIAL STATEMENTS

Daviess County, Missouri
Government Wide Statement of Net Assets
Cash Basis
For the Year Ended December 31, 2010

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 2,962,317
Total Assets	$ 2,962,317
NET ASSETS:	
Restricted	$ 1,305,647
Unrestricted	1,656,670
Total Net Assets	$ 2,962,317

The accompanying notes to the financial statements
are an integral part of this financial statement

Daviess County, Missouri
Government Wide Statement of Net Assets
Cash Basis
For the Year Ended December 31, 2009

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 2,976,602
Total Assets	$ 2,976,602
NET ASSETS:	
Restricted	$ 1,664,094
Unrestricted	1,312,508
Total Net Assets	$ 2,976,602

The accompanying notes to the financial statements
are an integral part of this financial statement

Daviess County, Missouri
Government-Wide Statement of Activities
Cash Basis
For the Year Ended December 31, 2010

	Expenses	Program Revenues: Charges for Services	Program Revenues: Intergovernmental	Net (Disbursements) Receipts and Changes in Cash Balances: Governmental Activities
Governmental Activities:				
General County Government	$ 1,799,212	$ 321,044	$ 753,308	$ (724,860)
Roads and Bridges	725,730	3,601	587,879	(134,250)
Law Enforcement Sales Tax	306,263	3,839	-	(302,424)
Capital Improvements	1,272	-	100,000	98,728
Central Emergency Dispatch	360,496	-	-	(360,496)
Total Governmental Activities	$ 3,192,973	$ 328,484	$ 1,441,187	$ (1,423,302)
Total Daviess County	$ 3,192,973	$ 328,484	$ 1,441,187	$ (1,423,302)
General Revenues:				
Property Taxes				291,772
Sales Taxes				756,177
Interest				55,212
Other				284,748
Transfers				21,108
Total General Revenues				1,409,017
Change in Net Assets				(14,285)
Net Assets - Beginning				2,976,602
Net Assets - Ending				$ 2,962,317

The accompanying notes to the financial statements are an integral part of this financial statement

Daviess County, Missouri
Government-Wide Statement of Activities
Cash Basis
For the Year Ended December 31, 2009

		Program Revenues		Net (Disbursements) Receipts and Changes in Cash Balances
	Expenses	Charges for Services	Intergovernmental	Governmental Activities
Governmental Activities:				
General County Government	$ 1,422,819	$ 332,996	$ 226,458	$ (863,365)
Roads and Bridges	1,409,134	1,450	1,330,913	(76,771)
Law Enforcement Sales Tax	304,395	4,050	-	(300,345)
Capital Improvements	293,938	-	100,000	(193,938)
Central Emergency Dispatch	295,384	-	-	(295,384)
Total Governmental Activities	$ 3,725,670	$ 338,496	$ 1,657,371	$ (1,729,803)
Total Daviess County	$ 3,725,670	$ 338,496	$ 1,657,371	$ (1,729,803)
General Revenues:				
Property Taxes				259,304
Sales Taxes				745,721
Interest				96,940
Other				380,168
Transfers				(100,000)
Total General Revenues				1,382,133
Change in Net Assets				(347,670)
Net Assets - Beginning				3,324,272
Net Assets - Ending				$ 2,976,602

The accompanying notes to the financial statements are an integral part of this financial statement

FUND FINANCIAL STATEMENTS

Daviess County, Missouri
Balance Sheet - Cash Basis
Governmental Fund
For the Year Ended December 31, 2010

	General Fund	Special Road & Bridge Fund	Law Enforcement Sales Tax Fund	Capital Improvements Fund	Central Dispatch Emergency Services Fund	Other Governmental Funds	2010 Total Government Funds
ASSETS							
Cash and Cash Equivalents	$ 1,656,670	$ 155,747	$ 19,909	$ 178,358	$ 236,392	$ 715,241	$ 2,962,317
TOTAL ASSETS	$ 1,656,670	$ 155,747	$ 19,909	$ 178,358	$ 236,392	$ 715,241	$ 2,962,317
LIABILITIES AND FUND BALANCES							
FUND BALANCES							
Unreserved, Reported in:							
General Fund	$ 1,656,670	$ -	$ -	$ -	$ -	$ -	$ 1,656,670
Special Revenue Funds	-	155,747	19,909	-	236,392	-	412,048
Capital Projects Fund	-	-	-	178,358	-	-	178,358
Nonmajor Funds	-	-	-	-	-	715,241	715,241
TOTAL FUND BALANCES	$ 1,656,670	$ 155,747	$ 19,909	$ 178,358	$ 236,392	$ 715,241	$ 2,962,317

The accompanying notes to the financial statements are an integral part of this financial statement

Daviess County, Missouri
Balance Sheet - Cash Basis
Governmental Fund
For the Year Ended December 31, 2009

	General Fund	Special Road & Bridge Fund	Law Enforcement Sales Tax Fund	Capital Improvements Fund	Central Dispatch Emergency Services Fund	Other Governmental Funds	2009 Total Government Funds
ASSETS							
Cash and Cash Equivalents	$ 1,664,094	$ 176,428	$ 34,723	$ 79,245	$ 307,708	$ 714,404	$ 2,976,602
TOTAL ASSETS	$ 1,664,094	$ 176,428	$ 34,723	$ 79,245	$ 307,708	$ 714,404	$ 2,976,602
LIABILITIES AND FUND BALANCES							
FUND BALANCES							
Unreserved, Reported in:							
General Fund	$ 1,664,094	$ -	$ -	$ -	$ -	$ -	$ 1,664,094
Special Revenue Funds	-	176,428	34,723	-	307,708	-	518,859
Capital Projects Fund	-	-	-	79,245	-	-	79,245
Nonmajor Funds	-	-	-	-	-	714,404	714,404
TOTAL FUND BALANCES	$ 1,664,094	$ 176,428	$ 34,723	$ 79,245	$ 307,708	$ 714,404	$ 2,976,602

The accompanying notes to the financial statements are an integral part of this financial statement

Daviess County, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
Cash Basis - Governmental Funds
For the Year Ended December 31, 2010

	General Fund	Special Road & Bridge Fund	Law Enforcement Sales Tax Fund	Capital Improvements Fund	Central Dispatch Emergency Services Fund	Other Governmental Funds	2010 Total Government Funds
REVENUES:							
Taxes - Sales	$ 252,063	$ -	$ 252,067	$ -	$ 252,047	$ -	$ 756,177
Taxes - Property	151,797	-	-	-	-	139,975	291,772
Intergovernmental Revenues	576,797	587,879	-	100,000	-	176,511	1,441,187
Charges for Services	285,537	3,601	3,839	-	-	35,507	328,484
Interest Income	40,467	1,448	42	385	4,366	8,504	55,212
Other	102,126	116,961	31,393	-	32,767	1,501	284,748
TOTAL REVENUES	1,408,787	709,889	287,341	100,385	289,180	361,998	3,157,580
EXPENDITURES:							
General County Government	1,416,211	-	-	-	-	383,001	1,799,212
Roads and Bridges	-	725,730	-	-	-	-	725,730
Law Enforcement Sales Tax	-	-	306,263	-	-	-	306,263
Capital Improvements	-	-	-	1,272	-	-	1,272
Central Dispatch Emergency	-	-	-	-	360,496	-	360,496
TOTAL EXPENDITURES	1,416,211	725,730	306,263	1,272	360,496	383,001	3,192,973
Excess (Deficiency) of Revenues Over Expenditures	(7,424)	(15,841)	(18,922)	99,113	(71,316)	(21,003)	(35,393)
OTHER FINANCING SOURCES (USES)							
Transfer To/From Other Funds	-	(4,840)	4,108	-	-	21,840	21,108
TOTAL OTHER FINANCING SOURCES (USES)	-	(4,840)	4,108	-	-	21,840	21,108
Net Change in Fund Balances	(7,424)	(20,681)	(14,814)	99,113	(71,316)	837	(14,285)
Fund Balance - Beginning of Year	1,664,094	176,428	34,723	79,245	307,708	714,404	2,976,602
Fund Balance - End of Year	$1,656,670	$ 155,747	$ 19,909	$ 178,358	$ 236,392	$ 715,241	$2,962,317

The accompanying notes to the financial statementsa are an integral part of this financial statement

Daviess County, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
Cash Basis - Governmental Funds
For the Year Ended December 31, 2009

	General Fund	Special Road & Bridge Fund	Law Enforcement Sales Tax Fund	Capital Improvements Fund	Central Dispatch Emergency Services Fund	Other Governmental Funds	2009 Total Government Funds
REVENUES:							
Taxes - Sales	$ 248,579	$ -	$ 248,582	$ -	$ 248,560	$ -	$ 745,721
Taxes - Property	130,266	-	-	-	-	129,038	259,304
Intergovernmental Revenues	67,169	1,330,913	-	100,000	-	159,289	1,657,371
Charges for Services	282,328	1,450	4,050	-	-	50,668	338,496
Interest Income	55,422	5,902	63	8,270	8,260	19,023	96,940
Other	219,057	89,525	58,153	-	210	13,223	380,168
TOTAL REVENUES	1,002,821	1,427,790	310,848	108,270	257,030	371,241	3,478,000
EXPENDITURES:							
General County Government	952,887	-	-	-	-	469,932	1,422,819
Roads and Bridges	-	1,409,134	-	-	-	-	1,409,134
Law Enforcement Sales Tax	-	-	304,395	-	-	-	304,395
Capital Improvements	-	-	-	293,938	-	-	293,938
Central Dispatch Emergency	-	-	-	-	295,384	-	295,384
TOTAL EXPENDITURES	952,887	1,409,134	304,395	293,938	295,384	469,932	3,725,670
Excess (Deficiency) of Revenues Over Expenditures	49,934	18,656	6,453	(185,668)	(38,354)	(98,691)	(247,670)
OTHER FINANCING SOURCES (USES)							
Transfer To/From Other Funds	(135,000)	(5,680)	-	-	-	40,680	(100,000)
TOTAL OTHER FINANCING SOURCES (USES)	(135,000)	(5,680)	-	-	-	40,680	(100,000)
Net Change in Fund Balances	(85,066)	12,976	6,453	(185,668)	(38,354)	(58,011)	(347,670)
Fund Balance - Beginning of Year	1,749,160	163,452	28,270	264,913	346,062	781,528	3,324,272
Fund Balance - End of Year	$ 1,664,094	$ 176,428	$ 34,723	$ 79,245	$ 307,708	$ 723,517	$ 2,976,602

The accompanying notes to the financial statements are an integral part of this financial statement

Daviess County, Missouri
Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31, 2010

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$3,312,568
Total Assets	$3,312,568
NET ASSETS:	
Restricted	$3,312,568
Unrestricted	-
Total Net Assets	$3,312,568

The accompanying notes to the financial statements
are an integral part of this financial statement

Daviess County, Missouri
Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31, 2009

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 3,531,387
Total Assets	$ 3,531,387
NET ASSETS:	
Restricted	$ 3,531,387
Unrestricted	-
Total Net Assets	$ 3,531,387

The accompanying notes to the financial statements
are an integral part of this financial statement

Note 1: Summary of Significant Accounting Policies

The financial statements of Daviess County, Missouri (the County) have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has adopted the reporting model as required by GASB Statement 34, for the presentation of information in the government-wide financial statements and the major fund statements. The more significant of the County's accounting policies are described below.

A. Reporting Entity

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County's financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization's government board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose specific financial burden on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the application of the above criteria, the county has no component units.

B. Basis of Presentation

Government-wide Statements

The Statement of Net Assets and the Statement of Activities present financial information about the County's governmental activities. These statements include the financial activities of the primary government in its entirety. Eliminations have been made to minimize the double-counting of internal transactions. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-like activities are financed wholly or partially by fees charged to external parties for goods or services. For the years ended December 31, 2010 and 2009, the county had only governmental activities.

Note 1: Summary of Significant Accounting Policies (Continued)

The Government-Wide Statement of Net Assets presents the financial condition of the county's governmental activities at year-end. The Government-Wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) intergovernmental receipts that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenue. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the county.

Fund Financial Statements

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The county uses funds to segregate transactions related to certain functions or activities in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the county primary government at this detailed level. The fund financial statements focus on major funds. Each major fund is presented in a separate column, and nonmajor funds are aggregated and presented in a single column. Major funds include (a) the county's primary operating fund, (b) any fund for which total cash, receipts or disbursements of an individual fund are at least 10% of the corresponding element total for all funds of that type, and © any other fund that county officials believe is particularly important to financial statement users.

The accompanying financial statements are structured into one category of funds - governmental. Governmental funds are those through which most governmental functions are typically financed. Reporting for such funds focuses on the sources, uses, and balances of current resources. The county's major governmental funds are as follows:

General Fund - The General Fund is used to account for all revenues and expenditures applicable to the general operations of county government that are not properly accounted for in another fund. All general operating revenues that are not restricted or designated as to their use by outside sources are recorded in the General Fund. Revenues are derived primarily from taxes and intergovernmental revenues.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue that are legally restricted to expenditure for specified purposes. The Special Road and Bridge Fund, Law Enforcement Sales Tax Fund, Central Emergency Dispatch Service Fund and Capital Improvements Fund are all considered major Special Revenue Funds.

Capital Projects Fund: The Capital Projects Fund is used to account for resources designated to construct or acquire capital assets and major improvements. Revenues are derived primarily from the issuance of long-term liabilities, intergovernmental revenues, grants and earnings on investments. The Capital Improvements Fund is considered a Capital Project Fund.

The county's nonmajor governmental funds are also special revenue funds.

Note 1: Summary of Significant Accounting Policies (Continued)

Fiduciary funds account for assets held by the county as a trustee or an agent for individuals, private organizations, other governments, or other funds. Fiduciary fund reporting focuses on net assets and changes in net assets; fiduciary assets are reported in a separate Statement of Fiduciary Net Assets because the county cannot use those assets to finance its operations. The county's fiduciary funds consist of agency funds, which report assets held in a purely custodial capacity and do not involve measurement of results of operations.

The agency funds include the County Collector's Fund, School Fines Fund, Bankruptcy Fund, Prosecuting Attorney Forfeiture Fund, Prosecuting Attorney Administrative Fee Fund, Unclaimed Fees Fund, Overplus Fund, Bond Forfeiture Fund, Protested Taxes Account, Treasurer/Ex Officio Fund, Criminal Cost Fund, CDES Fund, CAFO Fund, Deputy Sheriff Salary Fund and County Employees Retirement Fund. These funds are all included in the accompanying Statement of Fiduciary Net Assets.

C. Basis of Accounting

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. The government-wide and fund financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. Consequently, certain assets and their related revenues (such as accounts receivable and revenues billed but not yet collected for goods and services provided) and certain liabilities and their related expenditures (such as accounts payable and expenditures for goods and services received but not yet paid for) are not recorded in these financial statements. Generally accepted accounting principles for state and local governments require revenues to be recognized when they are earned or when they become available and measurable and expenditures or expenses to be recognized when the related liabilities are incurred.

Equity classifications: On the Government-Wide Statement of Net Assets, equity is classified as net assets and displayed in two components: restricted and unrestricted. Net assets are reported as restricted when limitations are imposed on their use through either the enabling legislation adopted by the County Commission or external restrictions imposed by creditors, grantors, or the laws and regulations of other governments. All other net assets are reported as unrestricted. The county applies restricted resources first when a disbursement is made for which both restricted and unrestricted net assets are available.

In the fund financial statements, equity is classified as fund balance and also may be displayed in two components: reserved and unreserved. Fund balance is reported as reserved to indicate that a portion of the fund balance is not available for appropriation or is legally segregated for a specific future use. When such restrictions do not exist, fund balance is reported as unreserved.

D. Vacation, Personal and Sick Leave

Vacation time, personal time is considered as expenditures in the year paid. Vacation time is given ½ a normal work day a month up to a total of six work days a year and must be used in its entirety prior to the employee's next anniversary date. The county does not have personal days, but comp time can be earned by working overtime.

Note 1: Summary of Significant Accounting Policies (Continued)

E. Budgets and Budgetary Accounting

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

1) In accordance with Chapter 50, (Sections 50.525 through 50.745, RSMo 2000), the County adopts a budget for various County funds.

2) Prior to January 15, each department, office, institution, commission, or court of the County submits two budgets to the budget officer showing its requirements for expenditures and its estimated revenues for the next budget year. These figures are presented with corresponding figures for the last completed year and an estimate of the current year.

3) The budget officer holds public hearings prior to presentation of the budget document to the County Commission no later than January 15th of each year.

4) A public hearing is held not earlier than 10 days after the budget document is made available to the public and with at least 5 days notice of the hearing.

5) Amendments to the budget are made by the County Commission as required to allow for appropriation of increased revenues and adjustments between line items within the budget. Budget amendments were made for 2010 and 2009. Please see budgetary comparison schedules in required supplementary information for further details.

The County's policy is to prepare the annual operating budget on a cash basis.

F. Inventories and Capital Assets

Inventories include office equipment, road and vehicle maintenance supplies, and fuel. Capital assets consist of land, buildings, furniture, equipment, vehicles, and infrastructure such as roads and bridges. Both inventories and capital assets are recorded as disbursements when they are purchased or constructed.

G. Prior Period Adjustments

In the prior year, the County was required to include the Circuit Clerk Interest Fund, the Law Library Fund and the Associate Division Interest Fund in the County's financial statements. For the two years ended December 31, 2010, the County was no longer required to include these funds in the financial statements. The omission of these funds caused the beginning fund balance to be adjusted by $9,113.

Note 1: Summary of Significant Accounting Policies (Continued)

H. Long-Term Debt

Consistent with the cash basis of accounting, long-term debt is not reported in the government-wide or fund financial statements. Proceeds from debt issuances are reported when received, and payments of principle and interest are reported when disbursements are made.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

J. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose.

K. Risk of Loss

The County protects itself from risk of loss by purchasing commercial insurance for property damage and liability risks. The County does not self insure its risks.

Note 2: Stewardship, Compliance and Accountability

Compliance with Finance Related Legal and Contractual Provisions

The County incurred no material violations of finance related legal and contractual provisions.

Excess of Expenditures Over Appropriations in Individual Funds

For the year ended December 31, 2009, the County had an excess of expenditures over appropriations in the Domestic Violence Fund, the Law Enforcement Block Grant Fund and the Sheriff Revolving Fund, For the year ended December 31, 2010, the County had an excess of expenditures over appropriations in the Sheriff's Civil Fee Fund, Sheriff Forfeitures Fund, Law Enforcement Block Grant Fund, the Recorder Tech Fund, the Recorder User Fees Fund, the Sheriff Revolving Fund, the Senate Bill 40 Fund and the Central Dispatch Emergency Services Fund.

Net Assets/Fund Balance Deficit

For the two years ended December 31, 2010, the County's Sheriff's Civil Fee Fund had a deficit fund balance of $61.

Note 3: Cash and Investments

Deposits - At December 31, 2010 and 2009, the carrying amount of the County's deposits was $2,436,435 and $2,381,787 respectively. The bank balance for the year ended December 31, 2010 and 2009 was $2,517,041 and $2,480,921 respectively. Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The County's deposit policy for custodial credit risk requires compliance with the provisions of state law. County policy further requires that all securities that serve as collateral against the deposits of a depository institution must be held in safekeeping at a non-affiliated custodial facility. Of the bank balance, $250,000 was covered by federal depository insurance and $2,267,041 was covered by collateral held by the County's safekeeping agent in the County's name at December 31, 2010 and $2,230,921 for the year ended December 31, 2009.

The Senate Bill 40 and the Central Emergency Dispatch Services Fund deposits at December 31, 2010 and 2009, and the County's Collector's deposits at December 31, 2010 and 2009, were not exposed to custodial credit risk because they were entirely covered by federal depositary insurance, by collateral securities held by the county's or board's custodial bank in the county's or board's name.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Missouri; bonds of any city having a population of not less than two thousand, county, school district, or special road district of the State of Missouri; bonds of any state, tax anticipation notes issued by any first class county, or a surety bond having an aggregate value at least equal to the amount of the deposits

Investments - The county may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within ninety days secured by U.S. Treasury obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County has no formal investment policy regarding interest rate risk.

Investment Credit Risk - The County has no investment policy that limits its investment choices other than the limitation of state law as follows:

a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.

Note 3: Cash and Investments (Concluded)

b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

Concentration of Credit Risk - The County places no limit on the amount it may invest in any one issuer. For the two years ended December 31, 2010, the County had no concentration of credit risk.

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2009, as follows:

Deposits	$ 694,562
Investments	1,687,225
Total Deposits and Investments	$ 2,381,787

As of December 31, 2009, the County's investments were as follows:

Fund	Type	Maturities	Amount
Multiple Fund	Certificate of Deposit	1/23/2010	$ 251,185
Multiple Fund	Certificate of Deposit	1/24/2010	509,344
Multiple Fund	Certificate of Deposit	7/27/2010	373,566
Multiple Fund	Certificate of Deposit	8/13/2010	553,130
	Total Investments		$ 1,687,225

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2010, as follows:

Deposits	$ 725,656
Investments	1,710,779
Total Deposits and Investments	$ 2,436,435

As of December 31, 2010, the County's investments were as follows:

Fund	Type	Maturities	Amount
Multiple Fund	Certificate of Deposit	1/23/2011	$ 253,614
Multiple Fund	Certificate of Deposit	1/23/2011	514,269
Multiple Fund	Certificate of Deposit	1/23/2011	384,418
Multiple Fund	Certificate of Deposit	2/13/2011	558,478
	Total Investments		$ 1,710,779

Note 4: Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on November 1st and payable by December 31st of each year. Taxes paid after December 31 are subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments (except some cities). The assessed valuation of the tangible taxable property for the calendar years 2010 and 2009 for purposes of County taxation was as follows:

	2010	2009
Real Estate	$ 75,609,650	$ 73,600,883
Personal Property	23,337,842	24,537,174
Railroad and Utilities	6,186,349	6,022,491
Total	$105,133,841	104,160,548

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

The tax levy per $100 of the assessed valuation of tangible taxable property for the calendar years 2010 and 2009 for purposes of County taxation was:

	2010	2009
General Revenue Fund	$ .1200	$ .1200
Senior Citizens Services	.0500	$ .0500
Senate Bill 40	$ .0800	$ .0800
Total	$ .2500	$ .2500

Note 5: County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit by calculating using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for vested employees.

Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, Missouri 65102-2271, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in the CERF. During 2010 and 2009, the County collected and remitted to CERF, employee contributions of approximately $79,836 and $78,918 respectively, for the years then ended.

Note 6: Commitments and Contingencies

The county is a party to various legal proceedings. At the date of these financial statements, the County cannot estimate its liability, if any, from losses that may result from certain proceedings. In the opinion of management and the County attorneys, the potential adverse impact of these proceedings would not be material to the combined financial statements of the County.

The County has several federal and state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. County management is not aware of any potential losses from such disallowance and believes that reimbursements, if any, would not be material.

Note 7: Central Dispatch Emergency Services Fund

Due to a statutory change effective August 28, 2010, the County's Central Dispatch Emergency Services Fund is considered a legally separate political subdivision. Even though the fund is now considered a legally separate entity, the fund was audited for the two years ending December 31, 2010 and will be included in the financial statements of this audit.

Note 8: Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

REQUIRED SUPPLEMENTARY INFORMATION

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
General Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ 245,000	$ 245,000	$ 252,063	$ 7,063	$ 263,000	$ 263,000	$ 248,579	$ (14,421)
Taxes - Property	132,500	132,500	151,797	19,297	252,875	252,875	130,266	(122,609)
Intergovernmental Revenues	571,245	571,245	576,797	5,552	60,840	60,840	67,169	6,329
Charges for Services	295,650	295,650	285,537	(10,113)	331,725	331,725	282,328	(49,397)
Interest Income	50,000	50,000	40,467	(9,533)	70,000	70,000	55,422	(14,578)
Other	37,200	37,200	102,126	64,926	30,050	30,050	219,057	189,007
Total Revenue	1,331,595	1,331,595	1,408,787	77,192	1,008,490	1,008,490	1,002,821	(5,669)
Expenditures:								
County Commission	88,184	88,184	86,909	1,275	89,334	89,334	88,016	1,318
County Clerk	89,442	89,442	85,820	3,622	91,360	91,360	84,217	7,143
Elections	62,745	62,745	40,611	22,134	28,200	28,200	15,631	12,569
Buildings and Grounds	120,050	120,050	96,886	23,164	117,850	117,850	74,445	43,405
Employee Fringe Benefits	97,359	97,359	81,479	15,880	100,541	100,541	80,859	19,682
County Treasurer	73,988	73,988	70,819	3,169	77,727	77,727	70,386	7,341
County Collector	11,200	11,200	6,796	4,404	14,000	14,000	6,636	7,364
Recorder of Deeds	66,068	66,068	64,770	1,298	64,990	64,990	64,812	178
Circuit Clerk	26,787	26,787	21,837	4,950	13,435	13,435	12,343	1,092
Associate Circuit Court	-	-	-	-	16,486	16,486	14,015	2,471
Court Administration	37,100	26,200	15,790	10,410	41,700	41,700	9,937	31,763
Public Administrator	29,681	29,681	28,022	1,659	29,451	29,451	28,251	1,200
Sheriff	15,000	15,000	61,333	(46,333)	20,000	20,000	42,124	(22,124)
Jail	29,365	29,365	-	29,365	25,000	25,000	-	25,000
Prosecuting Attorney	86,710	86,710	85,739	971	88,465	88,465	83,823	4,642
Juvenile Officer	12,151	12,151	6,520	5,631	11,442	11,442	7,061	4,381
County Coroner	28,573	28,573	22,737	5,836	28,623	28,623	16,992	11,631
Health and Welfare	19,004	19,004	-	19,004	8,504	8,504	-	8,504
Emergency Fund	150,000	150,000	41,032	108,968	100,000	100,000	168,274	(68,274)
Other	114,275	618,279	599,111	19,168	113,775	113,775	85,065	28,710
Total Expenditures	1,157,682	1,650,786	1,416,211	234,575	1,080,883	1,080,883	952,887	127,996
Excess (Deficiency) of Revenues Over Expenditures	173,913	(319,191)	(7,424)	311,767	(72,393)	(72,393)	49,934	122,327
Fund Balance - Beginning of Year	1,664,094	1,664,094	1,664,094	-	1,749,160	1,749,160	1,749,160	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(602,000)	(602,000)	-	602,000	(716,500)	(716,500)	(135,000)	581,500
Fund Balance - End of Year	$1,236,007	$ 742,903	$1,656,670	$ 913,767	$ 960,267	$ 960,267	$1,664,094	$ 703,827

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Special Road and Bridge Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	1,309,950	1,309,950	587,879	(722,071)	1,579,000	1,579,000	1,330,913	(248,087)
Charges for Services	500	500	3,601	3,101	300	300	1,450	1,150
Interest Income	6,000	6,000	1,448	(4,552)	12,000	12,000	5,902	(6,098)
Other	11,200	11,200	116,961	105,761	8,000	8,000	89,525	81,525
Total Revenue	1,327,650	1,327,650	709,889	(617,761)	1,599,300	1,599,300	1,427,790	(171,510)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Highway and Roads	1,600,820	1,600,820	725,730	875,090	1,792,810	1,792,810	1,409,134	383,676
Emergency Fund								
Other	-	-	-	-	-	-	-	-
Total Expenditures	1,600,820	1,600,820	725,730	875,090	1,792,810	1,792,810	1,409,134	383,676
Excess (Deficiency) of Revenues Over Expenditures	(273,170)	(273,170)	(15,841)	257,329	(193,510)	(193,510)	18,656	212,166
Fund Balance - Beginning of Year	176,428	176,428	176,428	-	163,452	163,452	163,452	-
Transfers In	100,000	100,000	-	(100,000)	100,000	100,000	-	100,000
Transfers Out	-	-	(4,840)	(4,840)	-	-	(5,680)	(5,680)
Fund Balance - End of Year	$ 3,258	$ 3,258	$ 155,747	$ 152,489	$ 69,942	$ 69,942	$ 176,428	$ 106,486

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Enforcement Sales Tax Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ 245,000	$ 245,000	$ 252,067	$ 7,067	$ 263,000	$ 263,000	$ 248,582	$ (14,418)
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	4,000	4,000	3,839	(161)	4,200	4,200	4,050	(150)
Interest Income	75	75	42	(33)	200	200	63	(137)
Other	27,750	27,750	31,393	3,643	27,000	27,000	58,153	31,153
Total Revenue	276,825	276,825	287,341	10,516	294,400	294,400	310,848	16,448
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	310,657	310,657	306,263	4,394	330,642	330,642	304,395	26,247
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	310,657	310,657	306,263	4,394	330,642	330,642	304,395	26,247
Excess (Deficiency) of Revenues Over Expenditures	(33,832)	(33,832)	(18,922)	14,910	(36,242)	(36,242)	6,453	42,695
Fund Balance - Beginning of Year	34,723	34,723	34,723	-	28,270	28,270	28,270	-
Transfers In	-	-	4,108	4,108	10,500	10,500	-	10,500
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 891	$ 891	$ 19,909	$ 19,018	$ 2,528	$ 2,528	$ 34,723	$ 32,195

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Capital Improvements Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	100,000	100,000	100,000	-	100,000	100,000	100,000	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	4,000	4,000	385	(3,615)	10,000	10,000	8,270	(1,730)
Other	-	-	-	-	-	-	-	-
Total Revenue	104,000	104,000	100,385	(3,615)	110,000	110,000	108,270	(1,730)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	85,000	85,000	1,272	83,728	300,000	300,000	293,938	6,062
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	85,000	85,000	1,272	83,728	300,000	300,000	293,938	6,062
Excess (Deficiency) of Revenues Over Expenditures	19,000	19,000	99,113	80,113	(190,000)	(190,000)	(185,668)	4,332
Fund Balance - Beginning of Year	79,245	79,245	79,245	-	264,913	264,913	264,913	-
Transfers In	-	-	-	-	100,000	100,000	-	100,000
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 98,245	$ 98,245	$ 178,358	$ 80,113	$ 174,913	$ 174,913	$ 79,245	$ (95,668)

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Assessment Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	140,656	140,656	145,287	4,631	147,200	147,200	146,491	(709)
Charges for Services	400	400	-	(400)	1,350	1,350	-	(1,350)
Interest Income	50	50	60	10	200	200	66	(134)
Other	-	-	1,421	1,421	-	-	443	443
Total Revenue	141,106	141,106	146,768	5,662	148,750	148,750	147,000	(1,750)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Assessor	180,014	180,014	165,538	14,476	184,725	184,725	162,502	22,223
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	180,014	180,014	165,538	14,476	184,725	184,725	162,502	22,223
Excess (Deficiency) of Revenues Over Expenditures	(38,908)	(38,908)	(18,770)	20,138	(35,975)	(35,975)	(15,502)	20,473
Fund Balance - Beginning of Year	41,273	41,273	41,273	-	21,775	21,775	21,775	-
Transfers In	-	-	17,000	17,000	14,240	14,240	35,000	(20,760)
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 2,365	$ 2,365	$ 39,503	$ 37,138	$ 40	$ 40	$ 41,273	$ 41,233

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Training Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	900	900	715	(185)	750	750	940	190
Interest Income	-	-	-	-	2	2	1	(1)
Other	-	-	-	-	-	-	-	-
Total Revenue	900	900	715	(185)	752	752	941	189
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	1,200	1,200	866	334	1,089	1,089	931	158
Juvenile Officer	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	1,200	1,200	866	334	1,089	1,089	931	158
Excess (Deficiency) of Revenues Over Expenditures	(300)	(300)	(151)	149	(337)	(337)	10	347
Fund Balance - Beginning of Year	349	349	349	-	339	339	339	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 49	$ 49	$ 198	$ 149	$ 2	$ 2	$ 349	$ 347

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Enforcement Training Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	3,000	3,000	2,858	(142)	3,500	3,500	2,928	(572)
Interest Income	10	10	3	(7)	20	20	7	(13)
Other	-	-	-	-	-	-	-	-
Total Revenue	3,010	3,010	2,861	(149)	3,520	3,520	2,935	(585)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	3,900	3,900	2,887	1,013	5,000	5,000	3,532	1,468
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	3,900	3,900	2,887	1,013	5,000	5,000	3,532	1,468
Excess (Deficiency) of Revenues Over Expenditures	(890)	(890)	(26)	864	(1,480)	(1,480)	(597)	883
Fund Balance - Beginning of Year	902	902	902	-	1,499	1,499	1,499	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 12	$ 12	$ 876	$ 864	$ 19	$ 19	$ 902	$ 883

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Sheriffs Civil Fee Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	10,000	10,000	10,712	712	15,000	15,000	10,414	(4,586)
Interest Income	-	-	6	6	-	-	7	7
Other	-	-	-	-	-	-	-	-
Total Revenue	10,000	10,000	10,718	718	15,000	15,000	10,421	(4,579)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	12,000	12,000	12,831	(831)	15,000	15,000	11,205	3,795
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	12,000	12,000	12,831	(831)	15,000	15,000	11,205	3,795
Excess (Deficiency) of Revenues Over Expenditures	(2,000)	(2,000)	(2,113)	(113)	-	-	(784)	(784)
Fund Balance - Beginning of Year	2,052	2,052	2,052	-	2,836	2,836	2,836	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 52	$ 52	$ (61)	$ (113)	$ 2,836	$ 2,836	$ 2,052	$ (784)

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Election Services Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	700	700	816	116	1,000	1,000	684	(316)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	5	5	6	1	30	30	8	(22)
Other	-	-	-	-	-	-	-	-
Total Revenue	705	705	822	117	1,030	1,030	692	(338)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	2,500	2,500	141	2,359	2,500	2,500	64	2,436
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	2,500	2,500	141	2,359	2,500	2,500	64	2,436
Excess (Deficiency) of Revenues Over Expenditures	(1,795)	(1,795)	681	2,476	(1,470)	(1,470)	628	2,098
Fund Balance - Beginning of Year	4,028	4,028	4,028	-	3,400	3,400	3,400	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 2,233	$ 2,233	$ 4,709	$ 2,476	$ 1,930	$ 1,930	$ 4,028	$ 2,098

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Tax Maintenance Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	15,000	15,000	15,410	410	14,500	14,500	15,250	750
Interest Income	350	350	206	(144)	550	550	362	(188)
Other	-	-	-	-	-	-	-	-
Total Revenue	15,350	15,350	15,616	266	15,050	15,050	15,612	562
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	18,850	18,850	9,796	9,054	14,400	14,400	10,031	4,369
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	18,850	18,850	9,796	9,054	14,400	14,400	10,031	4,369
Excess (Deficiency) of Revenues Over Expenditures	(3,500)	(3,500)	5,820	9,320	650	650	5,581	4,931
Fund Balance - Beginning of Year	38,297	38,297	38,297	-	32,716	32,716	32,716	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 34,797	$ 34,797	$ 44,117	$ 9,320	$ 33,366	$ 33,366	$ 38,297	$ 4,931

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Frazier Trust Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	400	400	390	(10)	800	800	547	(253)
Other	-	-	-	-	-	-	-	-
Total Revenue	400	400	390	(10)	800	800	547	(253)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration				-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	1,000	1,000	376	624	1,000	1,000	337	663
Total Expenditures	1,000	1,000	376	624	1,000	1,000	337	663
Excess (Deficiency) of Revenues Over Expenditures	(600)	(600)	14	614	(200)	(200)	210	410
Fund Balance - Beginning of Year	16,766	16,766	16,766	-	16,556	16,556	16,556	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 16,166	$ 16,166	$ 16,780	$ 614	$ 16,356	$ 16,356	$ 16,766	$ 410

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Mayes Estate Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	300	300	298	(2)	500	500	399	(101)
Other	-	-	-	-	-	-	-	-
Total Revenue	300	300	298	(2)	500	500	399	(101)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	7,500	7,500	-	7,500	10,000	10,000	5,236	4,764
Total Expenditures	7,500	7,500	-	7,500	10,000	10,000	5,236	4,764
Excess (Deficiency) of Revenues Over Expenditures	(7,200)	(7,200)	298	7,498	(9,500)	(9,500)	(4,837)	4,663
Fund Balance - Beginning of Year	7,711	7,711	7,711	-	12,548	12,548	12,548	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 511	$ 511	$ 8,009	$ 7,498	$ 3,048	$ 3,048	$ 7,711	$ 4,663

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Care Center Lease Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	5,000	5,000	1,487	(3,513)	12,000	12,000	9,698	(2,302)
Other	-	-	-	-	-	-	12,500	12,500
Total Revenue	5,000	5,000	1,487	(3,513)	12,000	12,000	22,198	10,198
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	20,000	20,000	8,714	11,286	150,000	150,000	142,810	7,190
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	20,000	20,000	8,714	11,286	150,000	150,000	142,810	7,190
Excess (Deficiency) of Revenues Over Expenditures	(15,000)	(15,000)	(7,227)	7,773	(138,000)	(138,000)	(120,612)	17,388
Fund Balance - Beginning of Year	163,429	163,429	163,429	-	284,041	284,041	284,041	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 148,429	$ 148,429	$ 156,202	$ 7,773	$ 146,041	$ 146,041	$ 163,429	$ 17,388

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Domestic Violence Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	400	400	277	(123)	300	300	375	75
Interest Income	-	-	-	-	-	-	1	1
Other	-	-	-	-	-	-	-	-
Total Revenue	400	400	277	(123)	300	300	376	76
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	400	400	297	103	300	300	391	(91)
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	400	400	297	103	300	300	391	(91)
Excess (Deficiency) of Revenues Over Expenditures	-	-	(20)	(20)	-	-	(15)	(15)
Fund Balance - Beginning of Year	30	30	30	-	45	45	45	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 30	$ 30	$ 10	$ (20)	$ 45	$ 45	$ 30	$ (15)

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Jackson Township Grant Maintenance Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	980	980	980	-	980	980	980	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	900	900	562	(338)	1,000	1,000	806	(194)
Other	6,000	6,000	-	(6,000)	18,000	18,000	-	(18,000)
Total Revenue	7,880	7,880	1,542	(6,338)	19,980	19,980	1,786	(18,194)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	10,000	10,000	-	10,000	10,000	10,000	-	10,000
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	10,000	10,000	-	10,000	10,000	10,000	-	10,000
Excess (Deficiency) of Revenues Over Expenditures	(2,120)	(2,120)	1,542	3,662	9,980	9,980	1,786	(8,194)
Fund Balance - Beginning of Year	41,416	41,416	41,416	-	33,950	33,950	33,950	-
Transfers In	4,840	4,840	4,840	-	5,680	5,680	5,680	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 44,136	$ 44,136	$ 47,798	$ 3,662	$ 49,610	$ 49,610	$ 41,416	$ (8,194)

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Local Emergency Planning Commission Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	7,500	7,500	-	(7,500)	4,700	4,700	-	(4,700)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	20	20	23	3	140	140	47	(93)
Other	-	-	-	-	-	-	-	-
Total Revenue	7,520	7,520	23	(7,497)	4,840	4,840	47	(4,793)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	8,000	8,000	348	7,652	17,838	17,838	7,635	10,203
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	8,000	8,000	348	7,652	17,838	17,838	7,635	10,203
Excess (Deficiency) of Revenues Over Expenditures	(480)	(480)	(325)	155	(12,998)	(12,998)	(7,588)	5,410
Fund Balance - Beginning of Year	5,410	5,410	5,410	-	12,998	12,998	12,998	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 4,930	$ 4,930	$ 5,085	$ 155	$ -	$ -	$ 5,410	$ 5,410

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Check Processing Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	7,200	7,200	7,267	67	10,000	10,000	8,293	(1,707)
Interest Income	-	-	26	26	-	-	34	34
Other	-	-	-	-	-	-	-	-
Total Revenue	7,200	7,200	7,293	93	10,000	10,000	8,327	(1,673)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	7,000	7,000	6,765	235	15,730	15,730	6,302	9,428
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	7,000	7,000	6,765	235	15,730	15,730	6,302	9,428
Excess (Deficiency) of Revenues Over Expenditures	200	200	528	328	(5,730)	(5,730)	2,025	7,755
Fund Balance - Beginning of Year	17,755	17,755	17,755	-	15,730	15,730	15,730	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 17,955	$ 17,955	$ 18,283	$ 328	$ 10,000	$ 10,000	$ 17,755	$ 7,755

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Sheriff Forfeitures Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	13	13	7	(6)	-	-	13	13
Other	-	-	-	-	-	-	-	-
Total Revenue	13	13	7	(6)	-	-	13	13
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	700	700	729	(29)	700	700	-	700
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	700	700	729	(29)	700	700	-	700
Excess (Deficiency) of Revenues Over Expenditures	(687)	(687)	(722)	(35)	(700)	(700)	13	713
Fund Balance - Beginning of Year	722	722	722	-	709	709	709	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 35	$ 35	$ -	$ (35)	$ 9	$ 9	$ 722	$ 713

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Enforcement Training Post Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	1,500	1,500	1,338	(162)	1,000	1,000	1,447	447
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	50	50	44	(6)	70	70	52	(18)
Other	-	-	-	-	-	-	-	-
Total Revenue	1,550	1,550	1,382	(168)	1,070	1,070	1,499	429
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	3,000	3,000	1,338	1,662	2,600	2,600	1,447	1,153
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	3,000	3,000	1,338	1,662	2,600	2,600	1,447	1,153
Excess (Deficiency) of Revenues Over Expenditures	(1,450)	(1,450)	44	1,494	(1,530)	(1,530)	52	1,582
Fund Balance - Beginning of Year	1,736	1,736	1,736	-	1,684	1,684	1,684	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 286	$ 286	$ 1,780	$ 1,494	$ 154	$ 154	$ 1,736	$ 1,582

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Enforcement Block Grant Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	1,500	1,500	13,660	12,160	1,500	1,500	10,667	9,167
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	4	4	-	-	3	3
Other	-	-	-	-	-	-	-	-
Total Revenue	1,500	1,500	13,664	12,164	1,500	1,500	10,670	9,170
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	10,560	10,560	22,313	(11,753)	1,500	1,500	1,825	(325)
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	10,560	10,560	22,313	(11,753)	1,500	1,500	1,825	(325)
Excess (Deficiency) of Revenues Over Expenditures	(9,060)	(9,060)	(8,649)	411	-	-	8,845	8,845
Fund Balance - Beginning of Year	9,134	9,134	9,134	-	289	289	289	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 74	$ 74	$ 485	$ 411	$ 289	$ 289	$ 9,134	$ 8,845

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Veteran's Memorial Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	300	300	283	(17)	-	-	377	377
Other	200	200	80	(120)	200	200	200	-
Total Revenue	500	500	363	(137)	200	200	577	377
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	500	500	33	467	1,000	1,000	44	956
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	500	500	33	467	1,000	1,000	44	956
Excess (Deficiency) of Revenues Over Expenditures	-	-	330	330	(800)	(800)	533	1,333
Fund Balance - Beginning of Year	12,353	12,353	12,353	-	11,820	11,820	11,820	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 12,353	$ 12,353	$ 12,683	$ 330	$ 11,020	$ 11,020	$ 12,353	$ 1,333

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Help America Vote Act Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	5,000	5,000	-	(5,000)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	-	-	-	-	5,000	5,000	-	(5,000)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	5,000	5,000	-	5,000
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	5,000	5,000	-	5,000
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Senior Citizens Services Tax Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	50,000	50,000	53,645	3,645	48,208	48,208	49,270	1,062
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	25	25	26	1	100	100	33	(67)
Other	-	-	-	-	-	-	-	-
Total Revenue	50,025	50,025	53,671	3,646	48,308	48,308	49,303	995
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	52,000	52,000	50,477	1,523	62,100	62,100	49,936	12,164
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	52,000	52,000	50,477	1,523	62,100	62,100	49,936	12,164
Excess (Deficiency) of Revenues Over Expenditures	(1,975)	(1,975)	3,194	5,169	(13,792)	(13,792)	(633)	13,159
Fund Balance - Beginning of Year	19,966	19,966	19,966	-	20,599	20,599	20,599	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 17,991	$ 17,991	$ 23,160	$ 5,169	$ 6,807	$ 6,807	$ 19,966	$ 13,159

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
P.A. Delinquent Tax Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	-	-	-	-	-	-	-	-
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-
Fund Balance - Beginning of Year	2	2	2	-	2	2	2	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 2	$ 2	$ 2	$ -	$ 2	$ 2	$ 2	$ -

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Recorder User Fees Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance Wit Final Budget 2(Favorable (Unfavorable
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	3,728	3,728	-	-	3,647	3,647
Interest Income	-	-	883	883	-	-	1,003	1,003
Other	-	-	-	-	-	-	-	-
Total Revenue	-	-	4,611	4,611	-	-	4,650	4,650
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	2,999	(2,999)	34,000	34,000	6,805	27,195
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	-	-	2,999	(2,999)	34,000	34,000	6,805	27,195
Excess (Deficiency) of Revenues Over Expenditures	-	-	1,612	1,612	(34,000)	(34,000)	(2,155)	31,845
Fund Balance - Beginning of Year	37,557	37,557	37,557	-	39,712	39,712	39,712	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 37,557	$ 37,557	$ 39,169	$ 1,612	$ 5,712	$ 5,712	$ 37,557	$ 31,845

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Recorder Tech Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	2,311	2,311	2,000	2,000	2,259	259
Interest Income	-	-	3	3	-	-	4	4
Other	-	-	-	-	-	-	-	-
Total Revenue	-	-	2,314	2,314	2,000	2,000	2,263	263
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	380	(380)	4,200	4,200	3,099	1,101
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	-	-	380	(380)	4,200	4,200	3,099	1,101
Excess (Deficiency) of Revenues Over Expenditures	-	-	1,934	1,934	(2,200)	(2,200)	(836)	1,364
Fund Balance - Beginning of Year	1,617	1,617	1,617	-	2,453	2,453	2,453	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 1,617	$ 1,617	$ 3,551	$ 1,934	$ 253	$ 253	$ 1,617	$ 1,364

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Inmate Security Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	2,500	2,500	2,794	294	2,500	2,500	2,787	287
Interest Income	-	-	3	3	-	-	3	3
Other	-	-	-	-	-	-	-	-
Total Revenue	2,500	2,500	2,797	297	2,500	2,500	2,790	290
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	3,000	3,000	2,624	376	2,500	2,500	-	2,500
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	3,000	3,000	2,624	376	2,500	2,500	-	2,500
Excess (Deficiency) of Revenues Over Expenditures	(500)	(500)	173	673	-	-	2,790	2,790
Fund Balance - Beginning of Year	2,790	2,790	2,790	-	-	-	-	-
Transfers In	-	-	-	-	500	500	-	500
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 2,290	$ 2,290	$ 2,963	$ 673	$ 500	$ 500	$ 2,790	$ 2,290

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Sheriff Revolving Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	2,500	2,500	3,865	1,365	-	-	2,795	2,795
Interest Income	-	-	4	4	-	-	2	2
Other	-	-	-	-	-	-	-	-
Total Revenue	2,500	2,500	3,869	1,369	-	-	2,797	2,797
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	4,500	4,500	5,422	(922)	-	-	795	(795)
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	4,500	4,500	5,422	(922)	-	-	795	(795)
Excess (Deficiency) of Revenues Over Expenditures	(2,000)	(2,000)	(1,553)	447	-	-	2,002	2,002
Fund Balance - Beginning of Year	2,002	2,002	2,002	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 2	$ 2	$ 449	$ 447	$ -	$ -	$ 2,002	$ 2,002

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Senate Bill 40 Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	80,000	80,000	86,330	6,330	80,000	80,000	79,768	(232)
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	2,500	2,500	4,180	1,680	2,000	2,000	5,550	3,550
Other	-	-	-	-	-	-	80	80
Total Revenue	82,500	82,500	90,510	8,010	82,000	82,000	85,398	3,398
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
S.B. 40	86,600	86,600	88,127	(1,527)	58,500	58,500	55,005	3,495
Other	-	-	-	-	-	-	-	-
Total Expenditures	86,600	86,600	88,127	(1,527)	58,500	58,500	55,005	3,495
Excess (Deficiency) of Revenues Over Expenditures	(4,100)	(4,100)	2,383	6,483	23,500	23,500	30,393	6,893
Fund Balance - Beginning of Year	287,107	287,107	287,107	-	256,714	256,714	256,714	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 283,007	$ 283,007	$ 289,490	$ 6,483	$ 280,214	$ 280,214	$ 287,107	$ 6,893

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Central Dispatch Emergency Services Fund
For the Two Years Ended December 31, 2010

	Original 2010 Budget	Final 2010 Budget	Actual 2010	Variance With Final Budget 2010 Favorable (Unfavorable)	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ 228,000	$ 228,000	$ 252,047	$ 24,047	$ 254,000	$ 254,000	$ 248,560	$ (5,440)
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	5,700	5,700	4,366	(1,334)	12,000	12,000	8,260	(3,740)
Other	10,000	10,000	32,767	22,767	137	137	210	73
Total Revenue	243,700	243,700	289,180	45,480	266,137	266,137	257,030	(9,107)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
911	328,267	328,267	360,496	(32,229)	336,264	336,264	295,384	40,880
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	328,267	328,267	360,496	(32,229)	336,264	336,264	295,384	40,880
Excess (Deficiency) of Revenues Over Expenditures	(84,567)	(84,567)	(71,316)	13,251	(70,127)	(70,127)	(38,354)	31,773
Fund Balance - Beginning of Year	307,708	307,708	307,708	-	346,062	346,062	346,062	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 223,141	$ 223,141	$ 236,392	$ 13,251	$ 275,935	$ 275,935	$ 307,708	$ 31,773

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Notes to the Required Supplementary Information
For the Two Years Ended December 31, 2010

Note 1: Budgeting and Budgetary Practices

The County Commissioners and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo, the county budget law.

Note 2: Budgetary Basis of Accounting

The County budget is adopted on the cash basis of accounting.

Note 3: Expenditures in Excess of Appropriations

For the two years ended December 31, 2010, expenditures exceeded final budget amounts as follows:

	Amount Over Budget	
	2010	2009
Sheriff Civil Fee Fund	$ 831	$ -
Domestic Violence Fund	$ -	$ 91
Sheriff's Forfeitures Fund	$ 29	$ -
Law Enforcement Block Grant Fund	$ 11,753	$ 325
Recorder Tech Fund	$ 380	$ -
Recorder User Fees Fund	$ 2,999	$ -
Sheriff Revolving Fund	$ 922	$ 795
Senate Bill 40 Fund	$ 1,527	$ -
Central Dispatch Emergency Services	$ 32,229	$ -

FEDERAL COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the County Commission of
Daviess County, Missouri
Gallatin, Missouri

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Daviess County, Missouri as of and for the two years ended December 31, 2010, which collectively comprise of the County's basic financial statements and have issued my report thereon dated May 24, 2011. In my report, the county prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Missouri, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the County's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with Government Auditing Standards (Concluded)

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the Board of Commissioners, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kevin G. Hudson, C.P.A.
Certified Public Accountant
May 24, 2011

Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

To the County Commissioners
Daviess County, Missouri
Gallatin, Missouri

Compliance

I have audited the compliance of the Daviess County, Missouri with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the two years ended December 31, 2010. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. My responsibility is to express an opinion on the County's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. *Those standards and OMB* Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the County's compliance with those requirements.

In my opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the two years ended December 31, 2010.

Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 (Continued)

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance*, is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kevin G. Hudson, C.P.A.
Certified Public Accountant
May 24, 2011

Daviess County, Missouri
Schedule of Expenditures of Federal Awards
For the Years Ending December 31, 2010 and 2009

Federal CFDA Number	Federal Grantor/Pass Through Grantor/Program Title	Pass Through Granters Number	Federal Expenditures Year Ended December 31, 2010	2009
	U.S. DEPARTMENT OF JUSTICE			
	Passed through state:			
	State Department of Public Safety			
16.803	Public Safety Partnership and Community Policing			
	Grants Technology Enhancement	LBGJ-RA-031	-	9,060
16.738	Edward Byrne Memorial Formula Grant Program		4,541	-
	Total U.S. Department of Justice		4,541	9,060
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
	Department of Economic Development			
14.228	CDBG Grants/State's Program		500,000	-
	Total U.S. Department of Housing and Urban Development		500,000	-
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
	Department of Public Safety:			
20.703	Interagency Hazardous Materials Public Sector			
	Training and Planning Grants		2,971	-
20.607	DWI	LLK040 NHTSA	-	1,114
20.613	CIOT/CPS	LLK063NHTSA	-	493
	Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO- (29)	-	452,610
		BRO-(30)	20,044	326,180
		BRO-(31)	5,468	9,668
	Total U.S. Department of Transportation		28,483	790,065
	ELECTION ASSISTANCE COMMISSION			
	Passed through the Office of Secretary of State:			
90.401	Help America Vote Requirements Payments		5,717	-
	Total Election Assistance Commission		5,717	-
	Total Expenditures of Federal Awards		$ 538,741	$ 799,125

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule

Daviess County, Missouri
Notes to the Supplementary Schedule
For the Years Ended December 31, 2010 and 2009

Note 1: Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Daviess County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of cash awards.

C. Basis of Accounting

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Note 2: Subrecipients

The county provided federal awards to one subrecipient during the years ended December 31, 2010 and 2009. This was a grant in the amount of $500,000 that was passed through to the Daviess County Public Water Supply District No.1

Daviess County, Missouri
Schedule of Findings and Questioned Costs
Years Ended December 31, 2010 and 2009

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified	_Yes X No
Significant deficiencies identified not considered to be material weaknesses?	__Yes X None Reported
Noncompliance material to financial statements noted	_Yes X No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_Yes X No
Significant deficiencies identified not considered to be material weaknesses?	_Yes X None Reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	_Yes X No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
14.228	CDBG Grants/State's Program

Dollar threshold used to distinguish between Type A and Type B programs:	$ 300,000
Auditee qualified as low-risk auditee	_Yes X No

Daviess County, Missouri
Schedule of Findings and Questioned Costs
Years Ended December 31, 2010 and 2009

Section II - Financial Statement Findings

There were no financial statement findings.

Section III - Federal Award Findings and Questioned Costs

This section contains no audit findings that *OMB Circular A-133* requires to be reported for an audit of financial statements.

Daviess County, Missouri
Follow-Up on Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

In accordance with *Government Auditing Standards,* this section reports the auditor's follow-up on action taken by Daviess County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2008.

07/08-01

Condition: The Developmentally Disabled board does not adequately review and properly approve disbursements made by the treasurer of the board. Monthly financial statements were not prepared for the board to review and monthly bank reconciliations were not prepared by the board treasurer.

Effect: Due to the lack of bank reconciliations and monthly financial statements, the Developmentally Disabled Board did not have proper information in which to make proper financial decisions.

Cause: Since there was inadequate internal controls and no financial reports for the board to review on a monthly basis, the board treasurer made unauthorized disbursements in the amount of $24,700.

Recommendation: The new treasurer should prepare monthly financial reports and bank reconciliations. I also recommend that the board review each individual expenditure and approve them before payment is made.

Status: Implemented

Daviess County, Missouri
Summary Schedule of Prior Audit Findings In Accordance with OMB Circular A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133, requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the two years ended December 31, 2008, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

Thomas A. Schweich

Missouri State Auditor

NATURAL RESOURCES

Petroleum Storage Tank Insurance Fund Board of Trustees

July 2011

Report No. 2011-34

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Petroleum Storage Tank Insurance Fund Board of Trustees

Background	The Petroleum Storage Tank Insurance Fund (PSTIF) was created by statute to provide insurance to owners and operators of petroleum storage tanks in the event of a leak or spill. The PSTIF is overseen by an 11 member Board of Trustees, which receives assistance from an Advisory Committee. The PSTIF is currently scheduled to expire on December 31, 2020.
Financial Condition	The PSTIF has $27 million more in liabilities than it has in assets, and it appears revenues will not be enough to cover cleanup costs at contaminated sites. Similar conditions were noted in our 2001 audit. The Trustees should consider various options, such as increasing load transport fees and improving timeliness in finalizing claims, formalizing a risk-based approach for cleanups, increasing participation fees or deductible amounts or reducing liability limits, some of which may require legislative action. The Advisory Board has not reported on the private insurance market since 2003, even though it is required by statute to do so every 2 years, and the Trustees need access to this information to make informed decisions.
Administrative Services Contract	The PSTIF pays a company over $3 million each year to perform administrative tasks, such as receiving and processing insurance applications, sending renewal notices, and receiving and processing claims. The company charges $94.35 an hour for claims management services, which seems high compared to salaries and benefits of state employees in similar jobs. The Trustees should document a formal analysis to determine if hiring employees for this work would be a better use of public funds.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The Petroleum Storage Tank Insurance Fund Board of Trustees did not receive any federal stimulus monies during the audited time period.

***The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

Petroleum Storage Tank Insurance Fund Board of Trustees
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Management Advisory Report - State Auditor's Findings

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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the Petroleum Storage Tank
Insurance Fund Board of Trustees
and
Carol Eighmey, Executive Director
Jefferson City, Missouri

The State Auditor is required under Chapter 29, RSMo, to audit the Petroleum Storage Tank Insurance Fund Board of Trustees. The board engaged Casey-Beard-Boehmer PC (formerly Casey and Company, LLC), Certified Public Accountants (CPAs), to audit the board's financial statements for the years ended June 30, 2010 and 2009. To satisfy our statutory obligation and minimize duplication of effort, the State Auditor has used the work of the CPA firm. We reviewed the reports and substantiating working papers of the CPA firm to satisfy ourselves as to the appropriateness of using the reports, and we accept them in partial fulfillment of our duties under Chapter 29, RSMo. We have also audited certain operations of the board in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2010 and 2009. The additional objectives of our audit were to:

1. Evaluate the board's internal controls over significant management and financial functions.

2. Evaluate the board's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the board, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the board's management and was not subjected to the procedures applied in our audit of the board.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Petroleum Storage Tank Insurance Fund Board of Trustees.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Joyce Thomson

1. Financial Condition

Total liabilities of the Petroleum Storage Tank Insurance Fund (PSTIF) exceeded total assets by over $27 million as of June 30, 2010. Financial projections indicate revenues will not be sufficient to cover clean up costs at contaminated sites through December 31, 2020, which is the expiration date of the fund.

Although the PSTIF had a cash balance exceeding $78 million at June 30, 2010, the PSTIF also had claim liabilities exceeding $106 million. Claim liabilities include claim reserves which are estimates of costs for the cleanup of known contamination caused by petroleum releases from underground and aboveground storage tanks, as well as estimated future costs for unknown contaminated sites and any future petroleum leaks or spills. PSTIF personnel routinely prepare financial projections to assist the Board of Trustees in monitoring the financial status of the fund. The financial projections indicate cleanup costs will exceed revenues due to known locations currently undergoing cleanup and potential new cleanup sites.

The Board is required by Section 319.129.17, RSMo, to obtain an actuarial study of the PSTIF every 2 years. These actuarial studies provide a 10-year projection of the estimated financial condition of the PSTIF. The most recently completed study in 2009 indicated the PSTIF would have a deficit of $58 million by 2019.

We noted similar financial concerns in our prior audit issued in 2001, which indicated the PSTIF was scheduled to expire on December 31, 2003. Because of the large number of contaminated sites requiring cleanup, the Missouri General Assembly has twice extended the expiration date of the PSTIF since 2001, to its current expiration date of December 31, 2020. While the legislature has a history of extending the life of the PSTIF to ensure adequate funding is available for the cleanup of contaminated sites, the Board should consider the following alternatives:

Transport load fee and claim resolution

Additional revenues could be generated by increasing the transport load fee and finalizing claims in a more timely manner.

The largest source of PSTIF revenues is the transport load fee, which is a fee assessed on each load of petroleum brought into Missouri. Section 319.132, RSMo, authorizes the Board to set the fee at a maximum of $60 per transport load of 8,000 gallons; however, if the balance of the PSTIF exceeds $100 million, collection of the transport load fee would be suspended. Prior to 2008, the fee had been set at $40 per load, but due to increasing cash balances in the PSTIF, the Board reduced the fee to $20 per load in 2008. Current financial projections and actuarial studies, as described above, are based on the $20 fee currently in place. The Board indicated it closely monitors the financial condition of the PSTIF and will increase the transport load fee when necessary.

While the cash balance had been rising prior to 2008, the PSTIF has continued to show an accumulated deficit (liabilities exceeding assets). The amount of claim liabilities remains high in part because a large percentage of claims remain open for many years. Of the 1,100 total open claims in January 2011, 581 (53 percent) claims with total claim reserves of over $32 million have been open for 10 years or more. Board personnel indicated contact is made with each claimant at least annually to help ensure that cleanup activity is ongoing; however, claims cannot be closed and finalized until the cleanup work is approved by the Department of Natural Resources (DNR). In many instances, the DNR requires the landowners to perform soil and groundwater testing for several years before issuing final approval of the cleanup site, even though no cleanup activity has taken place for several years. In addition, litigation related to certain claims does not allow the claim to be closed and finalized. Board personnel indicated they work with the DNR to resolve old claims, but improvement in the timeliness of finalizing claims has been slow. Timely payment and finalization of old claims would help reduce claim reserves and allow the Board to increase the load transport fee to raise additional funding for the payment of current and future claims.

Risk-based approach

Although Missouri has made efforts to consider a risk-based approach for petroleum contamination cleanup, standards have not been formally adopted. Section 319.109[1], RSMo, requires the DNR to adopt a risk-based approach to corrective standards for cleanup of contamination and the Hazardous Waste Management Commission to propose rules to implement these standards by February 13, 2009. In 2001, the DNR formed a group of stakeholders with the help of a national expert to review a risk-based approach for petroleum storage tanks. Proposed standards were prepared in 2004; however, these standards have not been formally incorporated into the Code of State Regulations. Board personnel indicated these standards are normally followed when approving funds for specific projects. With the expectation that cleanup of all contaminated sites is not possible given the limited availability of financial resources, the Board should work with the DNR to ensure a risk-based approach is formally adopted and implemented. This would help ensure cleanup funding is provided to those sites with the greatest environmental impact.

Private insurance

The Board's Advisory Committee does not report biannually to the General Assembly on the private insurance market for tanks as required by state law. Currently, the PSTIF provides insurance coverage for about 85 percent of the state's petroleum storage tanks. When the program ends (currently set by state law to expire on December 31, 2020) tank owners will need to obtain insurance through private insurance carriers. The last report on the private

[1] Section 319.109, RSMo, defines risk-based approach as " . . . corrective standards which take into account the level of risk to public health and the environment associated with site-specific conditions and future land usage."

insurance market was prepared in 2003. Board personnel indicated the preparation of this report is not a priority and neither the Governor nor the General Assembly have requested a report since 2003. Section 319.131.2, RSMo, requires the PSTIF Advisory Committee to report biannually to the general assembly on the availability and affordability of the private insurance market as a viable method of meeting the financial responsibilities required by state and federal law in lieu of the PSTIF.

Participation fees

The Board could generate additional revenues by increasing participation fees. Participants in the insurance program pay an annual insurance participation fee of $100 to $200 per storage tank as established by Board rules; however, Section 319.133, RSMo, allows the Board to charge participation fees of $100 to $500 per tank. The participation fee provides insurance coverage to the participant in the event of a petroleum spill or leak. The average estimated cost of a contamination cleanup is over $75,000. To ensure the participation fees are in line with fair market value, the Board should compare the insurance participation fee to insurance premiums available in the market and consider increasing the participation fee accordingly.

Deductible amount and liability limit

The Board could reduce cleanup costs by seeking legislation to increase the insurance deductible amount and/or decrease the liability limit. In accordance with Section 319.131.4, RSMo, the PSTIF imposes a $10,000 deductible with the PSTIF paying additional eligible costs up to $1,000,000 per incident. Since cleanup improves a site's property value, owners have a significant interest in the amount of cleanup, but limited interest in controlling the costs of the cleanup.

From a national industry survey of 49 states performed in September 2010[2], 5 states create financial incentives for owners to control costs by applying a percentage deductible to the full cost of cleanup and increasing the proportion of costs for which owners are responsible as costs increase. In addition, according to the study, 16 states have deductible amounts higher than $10,000. Changing the deductible from $10,000 to a higher amount or as a percentage of costs with different percentages as costs increase could improve the financial condition of the PSTIF.

In addition, decreasing the liability limit would decrease PSTIF costs. Of the approximately 1,200 claims open as of November 2010, 52 claims exceeded $500,000 which totaled $36.6 million. If the maximum liability limit was $500,000, the 52 claims would have totaled $26 million resulting in a savings to the PSTIF of $10.6 million.

[2] Association of State and Territorial Solid Waste Management Officials, State Funds Task Force, State Funds Survey Results 2010.

Conditions previously reported

Similar conditions were noted in our prior report issued in 2001. While the Board has taken some action to better monitor financial resources and ensure adequate funding is available for the cleanup of contaminated sites, additional measures are needed to improve the financial condition of the PSTIF and to ensure revenues will be sufficient to cover clean up costs at all contaminated sites through December 31, 2020 (the expiration date of the PSTIF).

Recommendation

The PSTIF Board of Trustees consider the alternatives outlined above and continue to monitor the financial condition of the PSTIF to ensure adequate resources are available for petroleum contamination cleanup. The Board should work with the DNR to ensure timely closure and final payment of claims and formalization of risk-based cleanup standards. In addition, the Board should prepare biannual reports on the availability and affordability of the private insurance market, as required by state law

Auditee's Response

The PSTIF Board provided the following written response:

The PSTIF Board of Trustees is committed to assuring that adequate funds are available to fund all claims as they are submitted, while at the same time keeping fees as low as possible and collecting the minimum amount of money necessary to carry out its responsibilities. The Board believes its 13-year history demonstrates it has successfully balanced these competing goals.

Regarding the transport load fee and claim resolution, the Board agrees that if PSTIF-eligible responsible parties would complete their cleanups more quickly, and file reimbursement requests with the PSTIF more quickly, the cash balance in the Trust Fund would decrease more quickly, thereby allowing Trustees to consider increasing the transport load fee to rebuild the reserves that will be necessary for future claims and for paying "runout" after the scheduled 2020 "sunset date" of the program. The Board has a long history of initiating actions and dialogue to try and stimulate quicker cleanups.

However, the Board has no statutory authority to compel anyone to initiate a cleanup or complete cleanup activities on any specific timeframe. State law grants to other agencies and offices of state government the authority to compel actions or set deadlines for action. The PSTIF regularly communicates and collaborates with those other agencies.

Regarding a risk-based approach to cleanups, the Board concurs that the risk-based cleanup approach currently being administered by the DNR via guidance documents should be "codified" in regulations, and continues to provide input and assistance to the DNR on this issue.

Regarding private insurance, the Board acknowledges that its Advisory Committee has not prepared a recent report on private insurance, and has directed its Executive Director to work with the Committee to prepare such a report during 2011. The Board would note that its Advisory Committee is comprised of volunteers and has no staff, making biannual preparation of such a report difficult.

Regarding participation fees, it is doubtful whether the Board could increase participation fees prior to August 28, 2014, given the General Assembly's prohibition in section 1.310, RSMo.

In addition, the Board observes that by authorizing the transport load fee, the General Assembly has intentionally spread the cost of the program over all petroleum distributors, thereby allowing participation fees to remain low for small tank owners/operators, who often have older equipment and thin profit margins. Were the Board to charge actuarially-based participation fees, many small business owners likely could not afford PSTIF coverage.

Regarding the deductible and liability limit, the Board notes that when the General Assembly originally created the PSTIF, the deductible was $25,000; it subsequently reduced the deductible to $10,000.

It is also noted that a higher deductible would undermine the goal of accelerating cleanups, as insured tank owners/operators would likely be slower to undertake the initial phases of cleanups.

While a lower per-occurrence limit would obviously reduce the PSTIF's overall financial liability, it would also mean that the PSTIF would no longer meet federal and state "financial assurance" requirements for tank owners/operators, who would then have to purchase private insurance or letters of credit to supplement their PSTIF coverage. The board sees no reason to impose this additional cost on Missouri businesses and doubts there would be support for such a change in the Missouri General Assembly, especially in the current economic climate.

2. Administrative Services Contract

While the Board solicits proposals for administrative services every 5 to 7 years (through the Office of Administration, Division of Purchasing and Materials Management), the Board has not documented a formal cost/benefit analysis comparing the costs of contracting for administrative services to hiring employees to provide these services. The Board has contracted with a firm for several years to provide the majority of administrative functions related to the operation of the PSTIF, including receiving and processing applications for insurance coverage, sending renewal notices, receiving and processing claims, and other accounting and record keeping services. This firm has been paid over $3 million annually from the PSTIF.

The firm currently bills claims management services at $94.35 per hour, which accounts for the majority of administrative services provided to the Board. For example, in April 2009, the firm billed for 2,036.5 hours of claims management services totaling $192,144, which was 70% of the total amount billed ($274,511) for the month. This hourly rate appears high compared to salaries and benefits paid to comparable state employees. Board personnel indicated the Board has recently discussed the possibility of hiring employees with the Office of Administration, and it was determined that it did not make sense to hire additional state employees at this time due to current state budget problems, declining tank insurance claims, and the pending end of the PSTIF in 2020.

Cost/benefit analyses for major contracting decisions are necessary to ensure funds are spent efficiently and effectively.

Recommendation

The PSTIF Board of Trustees document a cost/benefit analysis to compare the costs of contracting for administrative services to the costs of providing these services in-house.

Auditee's Response

The PSTIF Board provided the following written response:

The Board shares the State Auditor's passion for controlling administrative costs and notes that prior to rebidding the contract in 2010, the Trustees and its Executive Director discussed the option of requesting authorization from the Governor and the General Assembly to hire state employees to perform the tasks currently being done by contract employees. It was concluded that was not a realistic or favorable option because:

i. Neither the Governor nor the General Assembly were likely to support a request to increase the state workforce at a time both were taking steps to shrink the state workforce.

ii. State compensation for the technically-trained personnel required for the PSTIF's work is below market, making it difficult to hire and retain quality personnel.

iii. Costs for state employees of equivalent training, expertise and experience as those provided by the Board's contractor are quite similar to the contractor's hourly rates. For example, a registered geologist employed by the State, when fringe benefits and overhead are included, costs $88-132 per hour, (using salaries of current employees working in the tanks area for the Department of Natural Resources and applying a multiplier of 3.5; see 10 CSR 25-15.010(8)(A)1). Costs for engineers are higher.

iv. The time required to obtain appropriation authority from the Governor and the General Assembly, then hire and train personnel, would be significant and would detract from and delay other activities and responsibilities of the Board, including its efforts to expedite cleanups and claim processing.

v. As noted in the audit report, claims management and processing requirements are diminishing over time, making it difficult to hire and train state employees who would then have to be laid off within a few years.

Finally, as noted in the report, the Board regularly rebids its contract with the assistance and oversight of OA's Division of Purchasing to assure that it is paying competitive rates for the required services.

Auditor's Comment

The PSTIF Board has no basis to conclude the General Assembly and Governor would not seek the most cost effective method to deliver public services. Without a thoroughly prepared and documented analysis, decision makers do not have the information available to make informed decisions. The Board should have had sufficient time to prepare such an analysis since our previous audit raised similar issues over 10 years ago. In addition, the PSTIF was originally set to expire in 1998 and has been extended until 2020. Given the current projected fund deficits, it is likely any additional employees would serve at least 7 or 8 years.

Petroleum Storage Tank Insurance Fund Board of Trustees Organization and Statistical Information

The Petroleum Storage Tank Insurance Fund (PSTIF) was first established by the Missouri General Assembly in 1989, in response to federal legislation requiring owners and operators of underground storage tanks (USTs) to have financial resources available to pay for cleanup of spills and/or leaks from their tanks. Originally called the Underground Storage Tank Insurance Fund, it began insuring owners and operators of such tanks in May 1992. Since then, the PSTIF has insured more than 4,700 UST sites and 13,000 tanks. Coverage is provided for the costs of cleaning up a leak or spill, as well as third-party property damage or bodily injury resulting from spills or leaks. A $10,000 deductible applies to each incident, with a policy limit of $1 million per incident and $2 million annual aggregate.

In 1995, the Missouri Legislature expanded the responsibilities of the PSTIF to include cleanup of sites where USTs had been closed. The same bill authorized the PSTIF to pay ongoing costs of cleanup at insured sites where a spill/leak had occurred before the owner was insured by the PSTIF. In 1996, the program was again expanded to offer insurance coverage to aboveground storage tanks (ASTs) owners/operators and to pay for cleanup of sites where ASTs had previously operated. This same legislative amendment renamed the fund to the PSTIF and established a Board of Trustees to oversee the PSTIF.

The Board of Trustees has eleven members. Eight members are appointed by the Governor with the advice and consent of the Senate. The other three members are designated officials from executive branch agencies. The Board of Trustees works to ensure monies are effectively used to clean up the environment, participants receive timely professional services, and resources are economically used to benefit the maximum number of Missourians.

The Board of Trustees established an Advisory Committee to assist and advise the Board on PSTIF operations. The Advisory Committee includes a variety of professionals from the petroleum industry, insurance industry, environmental consulting and contracting businesses, and environmental attorneys; also included are representatives from the Department of Natural Resources and the Department of Agriculture.

The PSTIF is primarily financed with a fee assessed on each load of petroleum brought into Missouri. Annual fees are also charged for insurance coverage. The PSTIF Board of Trustees currently contracts with a private company to provide administration services. These services include receiving and processing applications for insurance coverage, sending renewal notices, receiving and processing claims, and other accounting and record keeping services.

The PSTIF Board of Trustees may appoint an executive director to perform administrative duties. Carol R. Eighmey was appointed Executive Director on August 15, 1997. One other employee performs various administrative and clerical tasks.

State law currently specifies that the PSTIF will expire on December 31, 2020.

PSTIF Board of Trustees

Members	Term Expires*
Donald McNutt, Chairman	February 2009
James P. Ford, Vice Chairman	February 2008
Thomas Kolb	February 2011
Schuyler J. Mariea	February 2010
Danny Opie	February 2008
Thomas J. Pfeiffer	February 2006
Melvin Schebaum	February 2009
Bruce V. Work	February 2011
John Albert , Department of Agriculture	
Harry Bozoian, Department of Natural Resources	
Renee Slusher, Office of Administration	

* All members continue to serve on the board until replacements are appointed by the Governor.

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The PSTIF did not receive any federal stimulus monies during the years ended June 30, 2010 and 2009.

Appendix A

Petroleum Storage Tank Insurance Fund
Comparative Statement of Net Assets

		June 30,	
		2010	2009
Assets			
Current Assets:			
Pooled cash and cash equivalents	$	78,288,271	83,841,833
Accounts receivable (net of allowance for bad debts)		1,902,461	2,421,120
Accrued interest receivable		105,041	305,772
Total Current Assets		80,295,773	86,568,725
Capital Assets (net of accumulated depreciation)		22,899	19,693
Total Assets	$	80,318,672	86,588,418
Liabilities and Net Assets			
Current Liabilities:			
Accounts payable	$	12,791	11,497
Deferred revenue		503,698	514,882
Claims liabilty		15,000,000	15,000,000
Accrued compensated absences		134,096	57,219
Total Current Liabilities		15,650,585	15,583,598
Noncurrent Liabilities:			
Claims liability		91,816,235	97,688,499
Total Noncurrent Liabilities		91,816,235	97,688,499
Total Liabilities		107,466,820	113,272,097
Net Assets:			
Invested in capital assets, net of related debt		22,899	19,693
Unrestricted (accumulated deficit)		(27,171,047)	(26,703,372)
Total Net Assets		(27,148,148)	(26,683,679)
Total Liabilities and Net Assets	$	80,318,672	86,588,418

Source: Excerpt from PSTIF audited financial statements

Appendix B

Petroleum Storage Tank Insurance Fund
Comparative Statement of Revenues, Expenses, and Change in Net Assets

	Year Ended June 30,	
	2010	2009
Operating Revenues		
Transport load, initial tank, and participation fees	$ 12,868,356	15,269,527
Cost reimbursements and miscellaneous	493	4,511
Total Operating Revenues	12,868,849	15,274,038
Operating Expenses		
Personal services and fringe benefits	1,499,213	1,338,266
Operations	4,141,926	3,918,352
Specific programs-claim expenses	8,066,251	11,739,121
Depreciation	7,928	12,643
Total Operating Expenses	13,715,318	17,008,382
Operating Income	(846,469)	(1,734,344)
Investment earnings		
Investment earnings	899,498	2,015,288
Total Non-operating Revenues	899,498	2,015,288
Income Before Transfers	53,029	280,944
Transfers to other funds	0	110,174
Change in Net Assets	53,029	170,770
Net Assets (Accumulated Deficit) - Beginning of Year	(27,201,177)	(26,854,449)
Net Assets (Accumulated Deficit) - End of Year	$ (27,148,148)	(26,683,679)

Source: Excerpt from PSTIF audited financial statements

Note: Net assests as of June 30, 2009, and revenues for the year then ended were overstated by $517,498 for outstanding accounts receivable due from the federal government which were contested and subject to an administrative hearing. Therefore, the collectability of these amounts have become doubtful. A prior period adjustment of $517,498 was made to July 1, 2009 net assets.

Appendix C

Petroleum Storage Tank Insurance Fund
Comparative Statement of Cash Flows

	Year Ended June 30,	
	2010	2009
Cash flows from operating activities:		
Cash received from customers and users	$ 12,671,514	16,655,543
Cash paid to employees	(1,422,336)	(1,376,300)
Cash payments to vendors for goods and services	(3,953,320)	(3,636,346)
Cash payments for claims	(13,938,515)	(15,783,846)
Net cash provided (used) by operating activities	(6,642,657)	(4,140,949)
Cash flows from capital and related financing activities:		
Purchases of capital assets	(11,134)	(6,426)
Net cash provided (used) for capital and related financing activities	(11,134)	(6,426)
Cash flows from investing activities:		
Interest and investment earnings	1,100,229	2,015,288
Net cash provided by investing activities	1,100,229	2,015,288
Net increase (decrease) in cash and cash equivalents	(5,553,562)	(2,132,087)
Transfers to other funds	0	(110,174)
Cash and cash equivalents, beginning of year	83,841,833	86,084,094
Cash and cash equivalents, end of year	$ 78,288,271	83,841,833
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income	$ (846,469)	(1,734,344)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	7,928	12,643
Bad debt expense	187,312	0
Changes in assets and liabilities:		
(Increase) decrease in accounts receivables	(186,151)	1,384,963
(Increase) decrease in interest receivable	0	295,943
Increase (decrease) in accounts payable	1,294	(10,512)
Increase (decrease) in deferred revenue	(11,184)	(6,883)
Increase (decrease) in compensated absences	76,877	(38,034)
Increase (decrease) in claims payable	(5,872,264)	(4,044,725)
Net cash provided by operating activities	$ (6,642,657)	(4,140,949)

Source: Excerpt from PSTIF audited financial statements

Thomas A. Schweich

Missouri State Auditor

Seventh Judicial Circuit

City of North Kansas City Municipal Division

July 2011

Report No. 2011-33

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Seventh Judicial Circuit, City of North Kansas City Municipal Division

Comments	We evaluated the municipal division's internal controls over significant financial functions, including receipt and disbursement procedures, and its compliance with certain legal provisions, including rules governing fines, costs, and bonds. For the areas audited, no findings were identified.

In the areas audited, the overall performance of this entity was **Excellent**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The Seventh Judicial Circuit, City of North Kansas City Municipal Division, did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Seventh Judicial Circuit
City of North Kansas City Municipal Division
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THOMAS A. SCHWEICH
Missouri State Auditor

Presiding Judge
Seventh Judicial Circuit
and
Municipal Judge
North Kansas City, Missouri

We have audited certain operations of the City of North Kansas City Municipal Division of the Seventh Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended September 30, 2010. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.

2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) no significant deficiencies in internal controls and (2) no significant noncompliance with legal provisions. No findings resulted from our audit of the City of North Kansas City Municipal Division of the Seventh Judicial Circuit.

A petition audit of the City of North Kansas City, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Robert E. Showers, CPA
In-Charge Auditor:	Robert L. McArthur II
Audit Staff:	Robert Graham

Seventh Judicial Circuit
City of North Kansas City Municipal Division
Organization and Statistical Information

The City of North Kansas City Municipal Division is in the Seventh Judicial Circuit, which consists of Clay County. The Honorable K. Elizabeth Davis serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At September 30, 2010, the municipal division employees were as follows:

Title	Name
Municipal Judge	Steven R. Fuller
Court Clerk	Vicki Russell
Deputy Court Clerk	Amber Diven

Financial and Caseload Information

	Year Ended September 30, 2010
Receipts	$546,318
Number of cases filed	4,386

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Seventh Judicial Circuit, City of North Kansas City Municipal Division did not receive any federal stimulus monies during the year ended September 30, 2010.

Thomas A. Schweich

Missouri State Auditor

City of Lowry City

July 2011

Report No. 2011-32

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Lowry City

Utility Policies, Procedures, and Records	The city has not reviewed its water and sewer rates for several years and has not prepared a statement of costs to help determine if it is charging appropriate rates. The city is less likely to detect errors, theft, or misuse in the Water and Sewer Fund because the city does not perform monthly reconciliations of the utility amounts billed, collected and unpaid, and the City Treasurer is able to post adjustments without independent approval. The city was not adequately managing delinquent accounts; service was not discontinued upon non-payment, and the monthly delinquent account reports were not provided to the Board of Aldermen or maintained by the City Treasurer. Refundable utility deposits were not properly tracked and reconciled to the appropriate bank account. The City Treasurer calculated the amount of utility deposits paid as of January 6, 2011, to be $18,855, but the city only had $16,300 in bank accounts designated for utility deposits.
Restricted Funds	The city allocated expenses between restricted funds without adequate documentation of the justification. For example, City Treasurer wages were split evenly between the General Fund and the Water and Sewer Fund, but there is no record of how many hours the City Treasurer spent working on each city service or how this allocation was determined. The Police Fund has accumulated an excess balance of Law Enforcement Training fees.
Accounting Controls and Procedures	The city does not always issue prenumbered receipt slips for monies collected, which makes it difficult to ensure all monies are accounted for properly. The city maintains fuel tanks, but fuel use is not reconciled to fuel purchases to ensure fuel costs are reasonable. Some disbursements lacked adequate supporting documentation, including $370 in 2009 and $570 in 2010 paid to the Fire Chief to pay volunteer firemen for attending each monthly meeting and $200 paid to the City Clerk for a copy machine. Neither the Mayor nor the Mayor Pro Tem are bonded even though they can sign checks written on city bank accounts.
Property Tax System Controls and Procedures	The city should improve controls with respect to the property tax process. A detailed annual report of property taxes is not presented to the Board of Aldermen. The City Collector does not maintain an account book and did not prepare a list of delinquent taxes for approval by the Board of Aldermen until November 2010.

Payroll Issues	The city did not properly report wages, withhold employee payroll taxes from, or pay the employer's share of payroll taxes on property tax commissions retained by the City Treasurer/Collector. The Board of Aldermen approved and paid $150 bonuses to each full-time employee in December 2010 and 2009 in violation of the Missouri Constitution's prohibition against the payment of additional compensation to public officers for services previously rendered.
Audits, Budgets, and Financial Reporting	The city has not obtained required annual audits of its water and sewer systems, and budgets are missing required elements.
Minutes and Ordinances	Open meeting minutes did not always document a permissible reason for closing meetings or a roll call vote to go into a closed meeting. City ordinances are not complete, up-to-date, and sufficient, and the city is not complying with some ordinances. The city should adopt ordinances setting employee compensation and the term of office and duties of the City Clerk, property tax rates, penalties for delinquent taxes, and procedures regarding utility collections. Also, the City Collector retains 4 percent of property taxes collected, but the ordinance only authorizes the City Collector to retain 2 percent.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The City of Lowry City did not receive any federal stimulus monies during the year ended June 30, 2010.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent:	The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
Good:	The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
Fair:	The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
Poor:	The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Management Advisory Report - State Auditor's Findings

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THOMAS A. SCHWEICH
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Lowry City, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Lowry City. We have audited certain operations of the city in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2010. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.

2. Evaluate the city's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Lowry City.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Lori Bryant
Audit Staff:	Connie James

1. Utility Policies, Procedures, and Records

There are significant weaknesses in city operations related to water and sewer services. As a result, there is less assurance utility rates are set at an appropriate level and utility monies are handled and accounted for properly.

1.1 Water and sewer rates

The city has not performed a review of water and sewer rates for several years. Water and sewer rates have not changed since 2002. The city collected approximately $120,000 in water and sewer fees during the year ended June 30, 2010.

Water and sewer fees are user charges which should cover the cost of providing the related services. The city should perform a detailed review of its water and sewer costs, including depreciation and debt service costs, and set rates to cover the total costs of operation. Preparing a statement of costs would not only allow the city to determine the rates necessary to support current and future operations, but also provide documentation to customers of the rationale behind the rates. Such rate studies should be performed periodically.

1.2 Reconciliations and adjustment approval

Adequate reconciliations of water and sewer customer account activity are not performed, and adjustments made to customer accounts are not properly approved.

Although daily reports of receipts posted to the computerized utility system are generated and compared to individual deposits, the city does not perform monthly reconciliations of total amounts billed, payments received, and amounts unpaid. Additionally, the City Treasurer who is responsible for all utility billing, receipting, and recording functions has the ability to post adjustments to the computer system without obtaining independent approval. Further, adjustment reports are not generated and reviewed by the Board. This lack of reconciliations and oversight increases the risk of theft, loss, or misuse of funds and the possibility such problems might go undetected.

Monthly reconciliations are necessary to ensure all accounting records balance, transactions are properly recorded, and any errors or discrepancies are detected on a timely basis. Further, to ensure only the proper accounts and amounts are adjusted, all adjustments should be reviewed or approved by an independent person and adjustment reports should be generated and reviewed by the Board.

1.3 Shut-off procedures

The City Treasurer does not document actions taken on delinquent accounts, and water service is not always disconnected in accordance with written city guidelines. Additionally, the monthly report documenting past due accounts is not provided to the Board or retained by the City Treasurer.

According to the City Treasurer, utility bills are sent out the last day of each month, and the current practice is to assess a 10 percent late fee if the bill is not paid by the tenth of the following month. If residents do not pay their bill by the twentieth, their services are disconnected. There is a $25 reconnect fee. However, if the customer talks to the City Treasurer about payment arrangements or if the customer normally pays, the City Treasurer will not have their water service disconnected. We noted instances during the year ended June 30, 2010, where various customers had delinquent utility accounts not paid within the required time period; however, service was not disconnected.

Allowing customers to receive utility service without paying timely reduces the incentive to make timely payments and may result in a loss of revenue to the city. To ensure all utility customers are treated equitably and the city guidelines are followed, the City Treasurer should provide the Board of Aldermen with a report of delinquent accounts along with documentation of the action taken to collect unpaid amounts.

1.4 Utility deposits

Refundable utility deposits are not properly tracked and reconciled to restricted bank account balances. Before receiving utility service, new customers are required to pay a $100 refundable deposit. The city does not prepare a list of customer utility deposits monthly and reconcile the list to the amount of deposits held in city accounts. Additionally, while the city has two bank accounts designated for utility deposits, no funds were deposited into these accounts during our audit period. Instead, utility deposits collected were deposited into the Water and Sewer Fund checking account and never transferred to the utility deposit bank accounts. At our request, the City Treasurer prepared a list of utility deposits on hand from customer account information and calculated the amount of utility deposits paid as of January 6, 2011, to be $18,855; however, the city only has a total of $16,300 in bank accounts designated for utility deposits. Inadequate reconciliation procedures increase the possibility of undetected errors.

Utility deposits represent a liability to the city and by not depositing all utility deposits into the bank account established for that purpose, the city is unable to determine if the monies available are sufficient to meet the refundable deposit obligation. Complete and accurate records and reconciliation procedures are necessary to ensure utility deposits are accounted for properly and monies held are sufficient to meet the refundable deposit obligation.

Recommendations

The Board of Aldermen:

1.1 Review water and sewer rates periodically to ensure receipts are sufficient to cover all costs of providing these services.

1.2 Ensure monthly reconciliations of the amounts billed to amounts collected and delinquent accounts are performed, all adjustments to customer accounts are properly authorized, and adjustment reports are generated and reviewed.

1.3 Ensure city utility disconnect procedures are followed, and require the City Treasurer to provide the Board with a report of delinquent accounts along with documentation of the action taken to collect unpaid amounts.

1.4 Prepare a complete list of utility deposits monthly and reconcile to the bank account balances. Any differences should be investigated. Additionally, the Board of Aldermen should determine the amount of deposits held in the Water and Sewer Fund bank account, transfer the monies to the utility deposits bank accounts, and deposit all subsequent utility deposits received into the utility deposit bank account.

Auditee's Response

The Board of Aldermen provided the following responses:

1.1 We agree and will begin reviewing water and sewer rates when we prepare our annual budget.

1.2 We will now begin reviewing adjustment reports monthly and ensure monthly reconciliations are properly performed.

1.3 Documentation of delinquent account follow up procedures is shown on the monthly delinquent listing. This listing was previously thrown away; however, it will now be retained to document collection and shut off procedures.

1.4 We will immediately set up an Excel spreadsheet for customer deposits and reconcile the total to the balance in the bank accounts. Any customer deposits included in the Water and Sewer Fund bank account will be transferred to the utility deposit bank accounts.

2. Restricted Funds

The city has not established adequate procedures to ensure the use of various city funds is properly restricted, and the Law Enforcement Training Fund has accumulated a balance in excess of amounts allowed by state law.

2.1 Disbursement allocation

Disbursements are often allocated to various city funds without adequate documentation of how the allocation was determined. For instance, the City Treasurer's wages are paid 50 percent from the General Fund and 50 percent from the Water and Sewer Fund, with no documentation maintained to indicate the number of hours worked for each city service or how these allocations were determined. The Treasurer was paid a total of $21,266

during the year ended June 30, 2010. Additionally, $5,069 paid for a mower was divided equally between the Water and Sewer, Street, and Cemetery Funds, while the $40 cost of a battery for the mower was split 40 percent to the Street Fund and 60 percent to the Cemetery Fund.

To ensure restricted funds are used for intended purposes, the city should properly allocate disbursements to the various city funds based upon specific criteria, such as the number of hours worked on specific areas or projects. Additionally, documentation should be maintained to support the allocations.

2.2 Law Enforcement Training fees

The Police Fund has accumulated an excess balance of Law Enforcement Training (LET) fees. As of December 31, 2010, the Police Fund balance was approximately $12,000 of which approximately $11,000 was LET fees and the remainder was Police Officer Standards and Training (POST) monies.

Section 488.5336, RSMo, provides that no municipality shall retain more than $1,500 of LET fees per certified law enforcement officer, candidate for certification, or a coroner and the coroner's deputies and requires any excess be transmitted quarterly to the city General Fund. As of June 2010, there were two law enforcement officers in the city.

Recommendations

The Board of Aldermen:

2.1 Ensure disbursements and salaries are properly allocated to the applicable city funds and allocations are supported by adequate documentation.

2.2 Determine the excess balance of LET fees within the Police Fund and transfer any overage to the General Fund.

Auditee's Response

The Board of Aldermen provided the following responses:

2.1 We will perform a monthly time study of the City Treasure's time to determine the proper percentage of salary to allocate to each fund. This time study will be performed before the end of this year and documentation will be maintained to support our allocation. Also, we will immediately begin to retain supporting documentation of how other expense allocations are determined.

2.2 We have already started putting LET fees we now receive into the General Fund. A transfer will be made by next month to move the excess LET balance to the General Fund.

3. Accounting Controls and Procedures

Accounting controls and procedures utilized by the city need improvement.

3.1 Receipt slips

Receipt slips are not always issued for fire dues, rentals, permits, and licenses. Additionally, manual receipt slips issued for water and sewer deposits are not prenumbered.

To ensure all monies received are properly recorded, prenumbered receipt slips should be issued for all monies not recorded on utility billing stubs or property tax statements, and the numerical sequence of receipt slips should be accounted for properly.

3.2 Fuel purchases

Although fuel usage logs are maintained for the fuel tanks, fuel use is not reconciled to fuel purchases. The city maintains diesel and regular gasoline fuel tanks for use by the fire, street, and water/sewer departments. The city spent over $10,500 for fuel during the year ended June 30, 2010. To ensure fuel costs for vehicles and equipment are reasonable, the city should reconcile fuel use to fuel purchases.

3.3 Supporting documentation

Adequate supporting documentation was not obtained for some disbursements. This includes checks issued to the Fire Chief for $370 and $570 in December 2009 and 2010, respectively, to pay volunteer firemen $5 for attending each monthly meeting and a check issued to the City Clerk for $200 for a copy machine.

All disbursements should include proper supporting documentation to ensure the obligation was actually incurred and the disbursement represents an appropriate use of public funds.

3.4 Bonding

The Mayor, the City Treasurer/Collector, and the Mayor Pro Tem can sign checks issued on city bank accounts; however, the Mayor and the Mayor Pro tem are not bonded. Failure to properly bond individuals who have access to funds exposes the city to risk of loss.

Recommendations

The Board of Aldermen:

3.1 Require prenumbered receipt slips be issued for all monies not recorded on a utility stub or property tax statement.

3.2 Reconcile fuel use to fuel purchases and investigate any differences.

3.3 Require adequate, detailed supporting documentation be obtained and retained for all disbursements.

3.4 Maintain bond coverage for all officials with access to city assets.

Auditee's Response

The Board of Aldermen provided the following responses:

3.1 We will immediately implement this recommendation.

3.2 Starting next month we will reconcile fuel used to fuel purchased and investigate any differences.

3.3 Adequate supporting documentation will now be retained for all disbursements. Documentation was maintained to support payment to the firemen for attending meetings; however, this documentation was later destroyed. In the future a copy will be filed with the city.

3.4 This recommendation has been implemented. Bond coverage has been obtained.

4. Property Tax System Controls and Procedures

Several concerns were noted with reporting and monitoring procedures for the property tax system. The City Treasurer has been appointed by the Board of Aldermen as City Collector. During the year ended June 30, 2010, the city received property taxes of approximately $34,000. With the exception of the City Clerk reviewing property tax deposits into the city's bank account, no one is involved in the property tax process other than the City Treasurer/Collector. As a result, there is less assurance that property taxes are handled properly.

4.1 Detailed report of property taxes

A detailed annual report of property taxes is not prepared and presented to the Board of Aldermen.

Section 79.310, RSMo, requires the City Collector to make a detailed report to the Board of Aldermen, stating the monies collected during the year, the amounts uncollected, and the names of the persons from which amounts are uncollected. A detailed annual report, which complies with state law, classified by type of tax would provide greater assurance taxes have been properly collected, written off, or determined to be delinquent. Such reports should summarize all taxes charged to the City Collector, collections, delinquent credits, abatements and additions, and protested amounts. Annual reports, examined by the Board of Aldermen, would help detect any errors or irregularities that might occur.

4.2 Account book

An account book to record property tax charges, collections, and remaining delinquent taxes is not maintained by the City Collector. A properly maintained account book, including (by type) the property taxes charged to the City Collector at the beginning of the year, collections each month, and balances uncollected, can be useful in preparing the annual report required by state law.

4.3 List of delinquent taxes

A list of delinquent taxes is not prepared and approved by the Board of Aldermen. The City Collector did prepare a list of delinquent real estate taxes for the November 2010 board meeting; however, this was the first such report that had been prepared for several years.

Section 94.320, RSMo, provides the Board of Aldermen shall require the City Collector, at the first meeting of the Board in April each year, to prepare lists of delinquent taxes. The Board of Aldermen shall examine and approve the lists and charge the City Collector with the lists to collect the taxes due.

Recommendations

The Board of Aldermen:

4.1 Require the City Collector to prepare detailed annual reports as required by state law.

4.2 Require the City Collector to maintain an account book.

4.3 Require the City Collector to submit an annual list of all taxes remaining due and uncollected to the Board.

Auditee's Response

The Board of Aldermen provided the following responses:

4.1 A report has been prepared and provided to the Board of Aldermen.

4.2 An account book will be prepared beginning with the next tax year.

4.3 A report has been prepared and provided to the Board of Aldermen.

5. Payroll Issues

Some wages were not properly reported and bonuses were paid to employees.

5.1 Reporting wages

The city did not properly report as wages, withhold employee payroll taxes from, or pay the employer share of payroll taxes on property tax commissions retained by the City Treasurer/Collector. Commissions totaled $1,500 in 2010 and $1,214 in 2009. The city did file IRS form 1099s; however, the payments appear to represent compensation subject to Form W-2 reporting and payroll tax withholding.

Section 105.300, RSMo, defines an appointive officer or employee of a political subdivision as an employee for Social Security and Medicare tax purposes. For employees, the IRS requires employers to report compensation on W-2 forms and withhold and remit federal income taxes. Similarly, Chapter 143, RSMo, includes requirements for reporting wages and withholding state income taxes. State and federal laws require

employers to pay the employer's share of Social Security and Medicare on the compensation paid to employees.

5.2 Bonuses

The Board of Aldermen approved and paid Christmas bonuses of $150 to each of the city's full-time employees in December 2010 and 2009 totaling $1,050.

The bonuses appear to represent additional compensation for services previously rendered and, as such, are in violation of Article III, Section 39, Missouri Constitution, and Attorney General's Opinion No. 72, 1955 to Pray, which states, ". . . a government agency deriving its power and authority from the constitution and laws of the state would be prohibited from granting extra compensation in the form of bonuses to public officers after the service has been rendered."

Recommendations

The Board of Aldermen:

5.1 Ensure all compensation paid to employees is subject to payroll taxes and properly reported on W-2 forms.

5.2 Discontinue granting bonuses to employees.

Auditee's Response

The Board of Aldermen provided the following responses:

5.1 If we contract with the County Collector for the collection of city property taxes this will no longer be an issue; however, if we continue to collect city property taxes at city hall, we will look into implementing this recommendation before the next tax year.

5.2 We will stop paying bonuses immediately and consider other methods of compensating our employees.

6. Audits, Budgets, and Financial Reporting

The city did not obtain an annual audit or properly prepare and monitor budgets.

6.1 Audits

The city does not obtain annual audits of its water and sewer systems. Section 250.150, RSMo, requires the city to obtain annual audits of the combined water and sewer system. In addition to being required by state law, annual audits of city funds help ensure monies are properly handled and financial transactions are properly recorded.

6.2 Budgets

City budgets are not complete. The budgets do not include a budget message, beginning and estimated ending resources, a comparison between

budgeted and actual amounts for the 2 preceding years, or amounts related to the debt of the city.

Section 67.010, RSMo, requires the preparation of an annual budget with specific information. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing financial expectations for each area of city operations. It will also assist in setting utility rates and informing the public about city operations and current finances.

Recommendations

The Board of Aldermen:

6.1 Obtain annual audits as required by state law.

6.2 Prepare annual budgets that contain all information as required by state law.

Auditee's Response

The Board of Aldermen provided the following responses:

6.1 In the past we have had difficulty in finding someone to perform our audit. We have funds included in this year's budget for an audit. We will contract for an audit of the year ending June 30, 2011.

6.2 We are already working on a budget for next year and all the required information will be included.

7. Minutes and Ordinances

The city did not always ensure compliance with the Sunshine Law, and improvement is needed in city ordinances.

7.1 Closed meetings

The minutes of open meetings do not always document reasons for closing meetings or the specific section of law that allows for the closed meeting. In addition, a roll call vote to go into a closed meeting is not always taken and/or recorded in the minutes.

Section 610.022, RSMo, requires that before any meeting may be closed, the question of holding the closed meeting and the reason for the closed meeting, including reference to a specific section of the law, shall be voted on at an open session. Additionally, a record of votes, including roll call votes, is required.

7.2 Ordinances

City ordinances are not complete and up-to-date, and the city does not comply with some ordinance provisions. Additionally, the city has not adopted ordinances required by state law and/or needed to govern the city.

- The city has not established an ordinance for employee compensation or the term of office and duties for the City Clerk. Section 79.270, RSMo, provides that compensation of city officials and employees be set by ordinance, and Section 79.320, RSMo, requires the term of office and duties be established by ordinance for the City Clerk. In addition to meeting statutory requirements, establishing ordinances to set compensation rates, duties, and terms of office documents the approved amounts to be paid and eliminates misunderstandings.

- The city has not adopted ordinances to set property tax rates. Section 94.190.3 RSMo, requires the property tax rate be set annually by ordinance.

- Ordinance number 196 provides for the City Collector to receive 2 percent of the property taxes collected; however, the City Collector retains 4 percent.

- There is no ordinance to establish penalties for delinquent taxes, although such penalties are charged.

- The Board has not adopted an ordinance regarding utility collections, fees, deposit amounts, and delinquent accounts. Although there are some written guidelines, these guidelines are not comprehensive or always followed.

Since the ordinances represent legislation passed by the Board of Aldermen to govern the city and its residents, it is important that city officials comply with city ordinances, adopt city ordinances as required by state law, and maintain ordinances in a complete up-to-date manner. Additionally, to ensure all utility and property tax accounts are handled equitably and in a consistent manner, the Board should establish comprehensive ordinances addressing these areas.

Recommendations

The Board of Aldermen:

7.1 Ensure roll call votes are taken during open meetings to close meetings, and the specific statute and subsection allowing closure is noted in the open meeting minutes.

7.2 Ensure city officials comply with city ordinances, new ordinances are passed where appropriate, and ordinances are maintained in a complete, up-to-date manner.

Auditee's Response

The Board of Aldermen provided the following responses:

7.1 We will ensure compliance with the Sunshine Law in all future meetings.

7.2 Some improvements have already been made on the city's ordinances and we will be working on additional ordinances.

City of Lowry City
Organization and Statistical Information

The City of Lowry City is located in St. Clair County. The city was incorporated in 1897 and is currently a fourth-class city. The city employed four full-time employees and five part-time employees on June 30, 2010.

City operations include law enforcement, fire services, utilities (water and sewer), cemetery, and street maintenance.

Mayor and Board of Aldermen

The city government consists of a mayor and four-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The mayor and Board of Aldermen, at June 30, 2010, are identified below. The Mayor is paid $90 per meeting plus $10 per special meeting attended and Board of Aldermen members are paid $40 per meeting plus $10 per special meeting attended. The compensation of these officials is established by ordinance.

John Neuenschwander, Mayor
Sean Langston, Alderman
Steve Elsey, Alderman
Charles Cone, Alderman
Mike Floyd, Alderman

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The City of Lowry City did not receive any federal stimulus monies during the year end June 30, 2010.

Financial Activity

A summary of the city's financial activity for the year ended June 30, 2010, follows:

City of Lowry City
Year Ended June 30, 2010

	General Fund	Police Fund	Fire Fund	Water and Sewer Fund	Street Fund	Cemetery Fund	Total
RECEIPTS							
Property tax	$ 33,773	0	0	0	0	0	33,773
Sales and use tax	127,842	0	13,755	0	0	0	141,597
Franchise tax	35,796	0	0	0	0	0	35,796
Motor fuel and vehicle fees	0	0	0	0	27,298	0	27,298
Water and sewer fees	0	0	0	122,846	0	0	122,846
Interest	752	256	0	2,359	13	3,351	6,731
Grants	28,742	0	54,864	0	0	0	83,606
Fines, fees, and other	29,657	7,560	14,227	5,699	684	1,554	59,381
Transfers in	25,389	26,600	150	9,500	0	1,000	62,639
Total Receipts	281,951	34,416	82,996	140,404	27,995	5,905	573,667
DISBURSEMENTS							
Wages and payroll taxes	46,942	22,049	0	40,867	8,084	4,657	122,599
Repairs and maintenance	6,588	332	782	3,839	871	122	12,534
Supplies	5,754	275	1,211	5,437	1,867	190	14,734
Insurance	17,365	664	260	182	0	0	18,471
Equipment	29,545	1,676	55,437	11,716	600	0	98,974
Health insurance	5,145	1,919	0	4,844	0	0	11,908
Fuel	8,627	0	1,111	473	292	0	10,503
Lagoon/water testing	0	0	0	1,583	0	0	1,583
Advertising	788	101	56	310	0	0	1,255
Phone and utilities	11,464	523	316	12,039	0	0	24,342
Legal	391	641	0	197	0	0	1,229
Postage	352	0	185	400	0	0	937
Road maintenance supplies	0	0	0	0	2,632	0	2,632
Sales tax	0	0	0	1,471	0	0	1,471
Training/meeting	0	0	370	110	0	0	480
New building	22,135	0	0	14,511	0	0	36,646
Paving	0	0	0	0	20,766	0	20,766
Sidewalk project	15,124	0	0	0	0	0	15,124
Street lights	12,999	0	0	0	0	0	12,999
Other	14,771	447	274	5,403	88	205	21,188
Debt service - principal	0	0	0	16,000	0	0	16,000
- interest	0	0	0	20,974	0	0	20,974
Transfers out	27,600	5,345	12,879	7,902	6,152	2,761	62,639
Total Disbursements	225,590	33,972	72,881	148,258	41,352	7,935	529,988
RECEIPTS OVER (UNDER) DISBURSEMENTS	56,361	444	10,115	(7,854)	(13,357)	(2,030)	43,679
CASH, JULY 1, 2009	88,494	11,365	11,595	268,233	34,990	128,384	543,061
CASH, JUNE 30, 2010	$ 144,855	11,809	21,710	260,379	21,633	126,354	586,740

Note: The Police Fund cash balance includes the Law Enforcement Training savings account and certificates of deposits. The Water and Sewer Fund includes utility deposit monies. The Cemetery Fund includes the operating account, the perpetual trust accounts, and land purchase accounts.

THOMAS A. SCHWEICH
Missouri State Auditor

HARRY J. OTTO, CPA
DEPUTY STATE AUDITOR

July 6, 2011

Honorable Peter Kinder
Lieutenant Governor
State Capitol
Jefferson City, Missouri

Dear Lieutenant Governor Kinder:

To avoid a conflict of interest, the State Auditor has recused himself from all reports pertaining to your office and has directed me to oversee procedures performed by the State Auditor's professional audit staff. This report relates to the reimbursement calculated and paid by you for all in-state lodging costs previously paid to you or on your behalf by the State of Missouri from January 2005 through April 2011. Your calculation considered in-state lodging costs and made no determination if the travel was for official or non-official purposes. Our review has determined that the reimbursement amount of $52,320.00 was calculated correctly based on your assumptions and methodology. However you should consider the need to make additional reimbursements due to (1) coding errors that were made by your office within the state accounting system that resulted in you not repaying lodging costs totaling $1,472.53, (2) lodging expenditures totaling $416.10 paid to you by other state agencies, and (3) not considering meal costs when calculating your reimbursement.

The objectives of our review were to determine if:

1. The reimbursement amount was properly calculated (accurate) for in-state lodging paid to you or on your behalf and the amount calculated was fully reimbursed to the state based on your assumptions.

2. The assumptions, records, and supporting documentation for the reimbursement amount are reasonable and adequate.

Lieutenant Governor - Assumptions and Methodology

On April 26, 2011, you submitted a personal check, totaling $52,320.00, to the Office of Administration (OA) as reimbursement for in-state lodging costs. We received a written statement from your office indicating the reimbursement was made voluntarily and was not required by law, and that all travel costs paid to you and on your behalf were appropriate and lawful.

Your staff calculated the reimbursement amount using the state accounting system (SAM II) vendor payment information available on the Internet through the Missouri Accountability Portal (MAP). The calculation included all in-state lodging costs that were paid to you, and all in-state lodging costs direct billed by two hotels in St. Louis (Chase Park Plaza and Four Seasons Hotel) to the Office of Lieutenant Governor on your behalf, from January 2005 through April 2011.

Methodology

The methodology to accomplish our objectives included:

1) recalculating total vendor payments for in-state lodging paid to you or paid to hotels on your behalf as reported by the MAP during the period from January 2005 through April 2011;

2) reviewing all vendor payments made to you, including payments made by the Office of Lieutenant Governor, as well as other state departments, during the period from January 2005 through April 2011;

3) analyzing and reconciling the SAM II detailed expenditure transactions with the MAP vendor payment totals for the period from January 2005 through April 2011;

4) scanning office SAM II detailed in-state travel expenditures for possible misclassifications and coding errors for the period from January 2005 through April 2011;

5) summarizing office in-state travel expenditures for the period from January 2005 through April 2011;

6) obtaining an understanding of the status of the Lieutenant Governor's calendar;

7) reviewing audit documentation related to travel expenditures, including 10 of 127 expense claims, completed during the two previous audits of the *Office of Lieutenant Governor* (Report Numbers 2010-163 and 2007-64); and

8) obtaining deposit documentation from the OA to substantiate the reimbursement amount.

Procedures and Results

Our recalculation of the reimbursement amount, totaling $52,320.00, using your office's assumptions and methodology for in-state lodging costs, is consistent with the rounded amount determined by your staff. Our analysis of the vendor payment information for the applicable time period is as follows:

	In-State Lodging Costs*		
Time Period	Paid to Lieutenant Governor	Direct Billed by Hotels	Total
July 2010 to April 2011	$510.23	$2,307.07	$2,817.30
July 2009 to June 2010	2,110.88	8,826.78	10,937.66
July 2008 to June 2009	6,235.37	5,625.99	11,861.36
July 2007 to June 2008	3,751.50	5,622.28	9,373.78
July 2006 to June 2007	8,925.96	0.00	8,925.96
July 2005 to June 2006	5,954.96	0.00	5,954.96
January 2005 to June 2005	2,447.58	0.00	2,447.58
Total	$29,936.48	$22,382.12	$52,318.60

* As reported on the SAM II/MAP for vendor payments made through the Office of Lieutenant Governor.

We identified five vendor payments made to you by the Department of Economic Development (Office of Director and Division of Tourism) and the OA, during the period January 2005 to April 2011,

which were not taken into consideration by your office when determining the amount of reimbursement. These payments, totaling $976.17, were identified on your expense account as travel costs, including in-state meals, mileage, in-state lodging, and a state plane flight, related to your involvement on various boards, commissions, and taskforces. The in-state lodging portion of these payments totaled $416.10.

While reviewing the office detailed SAM II expenditure transactions and expense claims selected for testing, we also identified misclassifications made by your office due to transactions coded to an incorrect expenditure category. For example, several in-state lodging costs were classified as in-state meal costs, several in-state meal costs were classified as in-state lodging costs, and some in-state lodging costs were classified as out-of-state lodging costs. Overall, in-state lodging costs totaling $1,838.08 were misclassified, and other costs totaling $365.55 were misclassified as in-state lodging. While these expenditure misclassifications are not significant, they resulted in in-state lodging, totaling $1,472.53, not being considered in your reimbursement calculation. We discussed the miscoding of expense accounts with your staff during our previous audits of your office.

For travel expenditures tested in prior audits of your office, with one exception, the room rates charged during in-state lodging stays did not exceed the federal continental United States (CONUS) rates. We did observe that state sales taxes were paid on several hotel stays; however, following discussion with your staff, this appears to have been resolved in the fall 2007 and is no longer an issue. We also noted the Office of Lieutenant Governor never exceeded budget amounts between fiscal years 2005 and 2010.

Meal costs were not considered by your office in the calculation of the reimbursement amount. After corrections were made for the misclassifications noted above, reimbursements made to you for in-state meals totaled $10,893.13 during the period January 2005 to April 2011. According to the state travel policy, when no overnight travel is involved officials and employees must be in continuous travel status for 12 hours or more to be considered eligible for reimbursement of meal expenses. Your staff indicated to us that meal reimbursements and/or meals paid on your behalf were not considered for reimbursement because your lodging reimbursement greatly exceeded any questionable or inappropriate lodging costs.

We previously audited your mileage reimbursements for non-official use of your state-owned vehicle. In August 2007, you discontinued using the state-owned vehicle for official, commuting, or personal travel. Instead, you used your personal vehicle and claimed mileage for travel related to official business. You subsequently ceased claiming mileage reimbursement and no mileage claims have been paid to you since May 2009. Therefore mileage reimbursements were not addressed for the purposes of this review.

Because there was some confusion reported by various media sources about whether the office calendar was lost and/or not accessible for prior periods, we inquired about the status of the office calendar. According to OA, Information Technology Services Division (ITSD) personnel, the calendar was always accessible through the state archiving system. The state uses an email/calendar archiving system, and this system was upgraded in June 2009. As a result, the upgrade changed the way archived calendars are accessed and viewed. Also, calendar events are archived by posting date rather than event date. In April 2011, upon request by your office, the OA, ITSD restored over 18,000 archived calendar views. This resulted in numerous duplicate entries for some events because every action or revision made to the calendar was restored. The OA, ITSD also provided your office copies of the calendar information electronically, and, upon our request, your office provided a copy of the electronic calendar to us. As a result of the numerous duplicate entries for some events, it is cumbersome to review events on the restored calendars. Although the electronic calendar is your master calendar, your office also indicated that you worked from a printed copy of the calendar and made changes to the calendar as needed. These printed versions were not retained and revisions were not always updated on the electronic calendar.

Limitations

The calendars were not maintained for the purpose of providing a means or method to determine official and non-official events. As a result, we could not reach a comprehensive definitive conclusion with respect to making such as a determination. Documentation was not always complete or accurate as to the specifics of your scheduled events, such as the purpose of the event and a determination whether the event was for official state business.

Therefore, we did not attempt to compare in-state lodging costs paid to you with activities or events scheduled in your calendar. We also did not evaluate the purpose of travel related expenses to determine if the amounts paid for meals were appropriate based on the calendar information.

In addition, misclassifications were noted on four of the ten expense claims selected for review. Although we did not believe it to be cost-effective to review additional expense claims, it is likely additional instances of misclassifications exist in other claims submitted.

Conclusions

We have concluded:

1) With the exception of office misclassification coding errors which netted to $1,472.53, you have reimbursed the state for the total amount of in-state lodging costs paid to you or paid on your behalf by the Office of Lieutenant Governor from January 2005 through April 2011.

2) Two other state agencies reimbursed you for lodging expenses totaling $416.10 during the period from January 2005 through April 2011. These reimbursements were not taken into consideration by your office when determining the amount of reimbursement.

3) We cannot conclude with certainty that you have fully reimbursed the state because meal costs were not considered by your office when determining the reimbursement amount. However, you have assumed that any possible reimbursement calculation of potentially questionable meals (meals total $10,893.13) would more than be offset by your excessive reimbursement of in-state lodging. The findings of our report do not dispute this assumption.

Sincerely,

Harry J. Otto, CPA
Deputy State Auditor

The following auditors participated in the preparation of this letter:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni Crabtree, CPA
In-Charge Auditor:	Robyn Vogt, M.Acct., CPA

Thomas A. Schweich

Missouri State Auditor

Warren County

June 2011

Report No. 2011-30

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Warren County

Commission Minutes	The County Commission is not always maintaining a record of votes taken during closed meetings, as required by the Sunshine Law.
Fuel Use	The county does not require mileage and fuel use logs for county vehicles and equipment in the road and bridge department, and fuel use is not reviewed and reconciled to fuel purchases. Proper oversight is needed to prevent and detect errors, theft or misuse.
Gift Cards	The Assessor and Sheriff used county funds to purchase gift cards, which they gave to employees at the end of the year as appreciation awards. The Missouri Constitution forbids the payment of additional compensation, such as bonuses, to public employees for services already rendered. Moreover, the gift cards were bought with county monies from the Assessment Fund and Sheriff's Civil Fund, which have restrictions on how those monies can be used.
Computer Passwords	Passwords for county computers are not changed regularly to ensure confidentiality and reduce the risk of unauthorized users.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	During the 2 years ended December 31, 2010, the county was awarded $422,564 in ARRA funds: A $29,305 Recovery Act: Edward Byrne Memorial Justice Assistance Grant Program Local Solicitation grant which was spent by the Sheriff's department to purchase 19 mobile data terminals. A $13,645 Emergency Food and Shelter National Board Program grant, of which $10,111 was expended to provide meals, assist with rent or mortgage and assist with utility bills for needy families and individuals. The remaining $3,534 was reclaimed by the Emergency Food and Shelter National Board. A $37,998 Nonmonetary Immunization grant provided 1,652 vaccines to the county which were administered by the county health department. A $262,106 Homelessness Prevention and Rapid Re-housing Program grant to help families and individuals who are at risk of becoming homeless and those experiencing homelessness who need temporary assistance obtaining and retaining housing, of which $187,509 was received during the year ended December 31, 2010. Boonslick Regional Planning Commission received $3,790 of this for administration of the grant, North East Community Action Corporation received $95,554 and Saints Joachim & Ann Care Service received $88,165.

The Warren County Developmental Disabilities Board received $79,510 through the Medicaid Federal Medical Assistance Percentage grant, of which $35,500 was disbursed to two entities which used it to renovate a playground for children with developmental disabilities and repair and renovate a building used by developmentally disabled adults.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

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THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Warren County

We have audited certain operations of Warren County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock & Associates, Certified Public Accountants, has been engaged to audit the financial statements of Warren County for the 2 years ended December 31, 2010. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2010. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Warren County.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice Fast, CPA, CGFM, CIA
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Tina Disney, M. Acct
Audit Staff:	Emily Bias
	Monique Williams

1. Commission Minutes

Records of votes taken in several closed sessions were not maintained. Section 610.020, RSMo, requires a record of votes taken in closed session be retained.

Recommendation

The County Commission ensure votes taken in closed sessions are retained as required by the Sunshine Law.

Auditee's Response

The County Commission provided the following response:

We do not always take votes when we decide to hire someone upon a department head's recommendation. We talk about it and usually have a consensus, but do not take votes. We will try to document votes in the future.

2. Fuel Use

The county has not established effective monitoring procedures regarding fuel use for the road and bridge department. Mileage and fuel use logs are not maintained for county vehicles and equipment, and fuel use is not reviewed or reconciled to fuel purchases. As a result, theft and misuse of fuel could go undetected. During the 2 years ended December 31, 2010, the county incurred fuel costs of approximately $198,000 for the road and bridge department.

Maintenance and review of vehicle and equipment mileage and fuel use logs and comparison of log information and inventory records to fuel purchases, are necessary to ensure vehicles and equipment are properly utilized, to prevent paying vendors for improper billing amounts, and to decrease the risk of theft or misuse of fuel occurring without detection. Logs should provide sufficient details so the county can effectively monitor vehicle and equipment use and fuel costs.

Recommendation

The County Commission require mileage and fuel use logs for all vehicles and equipment and review the logs for reasonableness. In addition, fuel use should be reconciled to fuel purchases, and any significant discrepancies should be investigated.

Auditee's Response

The County Commission provided the following response:

We are obtaining a computer system that monitors fuel pumped for clear and red diesel. We expect to have this system up and running by the first of October. Once the system is up and running, we will perform these reconciliations.

3. Gift Cards

During the 2 years ended December 31, 2010, the Assessor and Sheriff purchased gift cards to give to their employees at the end of each year as appreciation awards. The Sheriff purchased $7,750 of cards using the Sheriff's Civil Fund and the Assessor purchased $450 of cards using the Assessment Fund.

These gift cards may represent additional compensation in the form of bonuses for services previously rendered, in violation of Article III, Section 39 of the Missouri Constitution.

In addition, the purchase of gift cards does not appear to be an allowable use of these county funds. Section 57.280, RSMo, allows Sheriff's Civil Fund monies to be used only for the procurement of services and equipment to support the operation of the Sheriff's Office, and Section 137.725, RSMo, allows Assessment Fund monies to be used only for the salary and expenses of the Assessor's office.

Recommendation

The County Commission, along with the Sheriff and Assessor, ensure all disbursements are necessary and beneficial to county residents.

Auditee's Response

The County Commission provided the following response:

We had reservations about these purchases and questioned the officials. This audit reaffirms our opinion and we will not approve these requests in the future.

The Sheriff provided the following written response:

At the Warren County Sheriff's Department Employee Award and Recognition Banquet held in December of both 2009 and 2010 I presented each of my employees with a fifty-dollar ($50) Wal-Mart gift card. The cards presented for both years was $7,750 in total.

The purpose of the banquet and the cards was to recognize each of the employees and the contributions they have made to the organization. As a result of such awards and recognition in front of their peers we have significantly impacted the motivation of the department, we have brought the employees of the various divisions closer on a personal level, we have become familiar with each other's families, we have reduced turnover, we have minimized rumors and gossip, we have fostered a sense of belonging and ownership, and have become more effective and efficient in serving the citizens of Warren County.

As the elected Sheriff of Warren County I am both a manager and a leader. I am responsible for managing the financial budget and physical equipment of the overall agency, and I am the leader of the Sheriff's Department

employees. While I strive to be fiscally responsible for every penny I spend I am also constantly aware of the physical and emotional wellbeing of my employees. At any moment in time my personnel are directly responsible for not only their own safety and security, but that of the thirty-thousand residents of Warren County. To this end I utilize any method, resource, or tool at my disposal to motivate, lead, and manage. Napoleon once said that a soldier will fight long and hard for a bit of colored ribbon. I simply expanded upon that philosophy by not only presenting cloth service awards, but also paper certificates, public praise, and the Wal-Mart gift cards. My actions were based upon my interpretation of Missouri Statue 57.280 which states the Sheriff's Civil Fee funds may be expended at the discretion of the Sheriff for the furtherance of the Sheriff's set duties.

As a result of the recent opinion and advice of the Missouri State Auditor's Office I will discontinue the practice of awarding the gift cards.

The Assessor provided the following written response:

I, Wendy Nordwald the Warren County Assessor held a 2010 Recognition and Appreciation Night for staff with the purpose of improving moral, productivity, employee longevity, motivation and efficiency within the Assessors' Office. Each employee was recognized for their contributions and skills that enhance the office productivity and service to the taxpayers in which we serve throughout the year.

In 2008 and 2009, 2 (two) job positions within the Assessors' Office were lost and to date have not been replaced. The entire Assessment staff had stepped up for the challenge and successfully handled the increased workload, increased responsibilities and without any increased compensation, therefore $450 was spent on monetary money cards, to maintain as well as improve employee motivation, productivity, moral, longevity and efficiency.

Staff was recognized for their individual contributions and accomplishments in 2010 with a Personalized Certificate of Excellence and Individual Awards, along with monetary money card for wage compensation. As I interpret case law, Kuyper vs. Stone County Commission, 838 S.W.2d (Mo. Banc 1992), the Missouri Supreme Court held that the Assessor within the general amount budgeted, decides how much to pay employees of the office. The 2010 Recognition and Appreciation Night resulted in a lasting, positive and highly motivating effect on each and every staff member, and likewise beneficial to each taxpayer and/or resident to which we serve.

As a result of the discussion with the audit team and opinions of this report in the future to completely avoid these circumstances, I will either

discontinue this practice completely or compensate my employees out of my own personal funds.

4. Computer Passwords

Passwords for county computers are not changed on a periodic basis to ensure confidentiality. Without procedures to periodically change passwords, there is less assurance passwords effectively limit access to the data files and programs to only those individuals who need access for completion of job responsibilities, and to reduce the possibility of unauthorized users.

Recommendation

The County Commission ensure passwords are periodically changed.

Auditee's Response

The County Commission provided the following response:

We will talk to our IT person next week about setting up a schedule for changing passwords.

Warren County
Organization and Statistical Information

Warren County is a county-organized, third-class county. The county seat is Warrenton.

Warren County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 113 full-time employees and 13 part-time employees on December 31, 2010.

In addition, county operations include the Warren County Developmental Disabilities Board and the county health department.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2011	2010
Arden Engelage, Presiding Commissioner	$	34,670
Daniel Hampson, Associate Commissioner		32,670
Hubert Kluesner, Associate Commissioner		32,670
Jerri Jordan, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Barbara Daly, County Clerk		49,500
Michael Wright, Prosecuting Attorney		109,366
Kevin Harrison, Sheriff		57,200
Gene Cornell, County Treasurer		36,630
Roger Mauzy, Sr., County Coroner		17,600
Jeffrey Hoelscher, Public Administrator		20,000
Linda Stude, County Collector, year ended February 28,	49,500	
Wendy Nordwald, County Assessor, year ended August 31,		49,500

(1)Compensation is paid by the state.

New County Facility

In November 1994, the county passed a 1/2-cent sales tax for 15 years for the purpose of capital improvements for the county. In February 2008, the county renewed the 1/2-cent sales tax indefinitely. The county is in the process of building a new administration building with these sales tax monies. The building is scheduled to be completed in early 2012 with an estimated cost of $6,531,255.

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

According to county personnel, the county was awarded the following American Recovery and Reinvestment Act of 2009 funding during the 2 years ended December 31, 2010:

A $29,305 Recovery Act: Edward Byrne Memorial Justice Assistance Grant Program Local Solicitation grant was awarded by the U.S. Department of Justice for the improvement of information system and technology. During the year ended December 31, 2009, $29,305 was received and expended by the Sheriff's Department to purchase mobile data terminals for 19 patrol vehicles.

A $13,645 Emergency Food and Shelter National Board Program grant was awarded by the U.S. Department of Homeland Security to supplement and expand ongoing efforts to provide shelter, food, and supportive services for needy families and individuals. Warren County provided 2,644 meals to individuals in the county, assisted in paying rent or mortgage for 26 households, and assisted in paying utility bills for 15 households. During the year ended December 31, 2009, $13,645 was received by Warren County and $10,111 was expended. The remaining $3,534 has been reclaimed by the Emergency Food and Shelter National Board.

A $37,998 Nonmonetary Immunization grant was awarded by the Centers for Disease Control and Prevention and passed through by the Missouri Department of Health and Senior Services to provide 1,652 vaccines to the county. During the year ended December 31, 2010, vaccines with a cost of $37,998 were received and administered by the County Health Department.

A $262,106 Homelessness Prevention and Rapid Re-housing Program grant was awarded by the U.S. Department of Housing and Urban Development and passed through the Missouri Department of Social Services to provide help for individuals and families who are currently in housing but are at risk of becoming homeless, and individuals and families who are experiencing homelessness and need temporary assistance in order to obtain and retain housing. During the year ended December 31, 2010, $187,509 was received and expended by Warren County related to this program. Warren County paid $3,790 to Boonslick Regional Planning Commission for administration of the grant and $95,554 and $88,165 to subgrantees North East Community Action Corporation and Saints Joachim & Ann Care Service, respectively.

The Warren County Developmental Disabilities Board received $79,510 under Title V, Section 5001 of the Recovery Act which provided additional federal funding through the Medicaid Federal Medical Assistance Percentage grant. The grant was awarded by the Missouri Department of Mental Health. The payments were made for Medicaid expenditures reported between October 1, 2008, and December 31, 2010. For the years ended December 31, 2010 and 2009, $79,510 was received by the board and $35,500 was disbursed to two entities, leaving a balance of $44,010 at December 31, 2010. Expenditures were for a flashing caution light system, boiler repair, and building renovation for an entity that serves adults with developmental disabilities and to renovate a playground for Warren County school children with disabilities.

Thomas A. Schweich

Missouri State Auditor

City of Pine Lawn

June 2011

Report No. 2011-29

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Pine Lawn

Background

The Missouri State Auditor's Office has been petitioned by the citizens of Pine Lawn to audit the city four times in the last 17 years. Of the 29 recommendations reported in 2006 (Report no. 2006-082) for the city, only 13 were fully implemented. Multiple recommendations in this report are repeated from previous audit reports issued by our office.

Financial Condition

The General Fund and Trash Fund are in poor financial condition, and citizens could suffer the loss or reduction of some services. The city regularly transfers money from the General Fund to cover Trash Fund shortages, and the General Fund is still repaying a loan from the Capital Improvement Fund. The city is often late paying its trash vendor and paid $6,700 in late fees from January 1, 2009, to March 1, 2011. In February 2011, the city had a past due balance with its trash vendor of $87,225. A similar condition was noted in the 2006 audit.

Trash Services

The city does not charge enough for trash services to cover operating costs and is not adequately pursuing delinquent customer accounts. At the current user rate, the city pays $181,200 a year more for trash service than it would receive if all citizens paid their bills on time. Adding to the problem, as of January 4, 2011, the city is owed $1.4 million by 799 delinquent trash customers (63% of all trash accounts). The city's failure to adequately pursue delinquent trash accounts has been noted in audit reports at least as far back as 1994. The city must increase trash rates and/or decrease the cost of providing trash service and diligently pursue delinquent customer accounts or this situation will continue to worsen.

Budget Procedures

The city needs to improve its budgeting procedures. For fiscal year 2010, the city overspent its General Fund budget by $309,768, the majority of which was due to the police department overspending its budget by $255,855. If the Board of Aldermen regularly reviewed budget to actual statements, it could better control such overspending.

Instead of preparing a new budget for fiscal year 2010, the Board just used the fiscal year 2009 budget, which was not approved until 5 months after the fiscal year began. Moreover, no budget was prepared for any city funds other than the General Fund. The budget did not include many of the elements required by state law, such as beginning and ending cash balances and actual receipts and disbursements for the 2 preceding years. The 2000 and 2006 audits noted similar deficiencies.

Closed Meetings

The city often fails to document compliance with the Sunshine Law. Open meeting minutes do not always reflect a roll call vote to go into closed session and/or the specific reasons for closing the meeting. Similar concerns were noted in the 2000 and 2006 audits.

City Procedures

The city needs to improve it procedures and records for city property. Some departments do not maintain a list of assets, while others have incomplete or outdated lists, many assets are not tagged, and documented annual physical inventories are not performed, leaving city assets susceptible to theft or misuse. Although state law requires city contracts to be in writing, the city does not have written contracts with some of its service providers, such as attorneys, payroll services, and collectors of electronic fines and court costs. The city also did not maintain adequate documentation to show that bids were obtained for over $160,000 in purchases.

The city should consider obtaining regular audits to help with monitoring the city's financial condition and ensuring the propriety and accuracy of financial transactions. The city should adopt a written travel policy which explains acceptable travel expenses and the documentation required for reimbursement. The city should also maintain fuel and usage logs for equipment and vehicles. For fiscal year 2010, the city purchased $71,000 of fuel, but there is insufficient documentation to determine whether the miles driven were reasonable, all the fuel was used for city purposes, or the city received all the fuel for which it was charged.

Payroll and Fringe Benefits

The city paid salary advances to employees and aldermen in violation of the Missouri Constitution. The city should ensure ordinances exist setting the compensation of city officials and employees. The city also needs to improve its procedures related to the Mayor's use of a city vehicle. The city should require the Mayor to maintain a detailed mileage log indicating business and personal use of the vehicle, and the city should report the amount of personal mileage, including commuting, on the Mayor's W-2 form. If no mileage log is maintained, the IRS requires the full value of the vehicle be reported on the W-2 form. If neither of these approaches is followed, the IRS could impose penalties and/or fines on the city for failing to report all taxable benefits.

In the areas audited, the overall performance of this entity was **Poor**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The City of Pine Lawn did not receive any federal stimulus monies during the year ended June 30, 2010.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Pine Lawn
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THOMAS A. SCHWEICH
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Pine Lawn, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Pine Lawn. We have audited certain operations of the city in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2010. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.

2. Evaluate the city's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Pine Lawn.

An additional report, 2011-023, *Twenty-First Judicial Circuit, City of Pine Lawn Municipal Division*, was issued in May 2011.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditors:	Carl Zilch Jr., CIA
	Chris Vetter, CPA

City of Pine Lawn
Management Advisory Report
State Auditor's Findings

1. Financial Condition

The General Fund and Trash Fund are in poor financial condition and are not expected to improve significantly, which could put citizens at risk of reduction or loss of some services. The following table reflects the ending cash balances of these funds, according to city accounting/budget records, for the 2 years ended June 30, 2010, as well as anticipated balances for the year ended June 30, 2011:

	Ending Cash Balance, Year Ended June 30,		
Fund	2011 (Budgeted)	2010 (Actual)	2009 (Actual)
General	$ 337,895	313,925	452,598
Trash	N/A*	13,208	29,684

*Budgeted ending balance is not available because the city did not prepare a budget for this fund (See MAR finding number 3).

The Trash Fund is in poor financial condition due to several factors. The city does not charge residents a rate sufficient to cover costs. In addition, the city does not actively pursue delinquent trash accounts, which totaled approximately $1.4 million as of January 4, 2011 (see MAR finding number 2). Because of the poor financial condition of the Trash Fund, the city has been unable to pay its trash vendor on time. From January 1, 2009, to March 1, 2011, the city paid approximately $6,700 in late fees to the trash vendor. In February 2011, the city had a past due balance of $87,225 for trash service.

The poor condition of the Trash Fund has also affected the financial condition of the General Fund. During the years ended June 30, 2010 and 2009, the city transferred $166,922 and $97,342 respectively, from the General Fund to the Trash Fund to cover shortages. In addition, from August 2006 through June 2008, the city transferred $93,927 from the General Fund to pay for trash service. For the year ended June 30, 2011, the city budgeted a transfer of $100,000 from the General Fund to the Trash Fund; however, $160,738 had been transferred as of April 5, 2011.

The city needed to borrow funds from the Capital Improvement Fund in 2007 and 2006, partially to cover funds transferred to the Trash Fund. The city is making regular payments from the General Fund to the Capital Improvement Fund to repay the amount borrowed plus interest. During the years ended June 30, 2010 and 2009, the city transferred $61,200 and $68,400 respectively, from the General Fund to the Capital Improvement Fund to repay a portion of the loans. As of June 30, 2010, the General Fund still owed $174,134 to the Capital Improvement Fund. The city plans to have the remainder of the loans repaid by June 2013.

The city cannot continue to spend more than it receives in the General Fund and the Trash Fund. The Board of Aldermen has not developed a formal or specific plan to reduce disbursements or increase receipts. In addition, the Board did not adopt a new budget for the year ended June 30, 2010, instead using the previous year's budget, and does not review budget to actual statements on a regular basis (see MAR finding number 3). To improve the financial condition of the city, the Board should develop a long-term plan that will allow the city to reduce disbursements and/or increase receipts to operate within its available resources. The recommendations contained in MAR finding number 2, if implemented, will help the city establish procedures to operate within available resources and help improve the financial condition of both the General Fund and the Trash Fund. In addition, the city should ensure bills are paid timely to avoid paying late fees and other penalties.

A similar condition was noted in the prior audit report No. 2006-82, *City of Pine Lawn, Missouri,* issued in December 2006.

Recommendation

The Board of Aldermen should closely monitor the financial condition of the city and develop a long-term plan to ensure receipts are maximized, disbursements are closely monitored, and bills are paid in a timely manner.

Auditee's Response

The Board of Aldermen, Mayor, and City Administrator provided the following written response:

The Board of Aldermen accepts the recommendation and intends to closely monitor the financial condition of the City and develop a long-term plan to ensure receipts are maximized, disbursements closely monitored, and bills paid in a timely manner.

On the loan from Capital Improvement to the General Fund, the Mayor has directed the City Administrator to provide the Board with a quarterly report to assure payments are being made properly.

2. Trash Services

The city does not charge customers a rate sufficient to cover the costs of providing trash service or actively pursue collection of delinquent trash accounts.

2.1 Trash rate

The trash rate charged to city residents does not cover amounts paid to vendors for trash hauling and payment collection services. As a result, the city is forced to make up the difference using other revenue sources. The city charges each household $12 per month, which is the maximum allowed per the original ballot voted in 1999. The trash vendor, however, charges the city approximately $23 per household per month. In addition, the vendor that bills and collects trash payments from residents retains 8 percent of the monies collected. If all households paid their bills, the city would still be

short approximately $15,100 each month or $181,200 each year. However, the actual difference is much greater since many residents are not paying their bills (see section 2.2). City officials indicated a rate increase has been discussed in the past, but they believed a rate increase would be the equivalent of a tax increase, requiring a vote of the citizens, instead of treating the trash rate as a user fee. Also, the city did not prepare a budget for the Trash Fund to monitor this situation (see MAR finding number 3).

The city should perform and document a detailed review of its trash costs and determine a rate necessary to cover the total costs of operations without generating excessive profits. Preparation of a statement of costs would allow the city to determine the rate necessary to support current and future operations as well as provide documentation to residents of the rationale behind the rates. The city should review alternatives to increase the trash rate to cover all costs of providing the trash service.

2.2 Delinquent accounts

The city does not adequately pursue collection of delinquent trash accounts, which has affected the financial condition of the city. As of January 4, 2011, the delinquent accounts list included 799 of the total 1,266 customers and totaled approximately $1.4 million (including 2 percent penalties on past due amounts), an increase of approximately $900,000 since June 30, 2006. The city passed an ordinance in 2002 to collect delinquent trash fees when housing inspections or business licenses are acquired or renewed. Although this ordinance attempts to collect a portion of the amount owed, the city does not actively pursue collection of past due trash fees when housing inspections or business licenses are not required. Allowing customers to receive service without payment reduces the incentive to make payments and results in loss of city revenue.

A similar condition was noted in our prior audit report.

Recommendations

The Board of Aldermen:

2.1 Evaluate ways to increase fees for trash services to a level sufficient to cover the costs of the service.

2.2 Discuss with legal counsel options available to ensure collection of delinquent trash accounts.

Auditee's Response

The Board of Aldermen, Mayor, and City Administrator provided the following written response:

The Board of Alderman accepts the recommendation. The Mayor and Board of Aldermen have directed the City Administrator and Attorney to investigate collections options, direct billing, and increasing the trash fee. A

report is expected within the next 120 days. After being fully advised, the City intends to take appropriate action.

Also, for clarity, the trash fee/tax was created by a ballot issue. As such, an increase will require a vote of the citizens.

3. Budget Procedures

Budget procedures are in need of improvement. Actual disbursements exceeded budgeted disbursements in the General Fund and the budget is missing many key elements required by state law.

3.1 Budget overspending

Actual disbursements exceeded budgeted disbursements by $309,768 for the General Fund for the year ended June 30, 2010. The Board does not review budget to actual statements on a regular basis to properly monitor city finances. The majority of the overspending was due to the police department overspending its budget by $255,855 and the city transferring $59,055 more than budgeted from the General Fund to various city funds.

Budget documents are an essential tool for the efficient management of city resources. Section 67.040, RSMo, allows for budget increases, but only after the governing body officially adopts a resolution setting forth the facts and reasons. Section 67.080, RSMo, provides that no expenditure of public monies shall be made unless it is authorized in the budget.

3.2 Budget preparation

The city did not prepare a new budget for the year ended June 30, 2010. The budget for the year ended June 30, 2009, was used; however it was not approved until November 30, 2009. In addition, the budget was only for the General Fund and did not include several elements required by state law. No budgets were prepared for the Capital Improvement Fund, the Storm Water and Park Improvement Fund, the Trash Fund, the D.A.R.E. Fund, or the Judicial Training Fund. As a result, the Board cannot effectively monitor actual costs from these funds by periodically comparing budgeted to actual disbursements. The approved budget did not contain a budget message, actual receipts and disbursements for the 2 preceding years, or beginning and ending cash balances. The budget only included budgeted receipts and disbursements for the year.

Sections 67.010 through 67.080, RSMo, include specific guidelines as to the format and approval of the annual operating budget. A complete budget should include separate receipt and disbursement estimations by fund, and include the beginning available resources and a reasonable estimate of the ending available resources.

A similar condition was noted in our prior audit report.

Recommendations

The Board of Aldermen:

3.1 Review budget to actual statements on a monthly basis to improve monitoring of city finances and refrain from approving disbursements in excess of budgeted amounts.

3.2 Develop policies and procedures to ensure budgets are prepared for all funds in a timely manner and contain all information required by state law.

Auditee's Response

The Board of Aldermen, Mayor, and City Administrator provided the following written responses:

3.1 The Board of Aldermen accepts the recommendation. The Mayor and Board have directed the City Administrator to provide, for its review, a monthly budget to actual statement. This will allow the Board to monitor spending and keep it within budget.

3.2 The Board will adopt budget procedures, with deadlines and requirements set by state law. This policy will be adopted within the next 90 days.

4. Closed Meetings

The city frequently fails to document compliance with the Missouri Sunshine Law. The following information was omitted from open meeting minutes:

- A roll call vote to go into a closed meeting is not always taken and/or recorded in the minutes of the open meeting.
- The minutes for open meetings do not always document the specific reasons for closing the meeting. For example, 11 open meeting minutes from October 2009, to October 2010, did not state the reason for the closed meetings.

Chapter 610, RSMo, requires that before any meeting may be closed, the question of holding the closed meeting and the reason for the closed meeting, including reference to a specific section of the law, shall be voted on at an open session. These reasons and the corresponding votes to close the meetings should be documented in the open meeting minutes to demonstrate compliance with statutory provisions.

Similar conditions were noted in our prior audit report.

Recommendation

The Board of Aldermen ensure the vote to close a meeting and reasons for going into closed meetings are documented in open meeting minutes.

Auditee's Response

The Board of Aldermen, Mayor, and City Administrator provided the following written response:

The Board of Aldermen accepts the recommendation. The Board of Aldermen routinely states the reasons for closed meetings, however the City recognizes that the minutes do not reflect the same. The City Clerk has been advised of her recording mistake and going forward will properly cite reasons for going into closed sessions.

5. City Procedures

The city does not properly account for city property. In addition, the city does not have written contracts and bid documentation for some services and has not obtained an annual audit. Also, the city does not have a travel policy.

5.1 Capital assets

Procedures and records to account for city property are not adequate. As a result, assets are more susceptible to theft or misuse. Each department is responsible for tracking its assets instead of city officials maintaining a centralized capital asset list. City administration does not maintain a list; however, upon our request in November 2010, a list was prepared. The list was not complete, did not include the value of the assets, and only contained general terms for items (such as computer and television). In addition, most assets are not tagged for specific identification. Annual physical inventories are not performed, except in the police department, and the police department annual inventory is not documented.

Adequate capital asset records are necessary to secure better internal control over city property and provide a basis for determining proper insurance coverage required on city property. Capital asset records should be maintained on a perpetual basis, accounting for property acquisitions and dispositions as they occur, and include a detailed description of the assets such as descriptions, make and model numbers, and asset identification numbers; the physical location of the assets; and the date and method of disposition of the assets. All capital assets should be identified with a tag or other similar device, and the city should conduct annual physical inventories and compare the results to detailed records.

5.2 Contracts

The city could not provide written contracts for attorney fees ($112,516), payroll services ($3,275), and electronic collection of fines and court costs (vendor is paid through fees collected directly from defendants). The city cannot adequately monitor disbursements or fees without copies of the written contracts. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

5.3 Bids

Adequate documentation was not maintained to demonstrate that bids were obtained for some purchases. The city could not provide bid documentation for park renovations ($143,227), renovations and maintenance at the police department ($6,135), a police department vehicle ($4,000), various vehicle repair work ($7,658), and catering for a community event ($1,200). The city bid ordinance states bids shall be obtained for purchases greater than $1,000. City officials indicated bids were solicited for these purchases; however, no documentation of bids could be provided.

To provide evidence of the bid process and compliance with city bid policy, complete documentation should be maintained of all bids received and reasons noted why the bid was selected, or why multiple bids were not obtained.

5.4 Independent audits

The city has not had an audit performed since the previous State Auditor's office audit report was issued in 2006, for the year ended June 30, 2005. The city spent $23,131 during the 2 years ended June 30, 2010, for an audit of the city; however, an audit report was never issued. A representative from the accounting firm indicated the city had not provided the firm with enough information to complete the audit.

An audit of the city is not required by state law; however, considering the financial condition of the city and the findings contained in this audit report, the city should consider obtaining timely audits of city funds to better enable officials to ascertain the financial condition of the city and to ensure the propriety and accuracy of financial transactions.

5.5 Travel policy

The city does not have a travel policy to address meal allowances, mileage reimbursements, advance payments, and the related documentation required to be submitted. For example, the Mayor was paid $3,401 in advance to attend a conference in Las Vegas, Nevada. The Mayor turned in $2,689 in receipts and $426 in cash, leaving $286 unsupported. Also, meal receipts of $45 and $10 were submitted twice, which went unnoticed by city personnel.

A travel policy should be adopted to ensure the city pays only for actual and reasonable travel expenses. The policy should outline items such as daily meal allowances, acceptable hotel rates, and mileage reimbursement rates. In addition, the policy should require documentation be submitted for all expenses.

5.6 Fuel and usage logs

Fuel and usage logs for equipment and vehicles are not maintained. As a result, it is difficult to determine whether the use of equipment and vehicles is reasonable and supports fuel charges. In addition, fuel usage cannot be reconciled to fuel purchased to ensure the proper amounts are paid. The city purchased fuel totaling approximately $71,000 for the two fuel tanks during the year ended June 30, 2010. Fuel and usage logs should include sufficient

documentation to determine reasonableness of miles driven and allow reconciliation of fuel use to fuel purchases.

Similar conditions previously reported

Similar conditions to points 5.1, 5.2, and 5.3 were noted in our prior audit report.

Recommendations

The Board of Aldermen:

5.1 Ensure complete and detailed capital asset records are maintained, assets are properly tagged for identification, and annual physical inventories are performed and compared to detailed records.

5.2 Enter into written contracts defining services provided and benefits received.

5.3 Ensure documentation of bids or quotes received and justification for the bid selected is maintained.

5.4 Consider obtaining timely audits of city funds.

5.5 Adopt formal policies and procedures for travel expenses.

5.6 Require logs of fuel dispensed and vehicle and equipment usage be maintained. In addition, the log of fuel dispensed should be reconciled to fuel purchases and the usage log should be reviewed for reasonableness. Any significant discrepancies should be investigated.

Auditee's Response

The Board of Aldermen, Mayor, and City Administrator provided the following written responses:

5.1 The City has adopted a plan to account for all property. The City will place barcodes on all city owned property. It is anticipated that all property will be logged and accounted for within the next 90 days. The system has the capacity to conduct an audit of the property as frequently as the City desires.

5.2 The City will draft written agreements for its city attorney, payroll service provider, and other vendors. Additionally, the agreements will be presented to the Board for review and approval by ordinance within the next 90 days.

5.3 The City routinely seeks out bids for any project in excess of $1,000. Notwithstanding, the City will reinforce its policy to ensure that all documentation for bids is kept in a centralized location with a back up in a secondary location. Additionally, the City is

adopting a new bid policy which will address in detail how bids are sought and when they are required.

5.4 The City intends to have an audit conducted at the end of this fiscal year and thereafter adopt a policy requiring an annual audit.

5.5 The City has drafted a new travel policy that will address the concerns cited in this finding. For clarity purposes, it is important to note that the money advanced to the Mayor for the Black Mayor's Conference was expended for legitimate city business. The Mayor returned all funds not expended and receipts for all other funds. There was a small amount spent for local transportation and tips, which no receipt was given by a service provider.

5.6 *The City will review means of tracking fuel. The City has not had any issues with misuse of its fuel, but intends to be proactive and review its processes.*

6. Payroll and Fringe Benefits

The city gives salary advances to employees and aldermen and could not provide an ordinance establishing compensation for city officials and employees. In addition, the city does not report the Mayor's commuting miles to the Internal Revenue Service (IRS).

6.1 Salary advances

The city paid $4,212 in payroll advances to various aldermen and employees from June 2009 through November 2010. All advances reviewed were deducted from the employee's next paycheck.

Salary advances represent loans and grants of public funds, and as such, are prohibited by Article VI, Sections 23 and 25, Missouri Constitution. These sections prohibit the loaning or granting of public funds to individuals.

6.2 Compensation ordinances

The city could not provide ordinances establishing the compensation of city officials and employees. Section 79.270, RSMo, requires the Board of Aldermen to fix salaries of all city officials and employees by ordinance.

A similar condition was noted in the prior audit report No. 2006-82, *City of Pine Lawn, Missouri*.

6.3 Commuting miles

The Mayor is allowed to use a city vehicle to commute between home and work; however, the amount of personal (commuting) mileage was not recorded on his W-2 forms as required by IRS guidelines. The Mayor is not required to maintain a mileage log indicating business and personal use. The car used by the mayor was purchased on July 24, 2008, and had been driven 55,361 miles as of April 14, 2011.

IRS reporting guidelines indicate personal commuting mileage is a reportable fringe benefit. Furthermore, IRS guidelines require the full value of the provided vehicle be reported on the employee W-2 forms if the employer does not require submission of detailed logs that distinguish between business and personal use. Additionally, the city may be subject to penalties and/or fines for failure to report all taxable benefits.

Recommendations

6.1 Discontinue allowing payroll advances.

6.2 Establish compensation of all city officials and employees by ordinance.

6.3 Comply with IRS guidelines for reporting fringe benefits related to commuting in city-owned vehicles. In addition, mileage logs should be required when vehicles are used for commuting.

Auditee's Response

The Board of Aldermen, Mayor, and City Administrator provided the following written responses:

6.1 Salary advances were not a routine practice of the City. However, the City will discontinue making any advance payment of salary to an employee and adopt a policy reinforcing the same.

6.2 The City currently has ordinances which set out the compensation of its officials; notwithstanding the City will revisit the issue and draft the necessary ordinances.

6.3 The report alleges that "the Mayor is allowed to use a city vehicle between home and work; however the personal (commuting) mileage was not recorded on his W-2 forms as required by IRS guidelines." The vehicle utilized by the mayor is also used by other officials of the City. The commute between home and work by the Mayor is less than a mile in both directions. IRS Publication 15-B provides for an exclusion from taxable income, De Minimis (minimal) benefits to employees. A De Minimis benefit is any property or service an employer provides to an employee that has so little value (taking into account how frequently the employer provides similar benefits to employees) that accounting for it would be unreasonable or administratively impracticable. Additionally, the Mayor is the Chief Executive Officer of the City and a Police Commissioner, as such he routinely responds to emergencies within the City that may occur at any time, and often times do occur in the middle of the night. Notwithstanding, the City will further research this issue so that it is in compliance with any state or federal law.

Auditor's Comment

6.3. Without a log, we could not determine whether the vehicle was sometimes driven by other employees. In addition, commuting mileage does not appear to meet the IRS requirements for a de minimis benefit since it is not unusual or infrequent.

City of Pine Lawn
Organization and Statistical Information

The City of Pine Lawn is located in St. Louis County. The city was incorporated in 1947 and is currently a fourth-class city. The city employed 39 full-time employees and 26 part-time employees on June 30, 2010.

City operations include law enforcement services, trash collection, and maintenance of city streets.

Mayor and Board of Aldermen

The city government consists of a mayor and eight-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 4-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at June 30, 2010, are identified below. The Mayor is paid $700 per month and Board of Aldermen members $500 per month.

Sylvester Caldwell, Mayor
Pelton Jackson, Alderman
James C. Brooks, Alderman
Willie E. Beal, Alderman
LaVera Fowler, Alderman
Maggie Bishop, Alderman
Jimmie Moore, Alderman
Nakisha Ford, Alderman
Mary Gray, Alderman

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The City of Pine Lawn did not receive any federal stimulus monies during the year ended June 30, 2010.

Financial Activity

A summary of the city's financial activity for the year ended June 30, 2010, follows:

City of Pine Lawn
Year Ended June 30, 2010

	General Fund	Capital Improvement Fund	Storm Water and Park Improvement Fund	Trash Fund	D.A.R.E. Fund	Judicial Training Fund	Total
RECEIPTS							
Property tax	$ 43,469	0	0	0	0	0	43,469
Sales tax	489,201	0	0	0	0	0	489,201
Utility tax	396,575	0	0	0	0	0	396,575
Other intergovernmental	213,033	270,121	210,960	0	0	0	694,114
Sewer lateral fees	31,900	0	0	0	0	0	31,900
Licenses, fees, permits	250,677	0	0	150,943	0	0	401,620
Interest	505	9,085	1,569	244	0	0	11,403
Other	1,710,637	0	0	0	0	0	1,710,637
Transfers in	0	61,200	42,612	165,500	0	6,092	275,404
Total Receipts	3,135,997	340,406	255,141	316,687	0	6,092	4,054,323
DISBURSEMENTS							
General government	1,289,704	56,553	0	67	10	4,554	1,350,888
Police	1,464,465	52,266	0	0	0	0	1,516,731
Streets and roads	287,109	29,067	0	0	0	0	316,176
Sanitation	0	0	0	333,096	0	0	333,096
Parks	600	104,115	209,083	0	0	0	313,798
Transfers out	232,792	42,612	0	0	0	0	275,404
Total Disbursements	3,274,670	284,613	209,083	333,163	10	4,554	4,106,093
RECEIPTS OVER(UNDER) DISBURSEMENTS	(138,673)	55,793	46,058	(16,476)	(10)	1,538	(51,770)
CASH, JULY 1, 2009	452,598	913,648	225,424	29,684	1,309	5,962	1,628,625
CASH, JUNE 30, 2010	$ 313,925	969,441	271,482	13,208	1,299	7,500	1,576,855

Thomas A. Schweich

Missouri State Auditor

Gans Road and U.S. 63 Transportation Development District

June 2011

Report No. 2011-28

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Gans Road and U.S. 63 Transportation Development District

Background	The Gans Road and U.S. 63 Transportation Development District (TDD) was organized in December 2006 and is located in the City of Columbia in Boone County. The qualified voters of the TDD never approved a sales tax, and no retail establishments ever operated within the TDD boundaries. Only a portion of the projected transportation construction projects were completed, but the TDD signed several promissory notes. In August 2010, the property owner/developer lost the land within the TDD through foreclosure. The ultimate purchaser of the land also purchased all outstanding TDD promissory notes and canceled them. On March 17, 2011, the TDD Board of Directors approved a resolution formalizing its intent to dissolve the TDD, and the State Auditor's office was notified.
Statutory Requirement	Section 238.275, RSMo, requires the State Auditor to determine the financial status of a TDD before it may be abolished. The law prohibits the abolition of a TDD while there are outstanding claims or causes of action pending against it, if its liabilities exceed its assets; or while the TDD is insolvent, in receivership or under the jurisdiction of a bankruptcy court.
Financial Status	The Gans Road and U.S. 63 TDD had a zero cash balance at March 17, 2011. The only known outstanding liability of the TDD is the cost of this audit, estimated to be $5,000. The current property owner and the subsequent purchaser of the land within the TDD will share this cost, since the TDD lacks sufficient funds. Based upon our audit, the Board of Directors may proceed with the abolishment of the Gans Road and U.S. 63 TDD.

Because of the limited objective of this audit, no overall rating is provided.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The Gans Road and U.S. 63 TDD did not receive any federal stimulus monies during the audited time period.

Gans Road and U.S. 63
Transportation Development District
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Thomas A. Schweich
Missouri State Auditor

Elvin Sapp, Chairman
and
Board of Directors
Gans Road and U.S. 63 Transportation Development District
Columbia, Missouri

The State Auditor is required under Section 238.275, RSMo, to audit a transportation development district prior to the question of abolishment being submitted to a vote. On March 17, 2011, the Board of Directors of the Gans Road and U.S. 63 Transportation Development District (TDD) approved a resolution of its intent to dissolve the district and request an audit as required by statute. The State Auditor was subsequently notified of this resolution.

The scope of our audit included, but was not necessarily limited to, January 1, 2011, to March 17, 2011, and the 2 years ended December 31, 2010. The objective of our audit was to evaluate the financial status of the TDD and determine whether it may be abolished pursuant to law.

Our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; and interviewing various personnel of the TDD, as well as certain external parties. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The audit determined the Board of Directors can proceed with abolishment of the TDD in accordance with Section 238.275, RSMo.

The accompanying Management Advisory Report presents our finding arising from our audit of the Gans Road and U.S. 63 Transportation Development District.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
In-Charge Auditor:	Robert L. McArthur II

Financial Status

Our audit of the Gans Road and U.S. 63 Transportation Development District (TDD) indicates the financial condition of the TDD is such that the TDD may be abolished.

The Gans Road and U.S. 63 Transportation Development District was organized in December 2006 by petition of the owner/developer of property within the proposed district. Shortly after the TDD was established, the property owner/developer sold the property to another developer. The Board of Directors and officers included various employees of the property owner/developer, as well as relatives of the former property owner/developer.

The qualified voters of the TDD, in this case the property owner, never approved the imposition of a sales tax within the boundaries of the district. No retail establishments were ever established in the development to charge such a tax.

The TDD is located in the City of Columbia, in Boone County, near the intersection of Discovery Parkway (Gans Road) and U.S. Highway 63. The TDD has a fiscal year end of December 31. The TDD elected not to have separate financial audits of the TDD conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The TDD was formed for the purpose of acquiring property (right-of-way and/or easements) and constructing transportation projects with a total estimated cost of approximately $29 million. However, only a portion of the proposed transportation projects was completed.

The developer advanced the cost of the TDD share of the completed transportation projects. As of August 1, 2010, the TDD had signed promissory notes totaling approximately $4.49 million for repayment of project costs plus accrued interest. MoDOT and the City of Columbia were responsible for the remaining costs of the completed projects. They were also the public entities with jurisdiction over the state and local projects, respectively, and accepted dedication of the completed projects.

In August 2010, the property owner/developer lost the land within the boundaries of the TDD through foreclosure. The land was purchased by various creditors of the former property owner/developer. In December 2010, one of these creditors purchased or secured an interest in all 22 TDD promissory notes issued to the former property owner/developer. The sale was contingent upon the resignation of TDD board members associated with the former property owner/developer. The resigning TDD board members were then replaced with members of this creditor's organization.

In March 2011, the same creditor that owned or held secured interest in the TDD promissory notes, purchased the remaining tracts of land within the

boundaries of the TDD (the current property owner). As a result, as of March 2011, all the land within the boundaries of the TDD is owned by this entity. In addition, the remaining TDD promissory notes in which the current property owner had previously acquired a secured interest were purchased by this entity at public auction on April 11, 2011, and on April 14, 2011, all 22 TDD promissory notes were canceled.

On March 17, 2011, the Gans Road and U.S. 63 TDD Board approved a resolution formalizing its intent to dissolve the TDD, authorizing legal counsel and the State Auditor to proceed with all necessary actions as required pursuant to Section 238.275, RSMo.

The State Auditor has performed an audit of the Gans Road and U.S. 63 TDD as required by Section 238.275, RSMo. That statute requires the State Auditor to audit the TDD to determine its financial status, and determine whether the TDD may be abolished pursuant to law. That law also states the board shall not propose the question to abolish the TDD while there are outstanding claims or causes of action pending against it, if its liabilities exceed its assets, or while the TDD is insolvent, in receivership, or under the jurisdiction of a bankruptcy court.

The following table presents the financial activity and cash balances of the TDD for the period January 1, 2011, to March 17, 2011, and the 2 years ended December 31, 2010 (as presented on the cash basis):

	Period January 1, 2011 - March 17, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009
RECEIPTS			
Developer advances	$ 0	289,016	166,285
Total Receipts	0	289,016	166,285
DISBURSEMENTS			
Streets and roads	0	288,013	166,285
Accounting and auditing	189	0	929
Insurance	0	1,370	1,333
Bank service charges	0	39	80
Total Disbursements	189	289,422	168,627
RECEIPTS OVER (UNDER) DISBURSEMENTS	(189)	(406)	(2,342)
BEGINNING CASH	189	595	2,937
ENDING CASH	$ 0	189	595

Based on our audit, the cash balance of the TDD at March 17, 2011, was zero. In addition, both MoDOT and the City of Columbia confirmed the TDD has no outstanding liabilities due their entities. The TDD's legal counsel indicated the only known outstanding liability of the TDD is the cost of the State Auditor's audit (estimated at approximately $5,000). Because the TDD has no funds to cover this final expense, the cost will be shared between the current property owner and the subsequent purchaser of the land within the boundaries of the TDD. This real estate closing is contingent upon the State Auditor's recommendation that the TDD be abolished.

Accordingly, based on our audit of the TDD, the Board of Directors can proceed with the abolishment of the TDD in accordance with Section 238.275, RSMo.

Thomas A. Schweich

Missouri State Auditor

Twenty-First Judicial Circuit

Village of Riverview
Municipal Division

June 2011

Report No. 2011-27

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Twenty-First Judicial Circuit, Village of Riverview Municipal Division

Segregation of Duties

The court clerk is responsible for receiving, recording and preparing deposits of fines and court costs, but a documented supervisory or independent review is not performed to ensure all monies received are accounted for properly and deposited. The court clerk is not preparing and filing with the city each month a list of all cases heard, which is a requirement under state law.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The Twenty-First Judicial Circuit, Village of Riverview Municipal Division did not receive any federal stimulus monies during the year ended December 31, 2010.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

Twenty-First Judicial Circuit
Village of Riverview Municipal Division
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THOMAS A. SCHWEICH
Missouri State Auditor

Presiding Judge
Twenty-First Judicial Circuit
and
Municipal Judge
Riverview, Missouri

We have audited certain operations of the Village of Riverview Municipal Division of the Twenty-First Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2010. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.

2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) a deficiency in internal controls, and (2) noncompliance with a legal provision. The accompanying Management Advisory Report presents our finding arising from our audit of the Village of Riverview Municipal Division of the Twenty-First Judicial Circuit.

A petition audit of the Village of Riverview, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Chris Vetter, CPA

1. Accounting Controls and Procedures

Accounting duties related to fines and court costs receipts are not adequately segregated, and a monthly report of cases heard is not filed with the city.

1.1 Segregation of duties

The duties of receiving, recording, and preparing deposits of fines and court costs are not adequately segregated. The Court Clerk performs all of these duties. The city's financial advisor reconciles the bank account; however, no one independent of the collection process ensures all monies received are accounted for properly and deposited.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded against possible loss or misuse. If proper segregation of duties cannot be achieved, a timely supervisory or independent review of the work performed is necessary.

1.2 Listing of cases

A monthly list of all cases heard is not prepared and filed with the city. Without such as report, the city cannot effectively monitor the municipal division's activity and ensure monies are properly remitted. Section 479.080.3, RSMo, requires the Court Clerk to prepare a monthly list of all cases heard in the municipal division, including the names of the defendants and fines and court costs imposed, to be verified by the Court Clerk or Municipal Judge and filed with the city.

Recommendations

The Village of Riverview Municipal Division:

1.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.

1.2 Ensure a monthly list of cases heard in the municipal division is prepared and filed with the city in accordance with state law.

Auditee's Response

The Municipal Judge and the Court Clerk provided the following written responses:

1.1 The number of court personnel is dictated by several factors including workload and budgetary restraints. At this time, the Village does not have enough court personnel to achieve proper segregation of duties. In the future, the Village's financial advisor will, on a random basis, select and verify court deposits.

1.2 The court currently prepares such reports and has the reports available for the Board of Trustees to review. The Court Clerk will prepare such a report and file it directly with each member of the Board of Trustees monthly.

Twenty-First Judicial Circuit
Village of Riverview Municipal Division
Organization and Statistical Information

The Village of Riverview Municipal Division is in the Twenty-First Judicial Circuit, which consists of St. Louis County. The Honorable John A. Ross serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At December 31, 2010, the municipal division employees were as follows:

Title	Name
Municipal Judge	W. Christopher McDonough
Court Clerk	Megan Asikainen

Financial and Caseload Information

	Year Ended December 31, 2010
Receipts	$200,699
Number of cases filed	3,694

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The Twenty-First Judicial Circuit, Village of Riverview Municipal Division, did not receive any federal stimulus monies during the year ended December 31, 2010.

Thomas A. Schweich

Missouri State Auditor

Office of State Treasurer

Year Ended
June 30, 2010

June 2011

Report No. 2011-26

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Office of State Treasurer

Background

On January 12, 2009, Clint Zweifel was inaugurated as the forty-fifth Missouri State Treasurer. This audit report is for the year ended June 30, 2010.

The Office of State Treasurer is an elective office as provided in the Missouri Constitution. The duties of the State Treasurer are to be the custodian of all state funds, and determine the amount of state monies not needed for current operating expenses and invest such monies as allowed by state law. The Office of State Treasurer operates in four major functional areas: 1) accounting and banking services, 2) disbursements and records, 3) investments and deposit programs and 4) unclaimed property.

Transition Specialist

After resigning his position as Deputy State Treasurer, a former employee was paid $15,791 for two months' work as a Transition Specialist. In this temporary position, the former employee was responsible for preparing a memorandum describing the status of all current projects, being available to answer questions, and assisting in the transition of duties to other personnel. Although the former employee reported eight hours per day of work on his timesheet during this time period, minimal documentation exists to support the work performed or services provided. State Treasurer Office personnel indicated that contact with the former employee during this time consisted primarily of a few emails and approximately 2 to 3 telephone conversations per week.

In the areas audited, the overall performance of this entity was Good.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Office of State Treasurer did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

OFFICE OF STATE TREASURER

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FINANCIAL SECTION

State Auditor's Reports

THOMAS A. SCHWEICH
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS

Honorable Clint Zweifel, State Treasurer
Jefferson City, Missouri

We have audited the accompanying financial statements of the Treasurer's General Operations Fund, Treasurer's Information Fund, Central Check Mailing Service Revolving Fund, and Abandoned Fund Account Fund of the Office of State Treasurer as of and for the years ended June 30, 2010 and 2009. These financial statements are the responsibility of the office's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1.A., the financial statements of the Office of State Treasurer are intended to present the financial position, and the changes in financial position and, where applicable, cash flows of only that portion of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the State of Missouri that is attributable to the transactions of the Office of State Treasurer. They do not purport to, and do not, present fairly the financial position of the State of Missouri as of June 30, 2010 and 2009, the changes in its financial position, or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United

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States of America. However, the State of Missouri issued its Comprehensive Annual Financial Report for the years ended June 30, 2010 and 2009, and those reports were prepared in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the Treasurer's General Operations Fund, Treasurer's Information Fund, Central Check Mailing Service Revolving Fund, and Abandoned Fund Account Fund of the Office of State Treasurer, as of June 30, 2010 and 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2011, on our consideration of the office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the budgetary comparison information, as listed in the table of contents, are not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements, taken as a whole, that are referred to in the first paragraph. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the auditing procedures applied in the audit of the financial statements referred to above. Accordingly, we express no opinion on the information.

Thomas A. Schweich
State Auditor

January 28, 2011

The following auditors participated in the preparation of this report:

Director of Audits:	Douglas Porting, CPA, CFE
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Robyn Vogt, M.Acct., CPA
Audit Staff:	Emily Bias
	Ashley Lee, MBA

THOMAS A. SCHWEICH
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Clint Zweifel, State Treasurer
Jefferson City, Missouri

We have audited the financial statements of the Office of State Treasurer as of and for the years ended June 30, 2010 and 2009, and have issued our report thereon dated January 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Office of State Treasurer's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the office's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the office's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the office's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Office of State Treasurer are free of material misstatement, we performed tests of the office's compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

However, we noted a certain matter which is described in the accompanying Management Advisory Report. The response of the Office of State Treasurer to the finding identified in our audit is also described in the accompanying Management Advisory Report. We did not audit the office's response, and accordingly, we express no opinion on it.

This report is intended for the information and use of the management of the Office of State Treasurer and other applicable government officials. However, pursuant to Section 29.270, RSMo, this report is a matter of public record and its distribution is not limited.

Thomas A. Schweich
State Auditor

January 28, 2011

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of the Office of the Missouri State Treasurer's (the Treasurer's Office) financial activities for the fiscal year ended June 30, 2010.

HIGHLIGHTS

- The assets of the Treasurer's Office exceeded its liabilities by $735,681. Of the $735,681, unreserved and unrestricted net assets total $734,161, which may be used to meet the office's ongoing obligations.
- The office's total net assets increased by $92,965. The increase in net assets was caused by an increase in the revenues received in fiscal year 2010 as compared to revenues from fiscal year 2009.
- As of the close of the current fiscal year, the Treasurer's Office governmental funds reported combined ending fund balances of $697,200, an increase of $107,512 in comparison with the prior year. The total amount is available for spending as of July 1, 2010, at the discretion of the Treasurer's Office within the purposes and limits of the office's appropriation authority.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Treasurer's Office basic financial statements comprise two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Fund Financial Statements:

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Treasurer's Office, like the State of Missouri, uses fund accounting to ensure and demonstrate compliance with statutory requirements. All of the funds of the Treasurer's Office can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for most of the basic services provided by the Treasurer's Office. Unlike the government-wide financial statements prepared by the State of Missouri, governmental fund financial statements focus on short-term inflows and outflows of current financial resources and utilize the modified accrual basis of accounting. This presentation focuses on when cash will be received and disbursed making the statements useful in evaluating a government’s financing requirements in the near future.

The Treasurer's Office maintains two individual governmental funds, a general fund and a special revenue fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the State Treasurer's General Operations Fund and the State Treasurer's Information Fund.

Proprietary funds. Proprietary funds are used to account for activities similar to private businesses in which goods and services are sold for specified fees and utilize the full accrual

basis of accounting. The Treasurer's Office maintains one proprietary fund, the Central Check Mailing Service Revolving Fund. This fund is an internal service fund, used as an accounting device to accumulate and allocate costs for centralized check mailing services provided by the Treasurer's Office to other state agencies.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the state government and also utilize the full accrual basis of accounting. The Treasurer's Office maintains one fiduciary fund, the Abandoned Fund Account Fund, to account for unclaimed property turned over to the state in accordance with state statute.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information (RSI) including a budgetary comparison schedule for the Treasurer's General Operations Fund and the Treasurer's Information Fund.

FUND STATEMENT ANALYSIS

Governmental Funds:

At the end of fiscal year 2010, the Treasurer's Office governmental funds reported combined ending fund balances of $697,200, an increase of $107,512 from fiscal year 2009. This entire amount is available for spending at the discretion of the Treasurer's Office within the purposes and limits of the office's appropriation authority.

Fund balances for the governmental funds are as follows:

	Treasurer's General Operations Fund	Treasurer's Information Fund	Total
Unreserved	$694,409	$2,791	$697,200

The Treasurer's General Operations Fund was the primary operating fund for the Treasurer's Office in fiscal year 2010. At the end of fiscal year 2010, the Treasurer's General Operations Fund reported a total fund balance of $694,409. The net increase in fund balance during fiscal year 2010 was $107,604. Revenues of the Treasurer's General Operations Fund totaled $2,668,995, and expenditures of the Treasurer's General Operations Fund totaled $2,561,391. Contributing factors follow:

- In fiscal year 2010, the Treasurer's Office revised the calculations used when depositing a portion of the state's interest earnings into the Treasurer's General Operations Fund pursuant to Section 30.605, RSMo, and subsequently increased the amount of revenues to the fund to compensate for the prior year fund balance and to more closely match the expenditure authority from the fund.

The Treasurer's Information Fund was a supplemental operating fund for the Treasurer's Office in fiscal year 2010. At the end of fiscal year 2010, the Treasurer's Information Fund reported a total fund balance of $2,791. The net decrease in fund balance during fiscal year 2010 was $92. Revenues of the Treasurer's Information Fund totaled $852. Expenditures of the Treasurer's Information Fund totaled $944 in fiscal year 2010. Contributing factors follow:

- In fiscal year 2010, the Treasurer's Information Fund collections were less than amounts spent for the preparation, reproduction, or dissemination of information or publications of the State Treasurer's Office.

Proprietary Funds:

The Treasurer's Office has one proprietary fund, the Central Check Mailing Service Revolving Fund. This fund is an internal service fund, used as an accounting device to accumulate and allocate costs for centralized check mailing services provided by the Treasurer's Office to other state agencies.

The Central Check Mailing Service Revolving Fund's net assets decreased by $14,547. This is primarily due to a decrease in operating revenues.

NEXT YEAR'S BUDGET

The Treasurer's Office budget for fiscal year 2011 received a decrease from the appropriation levels in the fiscal year 2010 budget by one and one-fourth percent in the State Treasurer's General Operations Fund. A core reallocation of appropriations totaling $45,069 from the Second Injury Fund was approved.

On June 29, 2009, Governor Nixon signed the Invest in Missouri legislation that reinvests $1 billion in Missouri communities. Beginning January 1, 2010, the legislation began phasing out the statutory interest rate cap that tied state time deposits to the return of short-term U.S. Treasury securities. January 1, 2011 begins the second year of the phase-out period and financial institutions with time deposits totaling over $5 million of state funds shall pay the state a market rate of interest on the amount on deposit exceeding $5 million.

Fund Financial Statements

OFFICE OF STATE TREASURER
COMPARATIVE BALANCE SHEET
TREASURER'S GENERAL OPERATIONS
FUND 0164

		June 30, 2010	June 30, 2009
Assets			
Cash and Cash Equivalents	$	162,095	63,189
Investments		637,169	641,582
Invested Securities Lending Collateral		82,061	7,086
Total Assets	$	881,325	711,857
Liabilities and Fund Balance			
Liabilities:			
Accounts Payable	$	17,655	35,072
Accrued Payroll		42,473	39,228
Securities Lending Obligation		82,061	7,086
Due to Other Funds		44,727	43,666
Total Liabilities		186,916	125,052
Fund Balance:			
Unreserved		694,409	586,805
Total Fund Balance		694,409	586,805
Total Liabilities and Fund Balance	$	881,325	711,857

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TREASURER'S GENERAL OPERATIONS
FUND 0164

	Year Ended June 30,	
	2010	2009
Revenues:		
Investment Earnings:		
Net Increase (Decrease) in the Fair Value of Investments	$ (1,191)	1,177
Cost Recovery	2,669,419	2,312,237
Cost Reimbursement/Miscellaneous	767	766
Total Revenues	2,668,995	2,314,180
Expenditures:		
Current:		
General Government	2,561,391	2,539,896
Total Expenditures	2,561,391	2,539,896
Net Change in Fund Balance	107,604	(225,716)
Fund Balance - Beginning	586,805	812,521
Fund Balance - Ending	$ 694,409	586,805

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

OFFICE OF STATE TREASURER
COMPARATIVE BALANCE SHEET
TREASURER'S INFORMATION
FUND 0255

		June 30, 2010	June 30, 2009
Assets			
Cash and Cash Equivalents	$	566	261
Investments		2,225	2,651
Invested Securities Lending Collateral		287	29
Total Assets	$	3,078	2,941
Liabilities and Fund Balance			
Liabilities:			
Accounts Payable	$	0	29
Securities Lending Obligation		287	29
Total Liabilities		287	58
Fund Balance:			
Unreserved		2,791	2,883
Total Fund Balance		2,791	2,883
Total Liabilities and Fund Balance	$	3,078	2,941

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TREASURER'S INFORMATION
FUND 0255

	Year Ended June 30,	
	2010	2009
Revenues:		
Investment Earnings:		
Net Increase (Decrease) in the Fair Value of Investments	$ (6)	4
Cost Reimbursement/Miscellaneous	858	511
Total Revenues	852	515
Expenditures:		
Current:		
General Government	944	1,675
Total Expenditures	944	1,675
Excess Revenues (Expenditures)	(92)	(1,160)
Other Financing Sources (Uses):		
Transfers Out	0	(65)
Total Other Financing Sources (Uses)	0	(65)
Net Change in Fund Balance	(92)	(1,225)
Fund Balance - Beginning	2,883	4,108
Fund Balance - Ending	$ 2,791	2,883

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF NET ASSETS
CENTRAL CHECK MAILING SERVICE REVOLVING
FUND 0515

	June 30, 2010	June 30, 2009
Assets		
Current Assets:		
Cash and Cash Equivalents	$ 909	1,170
Investments	3,572	11,875
Invested Securities Lending Collateral	460	131
Due from Other Funds	35,181	39,694
Non-Current Assets:		
Capital Assets:		
Equipment	25,577	25,577
Less Accumulated Depreciation	(24,057)	(22,450)
Total Capital Assets (Net of Accumulated Depreciation)	1,520	3,127
Total Assets	41,642	55,997
Liabilities		
Current Liabilities:		
Accounts Payable	244	342
Accrued Payroll	796	796
Securities Lending Obligation	460	131
Due to Other Funds	758	818
Non-Current Liabilities:		
Compensated Absences	903	882
Total Liabilities	3,161	2,969
Net Assets		
Invested in Capital Assets, Net of Related Debt	1,520	3,127
Unrestricted	36,961	49,901
Total Net Assets	$ 38,481	53,028

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
CENTRAL CHECK MAILING SERVICE REVOLVING
FUND 0515

	Year Ended June 30,	
	2010	2009
Operating Revenues:		
Charges for Services	$ 128,370	138,867
Total Operating Revenues	128,370	138,867
Operating Expenses:		
Personal Service	37,317	36,223
Operations	103,105	106,153
Depreciation	1,607	1,616
Total Operating Expenses	142,029	143,992
Operating Income (Loss)	(13,659)	(5,125)
Non-Operating Revenues (Expenses):		
Investment Earnings:		
Net Increase (Decrease) in the Fair Value of Investments	(48)	(8)
Total Non-Operating Revenues (Expenses)	(48)	(8)
Income (Loss) Before Transfers	(13,707)	(5,133)
Transfers Out	(840)	(1,285)
Change in Net Assets	(14,547)	(6,418)
Total Net Assets - Beginning	53,028	59,446
Total Net Assets - Ending	$ 38,481	53,028

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF CASH FLOWS
CENTRAL CHECK MAILING SERVICE REVOLVING
FUND 0515

	June 30, 2010	June 30, 2009
Cash Flows from Operating Activities:		
Receipts from Customers and Users	$ 128,370	138,867
Payments to Suppliers	(103,203)	(120,894)
Payments to Employees	(37,356)	(35,713)
Net Cash Provided (Used) by Operating Activities	(12,189)	(17,740)
Cash Flows from Non-Capital Financing Activities:		
Due to/from Other Funds	4,513	517
Transfers to/from Other Funds	(840)	(1,285)
Net Cash Provided (Used) by Non-Capital Financing Activities	3,673	(768)
Cash Flows from Investing Activities:		
Purchase of Investments	8,255	17,287
Net Cash Provided (Used) by Investing Activities	8,255	17,287
Net Increase (Decrease) in Cash	(261)	(1,221)
Cash and Cash Equivalents, Beginning of Year	1,170	2,391
Cash and Cash Equivalents, End of Year	909	1,170
Reconciliation of Operating Income (Loss) of Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	(13,659)	(5,125)
Depreciation Expense	1,607	1,616
Changes in Assets and Liabilities:		
Accounts Payable	(98)	(14,807)
Accrued Payroll	0	66
Compensated Absences	21	353
Due to Other Funds	(60)	157
Net Cash Provided (Used) by Operating Activities	$ (12,189)	(17,740)

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF FIDUCIARY NET ASSETS
ABANDONED FUND ACCOUNT
FUND 0863

		June 30, 2010	June 30, 2009*
Assets			
Cash and Cash Equivalents	$	2,439,666	401,186
Investments at Fair Value		9,589,947	4,073,418
Invested Securities Lending Collateral		1,235,083	44,990
Capital Assets:			
Equipment		84,832	95,400
Software		8,546	8,546
Less: Accumulated Depreciation		(53,215)	(38,550)
Total Capital Assets, Net		40,163	65,396
Total Assets		13,304,859	4,584,990
Liabilities			
Accounts Payable		9,524	4,381
Accrued Payroll		29,454	32,677
Securities Lending Obligation		1,235,083	44,990
Compensated Absences		35,879	37,346
Total Liabilities		1,309,940	119,394
Net Assets			
Net Assets Held in Trust for Other Purposes	$	11,994,919	4,465,596

* Restated for Compensated Absences

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
ABANDONED FUND ACCOUNT
FUND 0863

		Year Ended June 30,	
		2010	2009*
Additions:			
Increase (Decrease) in Appreciation of Assets	$	9,600	(497)
Unclaimed Property		43,648,410	23,069,500
Miscellaneous		34	10
Total Additions		43,658,044	23,069,013
Deductions:			
Administrative Expenses		2,428,167	3,096,982
Program Distributions		33,675,322	25,133,509
Depreciation		25,007	12,594
Total Deductions		36,128,496	28,243,085
Change in Net Assets		7,529,548	(5,174,072)
Net Assets - Beginning		4,465,596	9,639,668
Prior Period Adjustment		(225)	0
Net Assets - Ending	$	11,994,919	4,465,596

* Restated for Compensated Absences

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

Notes to the Fund Financial Statements

OFFICE OF STATE TREASURER
NOTES TO THE FUND FINANCIAL STATEMENTS

1. Significant Accounting Policies

A. Financial Statements and Reporting Entity

The accompanying fund financial statements of the Office of State Treasurer have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The State Treasurer's Office has elected not to follow the Financial Accounting Standards Board's pronouncements issued after November 30, 1989, for proprietary activities.

The financial statements present the financial position, and the changes in financial position and where applicable, cash flows, of only the transactions of the Office of State Treasurer. They do not present the financial position of the State of Missouri as of June 30, 2010, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with GAAP. However, the State of Missouri issued a Comprehensive Annual Financial Report for the State of Missouri for the fiscal year ended June 30, 2010, in conformity with GAAP.

B. Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds.

The governmental fund financial statements are presented using the current financial resources measurement focus and modified accrual basis of accounting. With the current financial resources measurement focus, only current assets and current liabilities are included on the balance sheet. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to pay current period liabilities. Operating statements of governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance. All major sources of revenue, including taxes, licenses, fees, permits, and governmental contributions are susceptible to accrual when available within 60 days. Expenditures are recognized when the related fund liability is incurred except for compensated absences (accumulated vacation and compensatory time) and sick pay which are recorded as expenditures when paid.

The proprietary and private-purpose trust fund financial statements are presented using the economic resources measurement focus and accrual basis of accounting. With the economic resources measurement focus, assets and liabilities associated with the operation of these funds are included on the Statement of Net Assets.

Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary fund-type operating statements present revenues and expenses in total net assets. Operating revenues and expenses in proprietary funds are classified as those activities that make up the primary ongoing operations associated with those funds. Non-operating revenues and expenses in proprietary funds are classified as those activities that are deemed incidental or unusual for those funds.

C. Basis of Presentation

The Office of State Treasurer's financial practices are based upon fund accounting concepts. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and fund balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The accompanying financial statements are structured into three categories of funds:

1) Governmental Funds include the general funds and the special revenue funds. These funds account for the revenues and expenditures, capital outlay, and certain debt service of the state. The Treasurer's General Operations Fund and the Treasurer's Information Fund are governmental funds.

2) Proprietary Funds include internal service funds. These funds account for the cost of certain services provided by the state. The Central Check Mailing Service Revolving Fund is a proprietary fund.

3) Fiduciary Funds include private-purpose trust funds. These funds account for assets held by the state in a trustee capacity or as an agent for individuals, other governments, and other funds. The Abandoned Fund Account Fund is a fiduciary fund.

D. Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include bank accounts, petty cash, and all investments with an original maturity of 3 months or less, such as repurchase agreements. Cash balances of the Treasurer's General Operations Fund, Treasurer's Information Fund, Central Check Mailing Service Revolving Fund, and Abandoned Fund Account Fund are pooled with other state funds and invested by the State Treasurer.

E. Investments

These are long-term investments with an original maturity greater than 3 months which are expected to be held to maturity and redeemed at face value. All investments are reported at fair value.

F. Interfund Receivables/Payables

The state makes various transactions between funds to distribute interest earnings, finance operations, provide services, service debt, and acquire capital assets. These receivables at June 30 are classified as "due from other funds" on the Balance Sheet and Statement of Net Assets. Payables are classified as "due to other funds" on the Balance Sheet and Statement of Net Assets. These receivables/payables are due within one year.

G. Capital Assets

Capital assets, which include equipment and software, are valued at historical cost or estimated historical cost if actual historical cost is not available. The estimate of historical cost was based on current appraised value indexed to the date of acquisition. Donated capital assets are reported at estimated fair value at the time received. Capital assets acquired through lease agreements are capitalized at the inception of the agreement.

The capitalization threshold for equipment is $1,000 and for software is $5,000.

Equipment and software are depreciated using the straight-line method of depreciation over a useful life of 5 years for equipment and 3 to 5 years for software.

H. Long-Term Debt

Long-term liabilities that will be financed from governmental funds are not reported on the fund financial statements since they are presented on the modified accrual basis of accounting. These long-term liabilities include the following:

Compensated absences include accumulated unpaid vacation and compensatory time accruals and related employer payroll taxes. These amounts are not accrued in the governmental funds but are recorded as expenditures when paid.

Vacation leave is accumulated at a rate of 10 to 14 hours per month depending on the number of years of employment. Accumulated vacation leave cannot exceed twice the number of vacation hours earned annually. Compensatory time is accumulated as earned by an individual employee.

Sick leave is accumulated at a rate of 10 hours per month with no limit to the amount which can be accumulated. Accumulated sick leave is not paid upon employee termination and does not represent a liability of the state.

2. Deposits, Investments and Securities Lending Program

The Office of State Treasurer maintains a cash and short-term investment pool that is used by substantially all state funds. These funds do not include accrued interest. Described below is the portfolio that represents the "Cash and Cash Equivalents" and "Investments" as reported at June 30, 2010.

A. Deposits

The state minimizes custodial credit risk by restrictions set forth in state law. Custodial credit risk is risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure, the state would not be able to recover its deposits or collateralized securities that are in the possession of the outside parties. State laws restrict the State Treasurer to deposit funds in financial institutions that are physically located in Missouri which are selected based on financial stability and community involvement. The financial institution’s loan to deposit ratio must exceed 50 percent at the time of deposit and deposits must be collateralized at least 100 percent with approved securities. Deposits must have a maturity of 5 years or less and earn interest at varying rates based on state law.

B. Investments

Statutes authorize the State Treasurer to invest in U.S. Treasury or Agency securities maturing within 5 years, commercial paper and banker's acceptances maturing within 180 days, or repurchase agreements maturing within 90 days secured by U.S. Treasury or Agency securities of any maturity. There have been no violations of these investment restrictions during fiscal year 2010.

The State Treasurer minimizes credit risk, the risk of loss due to the failure of the security issuer or backer, by establishing a pre-approved list of financial institutions and companies that will be used to purchase commercial paper. The State Treasurer also conducts regular credit monitoring, pre-qualifies the financial institutions and brokers/dealers with which the State Treasurer's Office will do business for broker services and repurchase agreements, and diversifies the portfolio to reduce potential losses on individual securities.

Custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, the state will not be able to recover the value of their investment or collateral securities that are in the possession of an outside party. The State Treasurer minimizes custodial credit risk by requiring that all securities be held in the state's name at the state's custodial bank.

The state's investments include certain short-term cash equivalents, various long-term items, and restricted assets by maturity in years. The State Treasurer minimizes the risk of the market value of securities falling due to changes in interest rates by maintaining an effective duration of less than 1.5 years, and holding at least 40 percent of the portfolio's total market value in securities with a maturity of 12 months or less.

The state minimizes concentration of credit risk, the risk attributed to the magnitude of an investment in a single issuer. State statute prohibits the State Treasurer from investing more than 5 percent of the total investment portfolio into any single financial institution or issuer, excluding U.S. securities and repurchase agreements. There are no restrictions in the amount that can be invested in U.S. securities, however, there can be no more than 15 percent of the total portfolio invested in repurchase agreements with a single counterparty. During fiscal year 2010, the state did not have more than 5 percent of total investments in a single issuer.

The State Treasurer requires investments in commercial paper and bankers' acceptances to have the highest letter and numerical ranking (A1/P1) as rated by Moody's Investor Service, Inc. and Standard & Poor's Corporation. The State Treasurer does not have any additional policies regarding credit ratings of investments.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The State Treasurer's Office does not have any deposits or investments in foreign currency and therefore does not have a policy regarding foreign currency risk.

C. Securities Lending Program

The State Treasurer's Office participates in a securities lending program to augment investment income. Authority to participate rests in Section 30.260.5, RSMo. For securities which are received as collateral under a bonds borrowed program, at least 75 percent of the collateral received must match the maturities of the securities lent with a maximum duration gap between loans and investments of 15 days. The maximum life of term loans shall be 90 days.

Collateral may be in the form of cash, securities issued or guaranteed by the U.S. government or its agencies, or bank letters of credit or equivalent obligation if pre-approved by the State Treasurer's Office. Collateral must be provided in the amount of 102 percent of the then market value of the loaned securities and accrued interest, if any. The Custodian provides for full indemnification to the State Treasurer's Office for any losses that might occur in the program due to borrower default, insolvency, or failure to return loaned securities.

3. Capital Assets

Capital asset activity for the year ended June 30, 2010, was as follows:

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010
Governmental Activities:				
Equipment, Governmental Funds	$ 275,151	$ 26,588	$ (3,819)	$ 297,920
Software, Governmental Funds	10,446	0	0	10,446
Equipment, Proprietary Funds	25,577	0	0	25,577
Total Equipment	311,174	26,588	(3,819)	333,943
Less Accumulated Depreciation for:				
Equipment, Governmental Funds	(163,845)	(60,919)	3,819	(220,945)
Software, Governmental Funds	(1,049)	(3,481)	0	(4,530)
Equipment, Proprietary Funds	(22,450)	(1,607)	0	(24,057)
Total Accumulated Depreciation	(187,344)	(66,007)	3,819	(249,532)
Governmental Activities Capital Assets, Net	$ 123,830	$ (39,419)	$ 0	$ 84,411

4. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2010:

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010	Due Within One Year
Governmental Activities:					
Compensated Absences	$ 116,463	$ 111,785	$ 120,192	$ 108,056	$ 108,056
Total Governmental Activities	$ 116,463	$ 111,785	$ 120,192	$ 108,056	$ 108,056

5. Payables

A summary of accounts payable at June 30, 2010 is shown below:

	Governmental Funds	Proprietary Fund	Balance June 30, 2010
Accounts Payable:			
Vendors	$ 17,655	$ 244	$ 17,899
Employees	42,473	796	43,269
Total Accounts Payable	$ 60,128	$ 1,040	$ 61,168

6. Interfund Assets and Liabilities

A summary of interfund assets and liabilities at June 30, 2010, is shown below:

Due To/From Other Funds

	Treasurer's General Operations Fund	Central Check Mailing Service Revolving Fund	Totals
Due to Other Funds:			
General Government	$ 44,727	$ 758	$ 45,485
Totals	$ 44,727	$ 758	$ 45,485
Due From Other Funds:			
General Government	$ 0	$ 35,181	$ 35,181
Totals	$ 0	$ 35,181	$ 35,181

Interfund assets do not equal interfund liabilities because only funds related to the State Treasurer's Office are being presented, not all state funds.

Required Supplementary Information

OFFICE OF STATE TREASURER
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL FUNDS
Year Ended June 30, 2010

	Treasurer's General Operations Fund				Treasurer's Information Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	$ 701,606	$ 701,606	$ 701,606	$ 0	$ 2,900	$ 2,900	$ 2,900	$ 0
Resources (Inflows):								
Interest	2,725,000	2,725,000	2,670,186	(54,814)	0	0	0	0
Intergovernmental	0	0	0	0	8,200	8,200	858	(7,342)
Total Resources (Inflows)	2,725,000	2,725,000	2,670,186	(54,814)	8,200	8,200	858	(7,342)
Amount Available for Appropriation	3,426,606	3,426,606	3,371,792	(54,814)	11,100	11,100	3,758	(7,342)
Charges to Appropriations (Outflows):								
General Government	2,046,870	2,049,041	1,969,222	79,819	8,000	8,000	956	7,044
Transfers Out	813,250	796,132	605,279	190,853	44	42	18	24
Total Charges to Appropriations	2,860,120	2,845,173	2,574,501	270,672	8,044	8,042	974	7,068
Ending Budgetary Fund Balance	$ 566,486	$ 581,433	$ 797,291	$ 215,858	$ 3,056	$ 3,058	$ 2,784	$ (274)
Reconciling Items:								
Reclassifying Cash Equivalents as Investments			(635,196)				(2,218)	
Investments at Fair Value			637,169				2,225	
Invested Securities Lending Collateral			82,061				287	
Accounts Payable			(17,655)				0	
Accrued Payroll			(42,473)				0	
Due to Other Funds			(44,727)				0	
Securities Lending Obligation			(82,061)				(287)	
Fund Balance - GAAP Basis			$ 694,409				$ 2,791	

The accompanying Notes to the Required Supplementary Information are an integral part of this schedule.

OFFICE OF STATE TREASURER
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL FUNDS
Year Ended June 30, 2009

	Treasurer's General Operations Fund				Treasurer's Information Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	$ 929,880	$ 929,880	$ 929,880	$ 0	$ 4,125	$ 4,125	$ 4,125	$ 0
Resources (Inflows):								
Interest	2,506,692	2,506,692	2,313,003	(193,689)	0	0	0	0
Intergovernmental	0	0	0	0	8,200	8,200	511	(7,689)
Total Resources (Inflows)	2,506,692	2,506,692	2,313,003	(193,689)	8,200	8,200	511	(7,689)
Amount Available for Appropriation	3,436,572	3,436,572	3,242,883	(193,689)	12,325	12,325	4,636	(7,689)
Charges to Appropriations (Outflows):								
General Government	2,055,719	2,066,664	1,961,523	105,141	8,000	8,000	1,674	6,326
Transfers Out	693,272	696,472	579,754	116,718	80	80	62	18
Total Charges to Appropriations	2,748,991	2,763,136	2,541,277	221,859	8,080	8,080	1,736	6,344
Ending Budgetary Fund Balance	$ 687,581	$ 673,436	$ 701,606	$ 28,170	$ 4,245	$ 4,245	$ 2,900	$ (1,345)
Reconciling Items:								
Reclassifying Cash Equivalents as Investments			(638,417)				(2,639)	
Investments at Fair Value			641,582				2,651	
Invested Securities Lending Collateral			7,086				29	
Accounts Payable			(35,072)				(29)	
Accrued Payroll			(39,228)				0	
Due to Other Funds			(43,666)				0	
Securities Lending Obligation			(7,086)				(29)	
Fund Balance - GAAP Basis			$ 586,805				$ 2,883	

The accompanying Notes to the Required Supplementary Information are an integral part of this schedule.

OFFICE OF STATE TREASURER
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

The Budgetary Comparison Schedule in Required Supplementary Information (RSI) presents comparisons of the original and revised legally adopted budgets with actual data on a budgetary basis for the Treasurer's General Operations Fund and the Treasurer's Information Fund.

The Budgetary Comparison Schedule reports revenues and expenditures on a budgetary basis where "actual" revenues are recognized when cash is received, and "actual" expenditures are recognized for cash disbursements. The accounting principles applied for reporting on a budgetary basis differ from those used to present the financial statements in accordance with GAAP. A reconciliation of the two for the fiscal years ended June 30, 2010 and 2009, has been presented at the bottom of the Budgetary Comparison Schedule.

The "original budget" expenditures and transfers represent the amounts originally appropriated for each fund. The "final budget" expenditures and transfers include increases and decreases to appropriations during the fiscal year.

In accordance with state statute, all state funds must have an appropriation before amounts can be expended or transferred to another state fund, therefore variances between "budgeted" and "actual" expenditures and transfers on the budgetary schedule will always be positive.

Supplementary Information

Schedule 1

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,					
	2010			2009		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND						
Issuing duplicate/outlawed checks	$ 2,700,000	2,577,445	122,555	2,000,000	1,943,171	56,829
Refunds of excess interest from the linked deposit program	1,500	1,018	482	750	352	398
Total General Revenue Fund	2,701,500	2,578,463	123,037	2,000,750	1,943,523	57,227
TREASURER'S GENERAL OPERATIONS FUND						
Personal service	1,477,865	1,419,899	57,966	1,553,365	1,458,222	95,143
Expense and equipment	346,155	324,304	21,851	270,655	270,331	324
Unemployment benefits	10,185	10,183	2	5,845	5,845	0
Treasurer state owned building	214,836	214,836	0	236,799	227,125	9,674
Total Treasurer's General Operations Fund	2,049,041	1,969,222	79,819	2,066,664	1,961,523	105,141
TREASURER'S INFORMATION FUND						
Expense and equipment	8,000	956	7,044	8,000	1,674	6,326
Total Treasurer's Information Fund	8,000	956	7,044	8,000	1,674	6,326
CENTRAL CHECK MAILING SERVICE REVOLVING FUND						
Personal service	22,978	22,978	0	22,978	22,978	0
Expense and equipment	225,000	103,203	121,797	225,000	120,960	104,040
Total Central Check Mailing Service Revolving Fund	247,978	126,181	121,797	247,978	143,938	104,040
SECOND INJURY FUND						
Personal service	41,789	41,789	0	41,789	41,789	0
Expense and equipment	3,280	3,280	0	3,280	3,280	0
Total Second Injury Fund	45,069	45,069	0	45,069	45,069	0
ABANDONED FUND ACCOUNT FUND						
Personal service	517,401	509,579	7,822	533,401	532,084	1,317
Expense and equipment	98,600	70,721	27,879	82,600	74,231	8,369
Advertising and auctions	800,000	787,116	12,884	900,000	891,044	8,956
Payment of claims for abandoned property	34,800,000	33,675,322	1,124,678	25,500,000	25,133,509	366,491
Total Abandoned Fund Account Fund	36,216,001	35,042,738	1,173,263	27,016,001	26,630,868	385,133
Total All Funds	$ 41,267,589	39,762,629	1,504,960	31,384,462	30,726,595	657,867

The accompanying Notes to the Supplementary Information are an integral part of this statement.

Schedule 2

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF EXPENDITURES (FROM APPROPRIATIONS)

	Year Ended June 30,	
	2010	2009
Personal service	$ 1,994,245	2,055,073
Travel	8,567	8,092
Expense and equipment	461,116	494,467
Communications expense	58,225	51,949
Professional services	855,170	779,917
Equipment repairs and maintenance	68,620	92,366
Equipment and software purchases	52,718	161,854
Abandoned fund claim payments	33,675,322	25,133,509
Replacement of outlawed checks	2,577,445	1,943,171
Unemployment benefits	10,183	5,845
Refunds of excess interest from the linked deposit program	1,018	352
Total Expenditures	$ 39,762,629	30,726,595

The accompanying Notes to the Supplementary Information are an integral part of this statement.

Schedule 3

OFFICE OF STATE TREASURER
STATEMENT OF CHANGES IN GENERAL CAPITAL ASSETS
YEAR ENDED JUNE 30, 2010

	Furniture and Equipment	Software	Motor Vehicles	Total General Capital Assets
Balance, June 30, 2009	$ 856,930	18,992	16,582	892,504
Additions	26,588	0	0	26,588
Dispositions	(80,912)	0	(16,582)	(97,494)
Balance, June 30, 2010	$ 802,606	18,992	0	821,598

Fund of Acquisition		Balance June 30, 2010
General Revenue Fund	$	392,184
Treasurer's General Operations Fund		306,667
Central Check Mailing Service Revolving Fund		25,577
Second Injury Fund		2,093
Abandoned Fund Account Fund		93,378
Treasurer's Information Fund		1,699
Total All Funds	$	821,598

The accompanying Notes to the Supplementary Information are an integral part of this statement.

Schedule 4

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF FUNDS IN CUSTODY OF STATE TREASURER

	June 30,				
	2010	2009	2008	2007	2006
APPROPRIATED FUNDS					
Demand Deposits:					
US Bank	$ 36,059,240	25,073,436	3,254,861	1,260,314	200,000
Central Bank	51,456,960	62,513,574	2,906,607	(17,643,721)	(124,548,876)
Premier Bank	0	0	23,933	28,400	26,350
Commerce Bank	15,006,383	8,986,650	1,003,059	46,689	330,495
Bank of New York Midwest	50,190,689	463,418	35,371	63,555	27,739
UMB Bank	(132,951,485)	(98,153,059)	(104,051,423)	(157,866,914)	0
Collection bank accounts	1,832,381	2,910,932	3,200,125	5,100,011	4,417,807
Total Demand Deposits	21,594,168	1,794,951	(93,627,467)	(169,011,666)	(119,546,485)
Pooled Investments:					
Time deposits	589,443,027	619,916,057	794,573,654	725,919,659	550,500,850
U.S. government securities	2,473,096,949	2,138,596,968	3,060,593,602	1,881,814,564	1,332,339,487
Commercial paper and banker acceptances	0	183,069,065	255,421,715	1,083,140,450	927,024,030
Repurchase agreements	704,639,000	344,236,000	336,856,001	142,474,000	306,261,001
Total Pooled Investments	3,767,178,976	3,285,818,090	4,447,444,972	3,833,348,673	3,116,125,368
Total Demand Deposits and Pooled Investments	3,788,773,144	3,287,613,041	4,353,817,505	3,664,337,007	2,996,578,883
Special Fund Dedicated Investments:					
U.S. government securities	35,817,480	34,239,743	31,847,311	31,849,243	23,582,012
Donated corporate stock	5,130	5,130	5,130	5,130	5,130
Total Special Fund Dedicated Investments	35,822,610	34,244,873	31,852,441	31,854,373	23,587,142
Total Appropriated Funds	3,824,595,754	3,321,857,914	4,385,669,946	3,696,191,380	3,020,166,025
NONAPPROPRIATED FUNDS					
Demand deposits	12,584,187	13,198,903	13,422,723	20,328	3,880
Repurchase agreements	1,000,000	1,280,000	26,585,259	21,996,084	2,911,106
US government securities	0	0	0	4,910,938	0
Commercial paper and banker acceptances	0	0	0	24,977,950	0
Time deposits	0	1,000,000	2,500,000	50,000,000	0
Total Nonappropriated Funds	13,584,187	15,478,903	42,507,982	101,905,300	2,914,986
Total Cash and Investments	$ 3,838,179,941	3,337,336,817	4,428,177,928	3,798,096,680	3,023,081,011

The accompanying Notes to the Supplementary Information are an integral part of this statement.

Schedule 5

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF INTEREST RECEIVED ON POOLED INVESTMENTS

	Year Ended June 30,				
	2010	2009	2008	2007	2006
INTEREST RECEIPTS					
General and special funds	$ 39,599,319	97,518,011	178,680,683	146,727,651	97,587,051
Debt retirement funds	6,742,590	16,181,881	22,937,142	15,978,846	12,820,914
Total Appropriated Funds	46,341,909	113,699,892	201,617,825	162,706,497	110,407,965
Trust funds	3,730	166,375	2,678,192	4,025,495	187,649
Total Interest Receipts	$ 46,345,639	113,866,267	204,296,017	166,731,992	110,595,614

The accompanying Notes to the Supplementary Information are an integral part of this statement.

Notes to the Supplementary Information

OFFICE OF STATE TREASURER
NOTES TO THE SUPPLEMENTARY INFORMATION

1. General Capital Assets

Capital assets, which include equipment and software, are valued at historical cost or estimated historical cost if actual historical cost is not available. The estimate of historical cost was based on current appraised value indexed to the date of acquisition. Donated capital assets are reported at estimated fair value at the time received. Capital assets acquired through lease agreements are capitalized at the inception of the agreement.

The capitalization threshold for all equipment is $1,000 and software is $5,000.

Equipment and software are depreciated using the straight-line method of depreciation over a useful life of 5 years for equipment and 3 to 5 years for software. Accumulated depreciation on general capital assets at June 30, 2010, was $701,763.

2. Basis of Presentation

The amounts presented in Schedules 4 and 5 represent all funds in the state treasury and all trust funds in the custody of the State Treasurer.

State treasury funds are subject to appropriation; trust funds are not. The schedules do not include any funds or investments that are not in the custody of the State Treasurer.

3. Cash and Investments

Article IV, Section 15 of the Missouri Constitution establishes the State Treasurer as custodian of all state funds and funds received from the U.S. government. This section further authorizes the State Treasurer to place all such monies on time deposit, bearing interest, in Missouri banking institutions selected by the State Treasurer and approved by the Governor and the State Auditor, or in obligations of the U.S. government or any agency or instrumentality thereof maturing or becoming payable not more than 5 years from the date of purchase. In addition, the State Treasurer may enter into repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law. The State Treasurer may also invest in banker's acceptances issued by domestic commercial banks possessing the highest rating issued by a nationally recognized rating agency and in commercial paper, issued by domestic corporations, which has received the highest rating issued by a nationally recognized rating agency. Investments in banker's acceptances and commercial paper shall mature and become payable not more than 90 days from the date of purchase, maintain the highest rating throughout the duration of the investment and meet any other requirements provided by law. The State Treasurer shall prepare, maintain, and adhere to a written investment policy which shall include an asset allocation plan limiting the total

amount of state money which may be invested in each investment category authorized by law.

Deposits

The State Treasurer maintains approximately 230 bank accounts throughout the state. These accounts include collection accounts which are demand deposit accounts for various state agencies, and the state's primary operating accounts which are also demand deposit accounts. Cash balances in the state's operating accounts which are not needed for immediate use are invested.

The State Treasurer's deposits at June 30, 2010, were entirely covered by federal depositary insurance or by collateral securities held by the custodial banks in the State Treasurer's name.

To protect the safety of state deposits, Sections 30.270 and 110.020, RSMo, require depositaries to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation.

Investments

The State Treasurer's investments at June 30, 2010, are listed by type below to give an indication of the level of risk assumed by the state at year end. All investments are insured or registered, or have collateral held by the State Treasurer or a custodial bank in the state's name.

		Reported Amount	Fair Value
Time deposits	$	589,443,027	589,443,027
U.S. government securities		2,473,096,949	2,479,370,895
Repurchase agreements		705,639,000	705,639,000
Other investments		35,822,610	35,956,498
Total Investments	$	3,804,001,586	3,810,409,420

Investments are recorded at acquisition cost except "other" investments which are recorded at par. Investments in repurchase agreements are acquired at face value and earn a stated interest rate. Investments in U.S. government securities are acquired at fair value and mature at face value.

4. Demand Deposit and Collection Accounts

The demand deposits with US Bank on Schedule 4 consist of two central demand accounts at June 30, 2010, one at June 30, 2009, 2008, and 2007, and two at June 30, 2006. The demand deposits with Central Bank consist of 28 central demand accounts at June 30, 2010, 27 at June 30, 2009, 31 at June 30, 2008 and 2007, and 34 at June 30, 2006. The demand deposits

with Premier Bank consist of no central demand accounts at June 30, 2010 and 2009, and two at June 30, 2008, 2007, and 2006. The demand deposits with Commerce Bank consist of seven central demand accounts at June 30, 2010 and 2009, six at June 30, 2008, and five at June 30, 2007 and 2006. The demand deposits with Bank of New York consist of one central demand account at June 30, 2010, 2009, and 2008, and two at June 30, 2007 and 2006. The demand deposits with UMB Bank consist of five central demand accounts at June 30, 2010, 2009, 2008, and 2007. Demand deposit bank balances were $36,059,240, $25,073,472, $58,220, $17,418, and $200,000 at June 30, 2010, 2009, 2008, 2007, and 2006, respectively, for US Bank; and $9,661,807, $101,388,206, $2,638,669, $13,586,834, and $16,490,088, at June 30, 2010, 2009, 2008, 2007, and 2006, respectively, for Central Bank; and $0 at June 30, 2010 and 2009, and $24,705, $29,362, and $26,347 at June 30, 2008, 2007, and 2006, respectively, for Premier Bank; and $15,083,622, $9,081,750, $1,136,296, $163,448, and $408,003 at June 30, 2010, 2009, 2008, 2007, and 2006, respectively, for Commerce Bank; and $0 at June 30, 2010 and 2009, $253 at June 30, 2008 and 2007, and $0 at June 30, 2006 for Bank of New York; and $55,312,039, $46,778,874, $103,883, and $10,974 at June 30, 2010, 2009, 2008, and 2007, respectively, for UMB Bank.

The collection bank accounts on Schedule 4 consist of three master concentration accounts and their related collection accounts. The General Concentration, Conservation Concentration, and Lottery Concentration Accounts were at Central Bank at June 30, 2010, 2009, 2008, 2007, and 2006. Collection account bank balances were $1,990,604, $2,976,740, $3,219,655, $5,107,667, and $4,448,114 at June 30, 2010, 2009, 2008, 2007, and 2006, respectively.

Banking service agreements on the central demand accounts allow the State Treasurer to invest outstanding checks up until the checks clear the bank, thereby investing an amount in excess of book balances. The negative balances at June 30 (Schedule 4) for the appropriated funds demand deposits represent the book balance net of amounts invested.

5. Special Fund Dedicated Investments

The State Treasurer is assigned the authority for recording direct investments of special funds in the accounting system. The amounts presented as special fund dedicated investments in the appropriated funds on Schedule 4 represent specific investments made or held by the State Treasurer on behalf of the Pansey Johnson-Travis Memorial State Gardens Trust Fund and the State Public School Fund. The State Treasurer is responsible for purchasing, custodial, income collection, distribution, and record-keeping duties related to the investments of these funds.

The investments of the Pansey Johnson-Travis Memorial State Gardens Trust Fund are maintained in the instruments which were transferred to the State Treasurer from the previous trustee of the fund. The investment purchases for the State Public School Fund are made in accordance with the instructions of the State Public School Fund investment committee.

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

Transition Specialist

The former Deputy State Treasurer resigned his position on January 19, 2010, but continued to receive the same salary and benefits through March 15, 2010, in the temporary position of Transition Specialist. Although the former employee was paid a total of $15,791 during this time period, minimal documentation was available to support the work performed.

We discussed the position with personnel of the State Treasurer's Office (STO) and reviewed the job description developed for the new position of Transition Specialist. According to those sources, the responsibilities of this position were to prepare a memorandum describing the status of all current projects, be available to answer questions from STO staff, and assist in the transition which included the training of recently hired personnel. The former employee was no longer located in the STO offices and had no direct access to STO systems, records, or resources.

Timesheets for the period January 19 through March 15, 2010, reported 8 hours per day had been worked by the former employee. However, other than the brief project status memorandum, there is minimal documentation to support the work performed or services provided. STO personnel indicated the former employee was available for questions and contact consisted primarily of a few emails and telephone conversations occurring approximately 2 to 3 times per week between the former employee and a designated staff person.

Based on the minimal contact and the insufficient documentation, it does not appear the responsibilities of this position and the services provided justified the salary paid. A more economical option may have been to compensate the former employee using an hourly wage based on actual services provided to the STO.

WE RECOMMEND the STO ensure employees are compensated based on services performed. Compensation should be made according to time spent and actual services provided, and documentation should be maintained to support the work performed.

AUDITEE'S RESPONSE

As this audit states, the Office of State Treasurer received its second consecutive clean audit. The Auditor has found no instances of noncompliance or other matters required to be reported under Government Auditing Standards.

The Office of State Treasurer complied with every internal policy and procedure, provided every employee with job descriptions, required all employees to abide by office policies, compensated

all employees based on services performed and compensated employees based on time spent working. The transition specialist met all expectations of work performed.

Independent approval of all time sheets and compensation was performed according to office policy and the Auditor has found no fault with those policies. Reconciliation and expenditure of funds was done in complete compliance with statute, policy, procedure and Government Auditing Standards.

The Office of State Treasurer will continue to implement professional and sound human resource practices, including the best private-market practices, which may utilize telecommuting to ensure the safe, secure and accountable management of taxpayer dollars especially through periods of transition where possible conflicts of interest may easily arise.

This audit confirms the Office of State Treasurer met all constitutional duties and all duties set forth in statute exactly as prescribed.

AUDITOR'S COMMENT

The State Auditor's Office does not endorse the characterization of audit contents made by subjects of the audit.

STATISTICAL SECTION

Organization and Statistical Information

OFFICE OF STATE TREASURER
ORGANIZATION AND STATISTICAL INFORMATION

The State Treasurer is an elective office as provided in the Missouri Constitution. The duties of the State Treasurer as defined by Article IV Section 15 are to be the custodian of all state funds; to determine the amount of state monies not needed for current operating expenses; and to invest such monies in interest-bearing time deposits, in Missouri banking institutions selected by the State Treasurer and approved by the Governor and State Auditor, in short-term U.S. government securities, or in certain allowable commercial paper and banker's acceptances.

The Office of State Treasurer operates in four major functional areas: 1) accounting and banking services, 2) disbursements and records, 3) investments and deposit programs, and 4) unclaimed property.

The accounting and banking services area 1) maintains a fund accounting system to fulfill a statutory responsibility to keep separate accounts of the funds of the state and to allocate investment interest to funds, 2) maintains ledger controls on fund balances and appropriations to assure that no check is issued that exceeds the lawful appropriated balances, 3) controls receipt of state monies collected by state agencies and deposited in local banks throughout the state, 4) reconciles bank activity to receipt and disbursement activity reflected on the state books, 5) determines the amount of state monies not needed for current operating expenses, and 6) confirms daily disbursements with the bank as certified by the Office of Administration.

The disbursements and records area provides processing support to other departments of the State Treasurer's Office, as follows: 1) provides retrieval of state checks, and 2) controls and processes outlawed checks and processes and verifies claims for replacement checks.

The investments area places state monies not needed for current operating expenses in interest-bearing time deposits, U.S. government and agency securities, commercial paper, banker's acceptances, and repurchase agreements. This area also administers the State Treasurer's statutory linked deposit program and monitors and accounts for the collateralization of state funds.

The Unclaimed Property Division administers Missouri's Unclaimed Property Act (Chapter 447 RSMo). The Unclaimed Property Division is responsible for 1) ensuring unclaimed property is reported, 2) receiving and recording reports of unclaimed property, 3) depositing unclaimed funds to the Abandoned Fund Account Fund, 4) maintaining custody and safekeeping of abandoned or unclaimed physical property, and 5) processing owner claims for abandoned funds or physical property.

Clint Zweifel became Missouri's forty-fifth State Treasurer when he took the oath of office on January 12, 2009. His term will expire in January 2013.

As of June 30, 2010, the office had 44 full-time positions and 3 part-time positions to assist in the accomplishment of its mission.

Thomas A. Schweich

Missouri State Auditor

Lathrop R-II School District

May 2011

Report No. 2011-25

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Lathrop R-II School District

Fuel

The Lathrop R-II School District does not adequately monitor its diesel fuel usage. The district uses a contractor for bus services, but the contractor uses the district's diesel fuel tank to fuel the buses. Although the contractor submits mileage reports for each bus, until January 2011 the district was not tracking the amount of fuel pumped into each bus, so it was impossible to compare the miles driven to the fuel used to make sure they matched up. The district also does not track any district fuel that gets pumped into the contractor's spare buses, so district fuel could be used to transport others. Finally, the district does not compare the amount of diesel pumped from the tank to the amount of diesel purchased for the tank to make sure that all of the district's fuel is accounted for.

Additional Comments

We evaluated the school district's internal controls over significant functions and compliance with certain legal provisions, including those specifically raised by petitioners. For the areas audited, no significant deficiencies, other than those noted above, were identified. The school district is to be commended for taking the proactive step of establishing a fraud committee which meets twice a year to discuss risk areas and the resolution of problems within the district.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Lathrop R-II School District was awarded $992,460 in federal stimulus funding for the fiscal year ended June 30, 2010 and $16,425 for the fiscal year ended June 30, 2011. Well over $900,000 of these funds went toward teacher compensation and development, with the remaining funds expended on technology, bus transportation, supplies, security, and bathroom updates. A detailed listing of the awards is included on the Organization and Statistical Information page following the audit report.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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THOMAS A. SCHWEICH
Missouri State Auditor

To the Board of Education
Lathrop R-II School District

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Lathrop R-II School District. We have audited certain operations of the district in fulfillment of our duties. The district engaged Westbrook & Co., P.C., Certified Public Accountants (CPAs), to audit the district's financial statements for the year ended June 30, 2010. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2010. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.

2. Evaluate the district's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the school district's management and was not subjected to the procedures applied in our audit of the school district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our finding arising from our audit of the Lathrop R-II School District.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Richard Stuck
Audit Staff:	Richard Mosha, MBA

Fuel

Controls over diesel fuel purchased by the district and used for transportation of students are in need of improvement.

The Lathrop School District uses a contractor to provide bus service, but maintains a bulk diesel tank for the drivers to fuel buses. The district purchased $47,330 in diesel fuel during the year ended June 30, 2010, and $19,954 during the period July 1, 2010, to December 31, 2010. As required by contract, the provider maintains mileage records for each bus route, showing the beginning and ending miles for each route and the total route miles driven by each bus. Our review of the mileage reports and fueling procedures revealed the following concerns:

- The usage/fuel reports are submitted to the district, but there is no evidence they are reviewed for reasonableness.

- Beginning in January 2011, the drivers began posting the number of gallons of diesel dispensed into each bus on the mileage report. Prior to this time, no record of the fuel usage was maintained, and thus, the district was unable to compare fuel usage to miles driven for reasonableness.

- The contractor indicated he occasionally uses his spare buses to provide services to other districts or to substitute for a Lathrop route when necessary. The district has not adopted controls over fuel usage by the contractor to ensure district fuel is used only for transportation related to the Lathrop School District. Mileage logs are not kept and submitted for the spare buses.

- The district does not have procedures to compare the number of gallons of diesel dispensed to the gallons purchased for the bulk tank. Rather than the district ordering fuel when needed, the fuel contractor periodically checks the fuel level gauge on the tank. If the tank is less than half full, the tank will be filled and the district billed. Logs were not maintained prior to January 2011 of the gallons dispensed, which could be compared to the gallons purchased to ensure all district fuel is accounted for adequately.

Maintenance and review of mileage/usage logs and bulk fuel inventory records, and comparison of log information and inventory records to fuel purchases, are necessary to ensure vehicles and equipment are properly utilized, prevent paying vendors for improper billing amounts, and decrease the risk of theft or misuse of fuel occurring without detection.

Recommendation

The Lathrop R-II School District Board of Directors develop procedures for reviewing usage/fuel reports submitted by the bus contractor and reconciling the fuel purchases to the amount dispensed.

Auditee's Response

The Lathrop School Board provided the following written response:

We agree to your recommendation and are taking immediate action to ensure internal control by adequately monitoring fuel purchases and usage.

Lathrop R-II School District
Organization and Statistical Information

The Lathrop R-II School District is located 3 miles west of Interstate 35 (25 minutes north of Kansas City) on state highway 116 and encompasses 104 square miles in Clinton County and 9 square miles in Caldwell County.

The district operates a senior high school (grades 9-12), a middle school (grades 6-8), and an elementary school (grades K-5**)**. Enrollment was 892 for the 2009-2010 school year. The district employed 125 full-time and 9 part-time employees as of June 30, 2010, including 1 superintendent, 3 principals, 1 assistant principal, 1 special services director, and 78 certified and 50 non certified employees.

The Lathrop R-II School District has been classified under the Missouri School Improvement Program as "Accredited" by the Missouri Department of Elementary and Secondary Education.

School Board

An elected board acts as the policy-making body for the district's operations. The Board's seven members serve 3-year terms without compensation. Members of the board at June 30, 2010, were

Jeff Wright, President
Ray Sellers, Vice -President
Kelly Butler, Treasurer
Virginia Barrett, Member
Robin Douglas, Member
Teona Harris, Member
Jerry Archer, Member

Superintendent

The district's superintendent at June 30, 2010, was Dr. Chris Blackburn and her annual compensation was $105,612. The superintendent's compensation is established by the school board.

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

According to school district personnel, the district was awarded the following American Recovery and Reinvestment Act of 2009 funding:

State Fiscal Stabilization Fund (SFSF) - Education State Grants were awarded by the U.S. Department of Education to the state of Missouri Department of Elementary and Secondary Education (DESE) and $630,956 was passed through to the Lathrop School District during the year ended June 30, 2010. The district expended these funds for teacher salaries.

A SFSF-Government Services Grant was awarded by the U.S. Department of Education to the state of Missouri DESE and $14,349 was passed through to the Lathrop School District during the year ended June 30, 2010. The district expended these funds for bus transportation.

A SFSF-Government Services Grant was awarded by the U.S. Department of Education to the state of Missouri DESE and $103,150 was passed through to the Lathrop School District during the year ended June 30, 2010. The district expended these funds to continue the career ladder program which provides teachers with extra pay for things such as after school tutoring.

A Title I Grant to Local Educational Agencies was awarded by the U.S. Department of Education to the state of Missouri DESE. Through this grant, the state of Missouri DESE reimbursed the Lathrop School District $20,566 during the year ended June 30, 2010, and $16,425 during the year ended June 30, 2011, for $36,991 expended by the district during the year ended June 30, 2010, to assist with teacher salaries and benefits, technology, and teacher development.

Special Education Grants to States were awarded by the U.S. Department of Education to the state of Missouri DESE and $221,950 was passed through to the Lathrop School District during the year ended June 30, 2010. The district expended $179,003 for teacher salaries and benefits, with the remaining $42,947 expended on computer software to assist students, testing supplies, school bathroom updates, computer labs, security, and additional technology.

An Education Technology State Grant was awarded to the state of Missouri DESE by the U.S. Department of Education and $1,489 was passed through to the Lathrop School District during the year ended June 30, 2010. The district expended these funds for additional technology.

Thomas A. Schweich

Missouri State Auditor

Twenty-First Judicial Circuit

City of Pine Lawn
Municipal Division

May 2011

Report No. 2011-24

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Twenty-First Judicial Circuit, City of Pine Lawn Municipal Division

Accounting Controls	Monies received are not always posted and/or deposited in a timely manner. Some monies received were not posted for a week, and some were not deposited for 3 weeks. Failure to promptly post and deposit receipts increases the opportunities for fraud or abuse. A similar finding was noted during a previous audit of the court, but the municipal division has not remedied the problem. The municipal division does not adequately follow-up on outstanding checks. Old outstanding checks should be voided and reissued if the payee can be located.
Traffic Ticket Accountability	Neither the police department nor the municipal division adequately account for the numerical sequence of traffic tickets issued and cannot be assured all tickets are properly submitted for processing.
Computer Controls	Employees are not required to use unique identification to log onto computers, and employees share passwords. Likewise, no user identification or password is required to access the accounting program, making it difficult to control access and maintain accountability.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act (Federal Stimulus)	The Twenty-First Judicial Circuit, City of Pine Lawn Municipal Division, did not receive any federal stimulus monies during the audited time period.

***The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Twenty-First Judicial Circuit
City of Pine Lawn Municipal Division
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THOMAS A. SCHWEICH
Missouri State Auditor

Presiding Judge
Twenty-First Judicial Circuit
and
Municipal Judge
Pine Lawn, Missouri

We have audited certain operations of the City of Pine Lawn Municipal Division of the Twenty-First Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2010. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.

2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Pine Lawn Municipal Division of the Twenty-First Judicial Circuit.

A petition audit of the City of Pine Lawn, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Chris Vetter, CPA

1. Accounting Controls

Deposits are not always made timely and intact. In addition, bank reconciliations for the bond account include many old outstanding checks.

1.1 Deposits

Monies received for fines and court costs are not always deposited to the city bank account timely and intact, which increases the risk of theft or misuse of funds. Receipts collected on court nights, which primarily consist of cash, are typically not posted to the accounting system and deposited until 5 to 7 days after court. Receipts collected at the Traffic Violations Bureau are posted to the accounting system timely, but are not always deposited timely. Receipts collected from November 15 through November 17, 2010, totaling $15,124, were not deposited until December 7, 2010. Receipts collected on November 18, 2010, which included $2,607 in cash collected at court, were not deposited until November 24, 2010.

To ensure monies are accounted for properly, all receipts should be posted to the computerized accounting system when received and deposited intact in a timely manner.

A similar condition was noted in prior audit report No. 2006-82, *City of Pine Lawn, Missouri*, issued in December 2006.

1.2 Outstanding checks

The municipal division does not adequately follow up on outstanding checks. At June 30, 2010, the bond account had 35 outstanding checks totaling $2,140, which had been outstanding for over a year.

To properly monitor disbursements, procedures should be established to routinely investigate any checks remaining outstanding over a specified period of time. Old outstanding checks should be voided and reissued to those payees who can be readily located. If payees cannot be located, amounts should be paid out in accordance with applicable state laws.

Recommendations

The City of Pine Lawn Municipal Division:

1.1 Ensure all receipts are posted to the computerized accounting system when received and deposited to the city bank account intact and in a timely manner.

1.2 Establish procedures to follow up and resolve outstanding checks in a timely manner.

Auditee's Response

The Municipal Judge and the current Court Administrator provided the following written responses:

1.1 The Court will make better efforts to make more timely deposits to the City's bank account following receipts collected on Court nights. Particularly said deposits will focus on receipts in the form of cash and diligent efforts will be made to make all deposits within 24 hours of receipt. Any sums not immediately deposited are to be placed in the Court safe pending deposit the next banking business day. All receipts are to be posted in the Pine Lawn computerized operating system in an intact and timely manner.

1.2 The Court will implement an annual review of checks outstanding over one year. All checks are mailed via U.S. Mail to the most recent address provided to the Court. Stale dated outstanding checks over one year old will be voided and will be deemed unclaimed property according to State Law.

2. Traffic Ticket Accountability

Neither the city police department nor the municipal division adequately account for the numerical sequence of traffic tickets issued. The police department tracks ticket books assigned to each officer on a log; however, this log is not complete. Some ticket books assigned to officers were not posted to the log. Municipal division clerks enter tickets issued into the court computer system. While the computer system has the capability to account for the numerical sequence of tickets issued, the feature is not utilized.

Without a proper accounting of the numerical sequence of tickets issued, the municipal division and the police department cannot be assured all tickets issued are properly submitted for processing.

Recommendation

The City of Pine Lawn Municipal Division work with the police department to ensure the numerical sequence of all tickets issued is accounted for properly.

Auditee's Response

The Municipal Judge and the current Court Administrator provided the following written response:

When the Court is aware of any missing numerical traffic ticket sequences, the Court will advise the police department. The Court, upon request of the Police Department, will work with the Police Department to ensure proper accounting of the numerical sequence of traffic tickets.

3. Computer Controls

Unique user identifications are not required to log on to computers in the municipal division and passwords are shared among employees. In addition, no user identification or password is required to log on to the municipal division accounting program. The lack of an effective system of user identifications and passwords may allow unauthorized access and/or changes to the system. To establish individual responsibility, as well as help preserve the integrity of computer programs and data files, access to information should be limited to authorized individuals. To control access, a unique user identification and password should be assigned to each user of a system. These passwords should be kept confidential and changed periodically to help limit unauthorized access to computer files.

Recommendation

The City of Pine Lawn Municipal Division require unique user identifications and passwords for all employees.

Auditee's Response

The Municipal Judge and the current Court Administrator provided the following written response:

In addition to the password system already incorporated in the Court computers, the Court staff will implement a user identification system to better ensure individual responsibility. It should be noted that efforts are already in place to restrict access to the Court computers by using a password that is only released to Court personnel and is changed periodically.

Twenty-First Judicial Circuit
City of Pine Lawn Municipal Division
Organization and Statistical Information

The City of Pine Lawn Municipal Division is in the Twenty-First Judicial Circuit, which consists of St. Louis County. The Honorable John A. Ross serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At June 30, 2010, the municipal division employees were as follows:

Title	Name
Municipal Judge	Dean Plocher
Court Administrator	Angela Chatman
Court Clerk	Tajuana Clark

Financial and Caseload Information

	Year Ended June 30, 2010
Receipts	$2,080,526
Number of cases filed	18,891

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The City of Pine Lawn Municipal Division of the Twenty-First Judicial Circuit did not receive any federal stimulus monies during the year ended June 30, 2010.

Thomas A. Schweich

Missouri State Auditor

Forty-Fourth Judicial Circuit

City of Mountain Grove
Municipal Division

May 2011

Report No. 2011-23

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Forty-Fourth Judicial Circuit, City of Mountain Grove Municipal Division

Accounting Controls and Procedures	The municipal division does not adequately segregate the duties of receiving and depositing monies from those of recording transactions. The Court Clerk collects fines and costs; prepares deposits; and posts fines, court costs, and bonds received. If segregation of duties is not possible, the municipal division should arrange for a documented independent review. The police department does not transmit cash bonds it collects to the municipal division timely.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The Forty-Fourth Judicial Circuit, City of Mountain Grove Municipal Division, did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

Forty-Fourth Judicial Circuit
City of Mountain Grove Municipal Division
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THOMAS A. SCHWEICH
Missouri State Auditor

Presiding Judge
Forty-Fourth Judicial Circuit
and
Municipal Judge
Mountain Grove, Missouri

We have audited certain operations of the City of Mountain Grove Municipal Division of the Forty-Fourth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2010. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.

2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) no significant noncompliance with legal provisions. The accompanying Management Advisory Report presents our finding arising from our audit of the City of Mountain Grove Municipal Division of the Forty-Fourth Judicial Circuit.

A petition audit of the City of Mountain Grove, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Ted Fugitt, CPA

1. Accounting Controls and Procedures

The municipal division lacks adequate segregation of accounting duties and cash bonds are not transmitted to the municipal division by the police department timely.

1.1 Segregation of duties

The duties of receiving and depositing monies are not adequately segregated from recording transactions. The Court Clerk performs all duties related to collection of fines and costs; deposit preparation; and posting fines, court costs, and bonds received. Although the City Clerk signs off on the bank reconciliations prepared by the Court Clerk, neither the Municipal Judge nor other city officials independent of the cash custody and record-keeping functions provide adequate supervision or review of the work performed by the Court Clerk.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, a documented independent review of the work performed by the Court Clerk, such as a comparison of the composition of receipts to the composition of deposits, is necessary.

1.2 Bond receipts

Cash bonds collected by the police department are not always transmitted to the municipal division timely. For example a $212 cash bond received by the police department on April 6, 2010, was not received by the Court Clerk until May 10, 2010. In addition, cash bonds of $248 and $370 received by the police department on November 16, 2009, and February 22, 2010, respectively, were not received by the Court Clerk until December 11, 2009, and March 8, 2010, respectively. To ensure all bonds are accounted for properly, the police department should transmit monies timely to the municipal division.

Recommendations

The City of Mountain Grove Municipal Division:

1.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.

1.2 Work with the police department to ensure all bonds collected are transmitted timely.

Auditee's Response

The Municipal Judge provided the following written responses:

1.1 I have issued an operating order directing the Court Clerk to submit court receipt and deposit records and bank reconciliations to the City Clerk monthly for her documented review.

1.2 I have issued an operating order directing police officers to turn cash bonds collected over to the Court Clerk within 24 hours of receipt.

Forty-Fourth Judicial Circuit
City of Mountain Grove Municipal Division
Organization and Statistical Information

The City of Mountain Grove Municipal Division is in the Forty-Fourth Judicial Circuit, which consists of Douglas, Ozark, and Wright Counties. The Honorable John Moody serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At June 30, 2010, the municipal division employees were as follows:

Title	Name
Municipal Judge	Noble Leighton
Court Clerk	Karen Linton

Financial and Caseload Information

	Year Ended June 30, 2010
Receipts	$43,351
Number of cases filed	374

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The Forty-Fourth Judicial Circuit, City of Mountain Grove Municipal Division, did not receive any federal stimulus monies during the year ended June 30, 2010.

Thomas A. Schweich

Missouri State Auditor

Hanley Road and North of Folk Avenue Transportation Development District

May 2011

Report No. 2011-22

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Hanley Road and North of Folk Avenue Transportation Development District

Background

The Hanley Road and North of Folk Avenue Transportation Development District (TDD) was organized in May 2004 and is located in the City of Maplewood, in St. Louis County. This TDD approved a 1-cent sales tax to finance the costs of various transportation projects totaling $13.4 million. This sales tax was expected to remain in effect for 25 years.

In March 2009, the Hanley Road Corridor (HRC) TDD was organized and effectively consolidated the activities of this and four other local TDDs by refinancing or accepting the debt of these TDDs. The Hanley Road and North of Folk Avenue TDD Board voted to repeal its sales tax once the HRC TDD sales tax became effective, and, in November 2010, the TDD Board expressed its intent to dissolve.

Statutory Requirement

Section 238.275, RSMo, requires the State Auditor to determine the financial status of a TDD before it may be abolished. The law prohibits the abolition of a TDD while there are outstanding claims or causes of action pending against it, if its liabilities exceed its assets, or while the TDD is insolvent, in receivership, or under the jurisdiction of a bankruptcy court.

Financial Status

Based upon our audit and an estimate of outstanding liabilities for final administrative costs received from legal counsel, the Hanley Road and North of Folk Avenue TDD assets will be sufficient to pay any remaining costs and the Board of Directors may proceed with its abolishment.

Because of the limited objective of this audit, no overall rating is provided.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Hanley Road and North of Folk Avenue TDD did not receive any federal stimulus monies during the audited time period.

Hanley Road and North of Folk Avenue Transportation Development District
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Thomas A. Schweich
Missouri State Auditor

Shelley Ball, Chairman
and
Board of Directors
Hanley Road and North of Folk Avenue Transportation Development District
Maplewood, Missouri

The State Auditor is required under Section 238.275, RSMo, to audit a transportation development district prior to the question of abolishment being submitted to a vote. In November 2010, legal counsel of the Hanley Road and North of Folk Avenue Transportation Development District (TDD) advised the State Auditor's office of the TDD Board's intent to dissolve the district and requested an audit be performed pursuant to this statute.

The TDD engaged Deborah Loomis, Certified Public Accountant (CPA), to audit the district's financial statements for the year ended December 31, 2009. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2010. The objective of our audit was to evaluate the financial status of the TDD and determine whether it may be abolished pursuant to law.

Our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; and interviewing various representatives of the TDD, as well as certain external parties. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The audit determined the Board of Directors can proceed with abolishment of the TDD in accordance with Section 238.275, RSMo.

The accompanying Management Advisory Report presents our findings arising from our audit of the Hanley Road and North of Folk Avenue Transportation Development District.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Gregory A. Slinkard, CPA, CIA
In-Charge Auditor:	Robert L. McArthur II

Hanley Road and North of Folk Avenue Transportation Development District Management Advisory Report - State Auditor's Findings

Financial Status

Our audit of the Hanley Road and North of Folk Avenue Transportation Development District (TDD) indicates the financial condition of the TDD is such that the TDD may be abolished since its assets exceed or meet its outstanding liabilities.

The Hanley Road and North of Folk Avenue TDD was organized in May 2004 by petition of the owner/developer of property within the proposed district. The Board of Directors and officers include various employees of the owner/developer.

The qualified voter of the TDD, in this case the property owner/developer, approved the imposition of a 1-cent (1 percent) sales tax on all transactions which are taxable within the boundaries of the district, effective November 2004. The sales tax was expected to remain in effect for 25 years, unless terminated sooner. The retail establishments within the district collected the sales taxes and forwarded the collections to the TDD collection agent, the City of Maplewood.

The TDD is located in the City of Maplewood, in St. Louis County, northeast of the intersection of Hanley Road and Folk Avenue. The Maplewood Commons development includes large retail establishments. The TDD has a fiscal year end of December 31. An annual financial audit of the district was conducted by an independent auditor for 2009.

The TDD was formed for the purpose of acquiring property (right-of-way and/or easements) and constructing various transportation projects with a total cost of approximately $13.4 million. The developer funded the costs of the transportation projects prior to the TDD issuing $13.8 million in revenue bonds in June 2005 and a $1 million subordinate promissory note payable during that year. After the TDD debt was issued, the developer was reimbursed.

The City of Maplewood and St. Louis County were the public entities with jurisdiction over these projects and ownership of the projects was transferred to these entities in June 2006.

In October 2008, the Brentwood Point and Folk Avenue South TDDs jointly filed a petition to create the Hanley Road Corridor (HRC) TDD, which includes the entire area encompassed by the Hanley Road and North of Folk Avenue TDD. The HRC TDD was officially organized in March 2009 for the purpose of paying the cost of financing or refinancing certain transportation-related improvements, including the refinancing of the outstanding debt obligations of the Hanley Road and North of Folk Avenue TDD. The creation of the HRC TDD served to effectively consolidate the activities of the Hanley Road and North of Folk Avenue TDD and four other local TDDs by refinancing and/or accepting the debt of those TDDs and

assuming all other financial responsibilities within the newly-created HRC TDD.

On August 12, 2009, the Hanley Road and North of Folk Avenue TDD Board approved a resolution repealing its sales tax upon the effective date of a sales tax imposed and issuance of obligations by the HRC TDD. The HRC TDD bonds were subsequently issued on August 31, 2009, resulting in the liquidation of over $14.5 million in Hanley Road and North of Folk Avenue TDD debt-related obligations, including debt principal, accrued interest, and other debt refunding expenses. The HRC TDD sales tax became effective September 1, 2009, with the Hanley Road and North of Folk Avenue TDD sales tax being repealed that same date.

In November 2010, the TDD's legal counsel advised the State Auditor's office (SAO) of the Board's intent to dissolve the TDD and requested the SAO proceed with all necessary actions as required pursuant to Section 238.275, RSMo.

The SAO has performed an audit of the Hanley Road and North of Folk Avenue TDD as required by Section 238.275, RSMo. That statute requires the State Auditor to audit the TDD to determine its financial status, and determine whether the TDD may be abolished pursuant to law. That law also states the board shall not propose the question to abolish the TDD while there are outstanding claims or causes of action pending against it, if its liabilities exceed its assets, or while the TDD is insolvent, in receivership, or under the jurisdiction of a bankruptcy court.

The following table presents the financial activity and cash balances of the TDD for the 2 years ended December 31, 2010 (as presented on the cash basis):

	Year Ended December 31,	
	2010	2009
RECEIPTS		
Sales taxes	$ 0	900,930
Interest	3	1,300
Intergovernmental receipt - HRC TDD	15,000	14,616,502
Total Receipts	15,003	15,518,732
DISBURSEMENTS		
Administration	2,964	43,471
Legal costs	9,416	0
Audit	7,500	0
Intergovernmental payment - HRC TDD	0	1,908,866
Debt service	0	15,211,267
Total Disbursements	19,880	17,163,604
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,877)	(1,644,872)
BEGINNING CASH	26,924	1,671,796
ENDING CASH	$ 22,047	26,924

Note - the ending cash balance at each year end represents the balance of an account maintained on behalf of the Hanley Road and North of Folk Avenue TDD by the HRC TDD under the HRC TDD bond indenture.

Based on our audit, the cash balance of the TDD at December 31, 2010, was $22,047. To cover final expenses of the TDD prior to abolishment, additional funding of $15,000 is to be provided annually by the HRC TDD on behalf of the Hanley Road and North of Folk Avenue TDD in accordance with the HRC TDD bond indenture. As of February 22, 2011, the cash balance of the TDD was $36,211.

The TDD's legal counsel estimates the outstanding liabilities for final administrative costs (legal fees, accounting costs and audit costs) at approximately $17,500. Based on legal counsel's estimate, TDD assets will be sufficient to pay any remaining costs and obligations.

Based on our audit of the TDD, the Board of Directors can proceed with the abolishment of the TDD in accordance with Section 238.275, RSMo.

Thomas A. Schweich

Missouri State Auditor

City of Chula

May 2011

Report No. 2011-21

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Chula

Audits, Budgets, and Financial Reporting	The city does not obtain required annual audits of its water and sewer systems, properly prepare and monitor budgets, or prepare required financial reports. In order to comply with state statute and the terms of its loan agreement with the U.S. Department of Agriculture Rural Development Agency, the city is required to obtain annual audits of its water and sewer systems. The city's budgets were incomplete and not monitored to actual disbursements, and the city overspent three funds for a total of almost $30,000 in fiscal year 2010. The city failed to publish semiannual financial statements and has not submitted annual financial reports to the State Auditor's office since 2002 as required by state law. Finally, the board should require the Park Board to file financial reports with the city regularly to help ensure funds are used properly.
Accounting Controls and Procedures	Accounting duties are not segregated, and insufficient oversight exists to ensure transactions are properly recorded. The City Clerk prepares utility bills, records utility fees, receives and deposits monies and performs bank reconciliations with little or no oversight. Receipt slips are not always issued and deposits are not timely. The city does not ensure the composition of receipts matches the composition of deposits. Water, sewer and trash transactions are accounted for in the same fund, which makes it difficult to ensure the city is charging appropriate rates. The city is not putting new customer utility deposits into the designated bank account and the list of utility deposits is not reconciled to the bank account, which allows errors to go undetected and makes it difficult to determine if enough monies are available to cover deposits. The city is not following up on insufficient funds checks despite a city ordinance requiring certain actions. Bank accounts are not reconciled promptly, and errors could go undetected.
Disbursements	The city is not documenting the allocation of some disbursements. Restricted funds can only be used for certain expenses, and the city should make sure disbursements are made from the appropriate funds. This also helps the city ensure it is charging the appropriate rates for services and assess the effectiveness of its programs. Some employees do not submit timesheets, so it is difficult to monitor the hours worked and substantiate the payroll.

Legal Issues and Ordinances

The city elects two aldermen from each of the two wards and one at-large; however, state law requires the city to either elect aldermen from wards or at-large, but not both. City ordinances are not complete and up-to-date and are not maintained in a well-organized manner. Some ordinances could not be located, and it was difficult to tell which ordinances had been repealed. Moreover, the city appears to be operating in violation of some ordinances, including the ordinance setting the City Clerk's salary.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The City of Chula did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Chula
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THOMAS A. SCHWEICH
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Chula, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Chula. We have audited certain operations of the city in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2010. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.

2. Evaluate the city's compliance with certain legal provisions.

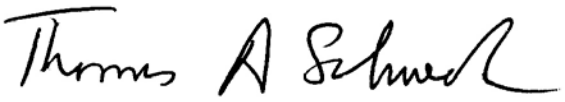
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Chula.



Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Randall Gordon, M. Acct., CPA, CGAP
In-Charge Auditor:	Lori Bryant

1. Audits, Budgets, and Financial Reporting

The city does not obtain required annual audits, properly prepare and monitor budgets, or prepare required financial reports.

1.1 Audits

The city does not obtain annual audits of its water and sewer systems. Section 250.150, RSMo, requires the city to obtain annual audits of the combined water and sewer system and provides the cost of the audit is to be paid from the monies received from the system. Also, city loan agreements with the United States Department of Agriculture (USDA) Rural Development Agency require the city to obtain annual audits of its water and sewer systems. In addition to being required by state law and loan agreements, annual audits of city funds would help ensure financial transactions are properly recorded.

1.2 Budgets

While annual budgets are prepared and adopted, they do not contain all elements required by state law. Budgets do not include all city funds, a budget message and general budget summary, actual beginning and estimated ending available resources, actual receipts and disbursements for the 2 preceding years, or city indebtedness information.

Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and outlines the various information to be included in the budget. A complete and well planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in setting tax levies and utility rates and informing the public about city operations and current finances.

1.3 Budget to actual disbursements

The city has not developed a process to monitor budgeted to actual disbursements. The Board of Aldermen reviews check registers for each city fund; however, reports of budgeted and year-to-date actual disbursements are not prepared. As a result, budgets are not monitored and actual disbursements exceeded budgeted amounts for the year ended June 30, 2010, as follows:

	Year end June 30, 2010		
Fund	Budgeted Disbursements*	Actual Disbursements**	Amount Overspent
General Revenue	$ 10,030	10,194	(164)
Street	15,650	21,790	(6,140)
Water and Sewer	71,585	93,443	(21,858)

* Amounts obtained from the year end June 30, 2010, budget documents.

** Amounts obtained from financial reports generated by the City Clerk.

The city did not prepare amended budgets for these funds or document reasons for exceeding budgets in meeting minutes. To help ensure the city's budget and financial condition are adequately monitored, periodic detailed budget to actual reports should be prepared and reviewed by the Board.

Section 67.040, RSMo, allows for budget increases, but only after the governing body officially adopts a resolution setting forth the facts and reasons. Section 67.080, RSMo, provides that no expenditure of public monies shall be made unless it is authorized in the budget.

1.4 Financial statements

The city has not published semiannual financial statements as required by state law. The City Clerk indicated she was not aware of this requirement. Section 79.160, RSMo, requires the Board of Aldermen to prepare and publish semiannually a full and detailed account of the receipts, disbursements, and indebtedness of the city.

Complete and accurate financial statements are necessary to keep citizens informed of the financial activity and condition of the city. In addition, Section 79.165, RSMo, states the city cannot legally disburse funds until the financial statement is published.

1.5 Financial reporting

The city has not submitted annual financial reports to the State Auditor's office since 2002. Section 105.145, RSMo, requires political subdivisions to file an annual report of financial transactions with the State Auditor's office.

1.6 Park Board

While the Park Board files minutes of its meetings with the city, financial reports are not routinely filed with the city. The Park Board maintains a bank account and receives donations. To ensure funds are used appropriately, the Board of Aldermen should require the Park Board to regularly file financial reports with the city.

Recommendations

The Board of Aldermen:

1.1 Obtain annual audits of the combined water and sewer system as required by state law and loan agreements.

1.2 Ensure annual budgets contain all information required by state law.

1.3 Periodically compare year-to-date disbursements with budgeted amounts to monitor city finances and ensure actual disbursements do not exceed budgeted amounts.

1.4 Ensure semiannual financial statements are published in accordance with state law.

1.5 Submit annual financial reports to the State Auditor's office as required by state law.

1.6 Ensure financial reports of the Park Board are filed with the city.

Auditee's Response

The Mayor and Board of Aldermen provided the following written responses:

1.1 The city was unaware of this requirement. The USDA will be contacted to inquire about obtaining an audit and the estimated cost of an audit. Then we will proceed with obtaining an audit for the year ended June 30, 2011.

1.2 The city has a budget that includes the Water and Sewer Funds, General Fund, and Street Fund that is adopted by the Board of Aldermen yearly before money is spent. The city was unaware of the additional information that is needed to be included in the budgets. The current budget for FY11 will be amended to include actual beginning balances, estimated ending balances, the city's indebtedness information, budget message, general budget summary, and actual income and expenditures for the two preceding years. The city has requested a budget from the Park Board.

1.3 The Board of Aldermen has always amended the budgets each year to reflect actual income and expenditures, but this was not indicated in the minutes and an ordinance was not passed. The City Clerk will start preparing financial reports with the current budget and year-to-date income and expenditures to be presented to the board at least quarterly. The Board of Aldermen will monitor and adjust the budget by ordinance if expenditures are close to budgeted amounts and will include the reason of adjusting the original budget.

1.4 The Board of Aldermen was unaware of this requirement. The City Clerk will prepare a semiannual financial statement with a detailed account of the receipts, disbursements, and indebtedness of the city. The City Clerk will present the report to the Board of Aldermen for approval and then publish the semiannual financial statement in a paper. We anticipate publishing the July 2010 to December 2010 activity in February 2011.

1.5 The City Clerk will complete the financial report. The report will be presented to the Board of Aldermen for approval, then submitted to the State Auditor's office. The Board of Aldermen will ensure that this is done for the year ended June 30, 2011.

1.6 The city has requested that financial reports be prepared by the Park Board monthly and that they turn them into the city. The city has also requested reconciled bank statements along with documentation of all income and expenditures. The city has requested their budget for 2010-2011.

2. Accounting Controls and Procedures

Accounting controls and procedures utilized by the City Clerk need improvement.

2.1 Segregation of duties and oversight

Segregation of duties is not adequate. The City Clerk is responsible for most of the record-keeping duties of the city, and there is minimal oversight by the Board. Duties performed by the City Clerk include billing and recording utility fees, receiving and depositing monies, preparing checks and monthly financial reports, and performing bank reconciliations. While the city has hired someone to take over some duties relating to utilities, there is no evidence the Board provides adequate supervision or review of the work performed by the City Clerk.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If segregating these duties is not possible, at a minimum, procedures for adequate independent review should be established and documented.

2.2 Receipt procedures

Receipt slips are not issued for some monies received and the method of payment is not always documented. Receipt slips are not issued for franchise fees, state motor vehicle-related sales taxes, and railroad and utility property taxes received from the County Collector-Treasurer. The method of payment is only indicated for property taxes. Without the indication of receipt composition, a reconciliation of the composition of receipts to deposits cannot be performed and the city has less assurance all monies collected are properly recorded and deposited. Additionally, deposits were made only once a month during 6 months of the year ended June 30, 2010, with deposit totals for those months ranging from approximately $1,800 to $8,600.

To properly account for all receipts and ensure they are properly deposited, official prenumbered receipt slips should be issued for all monies received, the method of payment should be recorded on each receipt slip or on the utility billing stubs, and the composition of receipts should be reconciled to the composition of deposits. To minimize the possibility of loss, theft, or misuse of funds, monies received should be deposited intact and in a timely manner.

2.3 Utility operations

The city does not maintain separate funds for the financial activity of its water, sewer, and trash operations. Receipts, disbursements, and accumulated balances of the respective utility operations are not accounted for separately.

The utility operations are separate accounting entities designed to account for specific city activities. Utility receipts should be used only to fund the operations of the respective utility services. Rates for utility services should be set to cover the costs of producing and delivering the service (including administrative costs), repaying debt, if applicable, and repairing and replacing infrastructure.

Receipts, disbursements, and the accumulated balance associated with specific activities should be recorded in separate funds or maintained in a manner to account for those activities. Complete and organized accounting records are necessary to provide accurate and timely financial information to city officials upon which effective management decisions may be made and to assist the city in establishing user fees necessary to meet operating expenses.

2.4 Utility deposits

Refundable utility deposits are not accounted for properly. New customers are required by ordinance to pay a $120 refundable deposit before receiving utility service.

- A bank account was established to account for utility deposits; however, no utility deposits have been deposited into this bank account since it was established. Utility deposits are deposited in the Water and Sewer Bank account. As of June 15, 2010, the utility deposit bank account balance totaled $1,050 and consisted of $1,000 transferred to the bank account from the Water and Sewer Bank account and interest earned.

- Although a liabilities list of customer utility deposits is maintained, this list is not reconciled to the bank account. As of June 30, 2010, this list totaled $8,435.

Utility deposits represent a liability to the city and by not depositing all utility deposits into the bank account established for that purpose, the city is unable to determine if the monies available are sufficient to meet the refundable deposit obligation. Complete and accurate records and reconciliation procedures are necessary to ensure utility deposits are accounted for properly and monies held are sufficient to meet the refundable deposit obligation.

2.5 Non-sufficient funds checks

The city does not always take timely follow up action on non-sufficient funds (bad) checks, or follow policies established by city ordinance. No follow up action was taken on five of six non-sufficient funds checks received, totaling $724, for payment on utility accounts until our audit work began in October 2010. Until then, the customers had not been contacted regarding the bad checks and these monies had not been recovered. In addition, no adjustments were made on subsequent utility bills to include unpaid amounts in balances due. Ordinance number 463 requires the city to notify the customer of the returned check by phone or note on the customer's door. Customers then have 3 days to resolve the bad check and pay the city a bad check fee. Timely action and compliance with city ordinance is necessary to recover unpaid monies and ensure customer account balances are proper.

2.6 Bank reconciliations

Bank reconciliations are not prepared timely for the checking accounts. Bank statements from December 2009 to February 2010 for the General Fund and the Street Fund were not reconciled until March 2010 while the January to May 2010 bank statements for the two Water and Sewer Fund bank accounts were not reconciled until June 2010.

Monthly bank reconciliations are necessary to ensure bank activity and accounting records are in agreement, and to detect and correct errors timely.

Recommendations

The Board of Aldermen:

2.1 Segregate the duties of the City Clerk to the extent possible. If proper segregation of duties cannot be achieved, timely supervision or independent reviews of the work performed and investigation into unusual items and variances is necessary.

2.2 Require receipt slips be issued for all monies received with the method of payment indicated and reconciled to the composition of deposits. Additionally, the Board should ensure deposits are made in a timely manner.

2.3 Establish separate funds to account for the specific utility operations or maintain records in a manner to account for the receipts, disbursements, and accumulated balances of the separate activities. Additionally, the city should determine and establish the proper balance of the separate funds and maintain the separate balances in the future.

2.4 Transfer the utility deposit monies held in the Water and Sewer Fund bank account to the utility deposits bank account, and deposit all subsequent utility deposits received into the utility deposit bank account. In addition, the list of utility deposits should be reconciled

to the bank account balance monthly. Any differences should be investigated.

2.5 Follow up on non-sufficient checks promptly in accordance with city ordinance to ensure monies are recovered.

2.6 Prepare bank reconciliations for checking accounts on a timely basis.

Auditee's Response

The Mayor and Board of Aldermen provided the following written responses:

2.1 Before the audit, the Board of Aldermen received monthly financial reports at each meeting. The bank statements and invoices were also presented at the meeting. However, the review of these documents was not documented. The Board of Aldermen approved bills for payment and there are two signatures on all checks.

Currently, the Board of Aldermen reviews all bank statements at the board meeting and at least two Aldermen initial the actual bank statement and review that they have been reconciled. The Board of Aldermen also initials the financial reports that are included with the minutes. This will document that the Board of Aldermen is providing supervision and is reviewing work done by the City Clerk. Since the city will be having an annual audit, the record keeping will be reviewed by a certified public accountant.

2.2 Receipt slips will be issued for receipts currently not receipted and the receipt slips will indicate the composition of receipts which will be compared to the composition of the deposits and deposits will be made timely.

2.3 We are reviewing records to determine the proper balances of the various utility operations. Once we have the balances, we will determine the best method for maintaining records to ensure information is properly maintained of the separate activities.

2.4 All of the money for the customer deposits is in the Water and Sewer Fund as it just wasn't transferred into the deposit account. The Board of Aldermen will order checks and deposit slips for the deposit account and transfer all customer deposits into the deposit account.

The Board of Aldermen will review the deposit listing at the next meeting (March) and transfer the balance of the deposits to the deposit account. The Board of Aldermen will receive an addendum

to the list when changes occur to ensure that the bank statement equals the amount of customer deposits plus interest. A notebook with the list will be started and the addendums will be added as they are needed.

2.5 The new procedure for non-sufficient checks will be the City Clerk will notify the customer according to ordinance and a copy of the check will be given to the administrative assistant who does the utility billing to add the amount back onto their account.

2.6 Even though the bank statements were not reconciled in the computer, all bank statements were compared to the transaction register. Currently, the City Clerk is formally reconciling the bank statements within 15 days of receipt of the bank statement.

3. Disbursements

Controls and procedures over allocation of city disbursements between funds need improvement, and all employees do not prepare timesheets.

3.1 Allocation of city disbursements

Documentation does not exist to support the allocation of some disbursements to city funds as follows:

- Although wages are paid from three funds (General, Street, and Water and Sewer), all payroll withholdings and payroll taxes are disbursed from the Water and Sewer Fund.

- The city pays for all insurance coverage from the General Fund even though the coverage also relates to assets owned by the Street and Water and Sewer Funds.

- The city paid park expenses totaling $1,103 from the Street Fund for the year ended June 30, 2010. Street Funds are restricted revenues that should be used for street purposes only. The city indicated these costs are paid from franchise taxes which are placed in this fund and are not restricted. Because franchise taxes are unrestricted revenues, the city should consider depositing them in the General Fund and paying the park expenses from the General Fund.

- In August 2010, the city paid $3,003 for the annual payment on the backhoe from the Water and Sewer Fund while the payment the previous year was from the Street Fund. The backhoe is used for a variety of activities so it is questionable that the entire cost be paid from just one fund.

The funds of the city are established as separate accounting entities to account for specific activities of the city. Generally accepted accounting principles and various legal restrictions require receipts and disbursements

associated with specific activities be reflected in the fund established to account for those activities. Reflecting receipts and disbursements in the proper fund is necessary to accurately determine the results of operations and/or specific activities; thus, enabling the city to establish the level of taxation and/or user fees necessary to meet operating costs. To ensure city funds are spent appropriately, documentation should be maintained to support the allocations.

3.2 Timesheets

The City Clerk, water meter reader, and tower meter reader are paid a monthly rate and are not required to submit timesheets or documentation of the number of hours or the dates worked. These employees only submit a paper stating they did the required work. Timesheets are necessary to document hours worked, substantiate payroll disbursements, provide the city with a method to monitor hours worked, and to evaluate pay rates.

Recommendations

The Board of Aldermen:

3.1 Ensure disbursements and salaries are properly allocated to the applicable city funds and allocations are supported by adequate documentation. In addition, consider depositing franchise taxes into the General Fund and paying park expenses from the General Fund.

3.2 Require all city employees to prepare timesheets that reflect actual time worked.

Auditee's Response

The Mayor and Board of Aldermen provided the following written responses:

3.1 The payroll taxes and withholdings will be disbursed from the General Fund, with the amount to be paid from the Street and Water and Sewer Funds transferred into the General Fund to cover each entities payroll obligations.

The Board of Aldermen will review the insurance policy and prorate the amount from each entity to be transferred into the General Revenue Fund to cover that entity's portion of the insurance invoice.

The Board of Aldermen is in the process of getting the franchise taxes directly deposited into the General Fund instead of the Street Fund. We are also changing the park lights and mowing to come out of the General Fund. All park expenses will now come out of the General Fund.

The Board of Aldermen will look at all equipment and keep track of the different allocations for repairs, maintenance, and purchase agreements.

3.2 The Board of Aldermen will discuss with our attorney this issue before determining what to do. We have a couple of questions that we want to find out some information on before making a decision.

4. Legal Issues and Ordinances

Problems were noted with the manner by which aldermen are elected and with ordinances.

4.1 Aldermen

Two aldermen are elected from both the North and South wards and an alderman at large is also elected. While Section 79.060, RSMo, allows for cities with populations of 1,000 or less to choose to elect aldermen at large instead of from wards, it does not provide for the city to do both. No city ordinance could be located to explain the city's procedures regarding the election and number of aldermen.

4.2 Ordinances

City ordinances are not organized and up to date. Additionally, the city has not adopted ordinances required by state law and/or needed to govern the city.

- It is not clear which city ordinances are currently in effect. Ordinances adopted since September 1997 are filed in notebooks and recorded on a list; however, ordinances adopted prior to September 1997 (ordinance number 412) are in a box and not tracked. At our request, the City Clerk was able to locate ordinance number 239 that requires all residences to be hooked up to the public sewer, but she could not locate an ordinance authorizing additional charges of $2 to both water and sewer bills for those residents receiving city services living outside the city limits. The City Clerk was also unable to locate an ordinance establishing penalties for delinquent payment of taxes, although such penalties are charged.

- The city does not have an ordinance establishing the trash service rate.

- While the city has ordinances that establish the compensation for most city officials and employees as required by Section 79.270, RSMo, the Board has hired employees at higher hourly rates than indicated in the ordinances. In addition, the city does not have an ordinance establishing the compensation for the tower meter reader. Ordinance number 466 states the compensation for the city clerk is $300 per month plus 2 percent on collections from the sale of water. The City Clerk, however,

is paid $400 per month and also receives 2 percent of all utility collections, which include sewer and trash service fees.

Since the ordinances represent legislation passed by the Board of Aldermen to govern the city and its residents, it is important the ordinances be maintained in a complete, well-organized, and up-to-date manner. In addition, an index should be maintained documenting all ordinances passed and repealed to keep track of additions and changes made.

Recommendations

The Board of Aldermen:

4.1 Consult with legal counsel to resolve this issue.

4.2 Ensure ordinances are maintained in a complete, well-organized, and up-to-date manner; new ordinances are passed where appropriate; and the index of ordinances is updated.

Auditee's Response

The Mayor and Board of Aldermen provided the following written responses:

4.1 The city is checking on this with our attorney and depending on what is determined will adopt an ordinance to address this issue.

4.2 The city will review the ordinances on employees and update the ordinances to current wages. The city has had to split some of the jobs of the water and sewer operator. An ordinance will be created for the new positions.

The city will review ordinances 412 to 505 and update the ordinances that need to be updated.

The city will start going through the ordinances prior to 1997 and review them as time permits to see if they need to be updated, filed, or rescinded.

City of Chula
Organization and Statistical Information

The City of Chula is located in Livingston County. The city was incorporated in 1885 and is currently a fourth-class city. The city employed six part-time employees on June 30, 2010.

City operations include utilities (water, sewer, and trash), street maintenance, and park services.

Mayor and Board of Aldermen

The city government consists of a mayor and five-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen at June 30, 2010, are identified below. The Mayor and Board of Aldermen serve without compensation.

John Graves, Mayor
Katherine Westcott, Alderman
Benny Simpson, Alderman
John Boyles, Alderman
James Rhodes, Alderman
Robert Triska, Alderman

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The City of Chula did not receive any federal stimulus monies during the year ended June 30, 2010.

Financial Activity

A summary of the city's financial activity for the year ended June 30, 2010, follows:

City of Chula
Year Ended June 30, 2010

	General Fund	Street Fund	Water and Sewer Fund*	Water Bond Reserve Fund	Water Replacement/ Extension Fund	Sewer Bond Reserve Fund	Sewer Replacement/ Extension Fund	Park Board	Collector's Account	Total
RECEIPTS										
Property taxes	$ 776	0	0	0	0	0	0	0	7,632	8,408
Franchise taxes	0	10,112	0	0	0	0	0	0	0	10,112
Motor fuel and vehicle fees	0	7,425	0	0	0	0	0	0	0	7,425
Water, sewer, and trash service fees	0	0	90,639	0	0	0	0	0	0	90,639
Utility deposits	0	0	1,560	0	0	0	0	0	0	1,560
Interest	0	0	8	1,696	129	1,655	1,678	0	0	5,166
Fines, fees, grants, and other	45	854	706	0	0	0	0	210	0	1,815
Transfers in	7,251	0	0	0	0	0	0	0	200	7,451
Total Receipts	8,072	18,391	92,913	1,696	129	1,655	1,678	210	7,832	132,576
DISBURSEMENTS										
Wages and payroll taxes	4,433	3,248	10,231	0	0	0	0	0	382	18,294
Water expense	0	0	29,880	0	0	0	0	0	0	29,880
Debt service	0	0	14,556	0	0	0	0	0	0	14,556
Trash service	0	0	12,407	0	0	0	0	0	0	12,407
Sewer expense	0	0	3,247	0	0	0	0	0	0	3,247
Sidewalk grant	0	0	15,499	0	0	0	0	0	0	15,499
Dining	432	0	0	0	0	0	0	0	0	432
Elections	459	0	0	0	0	0	0	0	0	459
Equipment purchases	0	5,922	219	0	0	0	0	0	0	6,141
Equipment repair	0	1,113	484	0	0	0	0	0	0	1,597
Fuel	0	1,015	0	0	0	0	0	0	0	1,015
Insurance	4,057	0	0	0	0	0	0	0	0	4,057
Park expense	0	1,103	0	0	0	0	0	1,668	0	2,771
Office expense	154	21	794	0	0	0	0	0	0	969
Publications	86	20	51	0	0	0	0	0	0	157
Refunds	0	0	262	0	0	0	0	0	0	262
Road maintenance	0	1,360	1,409	0	0	0	0	0	0	2,769
Storm sewer	0	955	0	0	0	0	0	0	0	955
Utilities	373	6,615	2,910	0	0	0	0	0	0	9,898
Utility deposits refunds	0	0	1,020	0	0	0	0	0	0	1,020
Other	0	418	474	0	0	0	0	0	0	892
Transfers out	200	0	0	0	0	0	0	0	7,251	7,451
Total Disbursements	10,194	21,790	93,443	0	0	0	0	1,668	7,633	134,728
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,122)	(3,399)	(530)	1,696	129	1,655	1,678	(1,458)	199	(2,152)
CASH, JULY 1, 2009	3,705	5,074	26,975	17,986	14,534	12,730	15,661	2,132	53	98,850
CASH, JUNE 30, 2010	$ 1,583	1,675	26,445	19,682	14,663	14,385	17,339	674	252	96,698

* The Water and Sewer Fund includes the utility deposit account and the trash service.

Thomas A. Schweich

Missouri State Auditor

County Collector
Wayne County

May 2011

Report No. 2011-20

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Wayne County Collector

Background

The former Wayne County Collector resigned effective November 10, 2010, and her replacement was sworn in on December 28, 2010. The State Auditor is required by state law to conduct an audit of the County Collector's office after being notified of a vacancy. This audit included the year ended February 28, 2010, and the period from March 1, 2010, through November 10, 2010.

Property Tax System Controls and Procedures

The County Clerk and County Commission do not adequately monitor the County Collector's property tax related activities. The County Clerk should maintain an account book to track property taxes charged, taxes collected, abatements, protested amounts and other tax transactions to verify the County Collector's monthly and annual settlements.

The County Collector over withheld railroad and utility commissions totaling $5,299 for December 2010 and December 2009. Commissions were withheld at 1.5 percent but should have been withheld at 1 percent.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Wayne County Collector did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

Wayne County Collector
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THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
County Collector
Wayne County, Missouri

Section 52.150, RSMo, requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. The County Collector of Wayne County resigned effective November 10, 2010. A successor was appointed and sworn into office effective December 28, 2010.

To satisfy our statutory obligation, we have audited the operations of the County Collector of Wayne County. The scope of our audit included, but was not necessarily limited to, the period March 1 to November 10, 2010, and the year ended February 28, 2010. The objectives of our audit were to:

1. Determine the financial condition of the accounts of the office of the County Collector.

2. Evaluate the County Collector's internal controls over significant financial functions.

3. Evaluate the County Collector's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the County Collector, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the County Collector and county's management and was not subjected to the procedures applied in our audit of the County Collector.

Section 52.150, RSMo, requires the County Commission to accept the State Auditor's report and, if necessary, to take certain specific actions if the State Auditor finds any monies owing to the county or the past County Collector. For the areas audited, we identified **(**1) no significant deficiencies in internal control and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the County Collector of Wayne County.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Lori Bryant

1. Property Tax System Controls and Procedures

The County Clerk and the County Commission do not provide adequate monitoring of property tax system activities. Commissions withheld by the County Collector from railroad and utility taxes were incorrectly calculated. For the year ended February 28, 2010, property taxes charged to the County Collector totaled approximately $6 million.

1.1 Review of property taxes

Neither the County Commission nor the County Clerk adequately reviews the property tax collection activities of the County Collector. The County Clerk does not maintain an account book or other records summarizing property tax transactions and changes, and no evidence was provided to indicate procedures are performed by the County Clerk or the County Commission to verify the County Collector's monthly and annual settlements. The County Clerk indicated in the past he had used a computer spreadsheet to summarize activity after the Collector filed her annual settlement. However, this spreadsheet was lost when the County Clerk's office obtained new computers prior to the County Collector filing her annual settlement for the year ended February 28, 2010, and he has not set up a new spreadsheet.

Section 51.150(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable to the county treasury. An account book or other records which summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure the amount of taxes charged and credited to the County Collector each year is complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's monthly and annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

1.2 Commissions

Commissions were calculated incorrectly on railroad and utility taxes, and as a result, a total of $5,299 was over withheld by the County Collector for December 2010 and December 2009. Commissions should have been withheld at the rate of 1 percent; however, 1.5 percent was withheld and paid to the County Treasurer for the General Revenue Fund. The County Collector indicated commissions on railroad and utility taxes have been calculated by the computer using this formula for a number of years. The 1.5 percent is the same commission rate used for all other current tax collections. Section 52.260, RSMo, provides for 1 percent on all tax collections and Section 52.250, RSMo, provides for a .5 percent mailing commission on all current taxes collected; however, this statute specifically excludes all current railroad and utility tax collections from the mailing commission.

Recommendations

1.1 The County Clerk maintain an account book with the County Collector. The County Clerk and County Commission should use the account book to review the accuracy and completeness of the County Collector's monthly and annual settlements.

1.2 The County Collector should ensure commissions are computed correctly in the future and should refund the commissions overwithheld to the various taxing authorities.

Auditee's Response

1.1 The County Clerk provided the following response:

I will establish an account book with the County Collector and will use it to review the accuracy of the collector's monthly and annual settlements.

1.2 The current County Collector provided the following written response:

I have spoken with the computer programmer and he has corrected the railroad and utilities commission percentage. He changed it from the 1.5 percent that was being withheld to the 1 percent that is allowable.

I do not see the county being able to turn over the overwithheld amount due to its poor financial status. Although if the over withheld amount is submitted to me, I will disburse it to the various taxing authorities that it is due to.

Wayne County Collector
Organization and Statistical Information

The County Collector bills and collects property taxes for the county and most local governments. Pursuant to Section 52.015, RSMo, the term for which collectors are elected expires on the first Monday in March of the year in which they are required to make their last final settlement for the tax book collected by them. Annual settlements are to be filed with the county commission for the fiscal year ended February 28 (29).

Mary Hampton served as County Collector until November 10, 2010. Erica Huitt was appointed the Wayne County Collector and sworn into office on December 28, 2010.

The County Collector received compensation of $26,490 for the period March 1 to November 10, 2010. During the year ended February 28, 2010, the County Collector received compensation of $38,147. Compensation was in accordance with statutory provisions.

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The Wayne County Collector did not receive any federal stimulus monies during the period March 1 to November 10, 2010, and the year ended February 28, 2010.

Thomas A. Schweich

Missouri State Auditor

Village of Bull Creek

May 2011

Report No. 2011-19

auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Village of Bull Creek

Village Disbursements

The village did not always comply with its procurement policy, including the $3,905 purchase of a utility meter made without due notice inviting bids. Also, the Board of Trustees needs to improve its disbursement approval process, as some disbursements are approved only as estimates with no later review of the actual amount paid and at least one disbursement was made without Board approval.

In addition, the village hall renovations were not handled properly. First, the bids were opened before being given to the Board of Trustees, but the sealed bids should have been opened in public to make sure no bidder has an unfair advantage over the others, as required by village policy. Second, the scope of the work changed during the renovation, but a quorum of the Board of Trustees did not approve the changes. The changes added $1,041 to the cost of the renovation, a 24 percent increase in the original price, but there is no indication that the Board of Trustees considered bidding the changes.

The village is not properly charging expenses to its restricted funds, making it difficult to determine if the right tax rates or user fees are being charged. Also, the village does not have a written contract with its certified water operator, although state law requires contracts for political subdivisions to be in writing.

Since September 2010, the village has been maintaining a log of fuel purchases for the village truck, but the fuel purchased is not compared to the miles driven to make sure fuel purchases are reasonable. Moreover, the log should include the purpose of miles driven to document that the truck is being used only for village business.

Water and Sewer System

The 2009 cost analysis suggested sewer rates should be lowered, but the rates being charged are not the rates from this analysis, and the city could provide no documentation to support the rates charged. Also, the village should compare the amount of monies in the customer utility security deposit bank account to the list of utility customers with security deposits to make sure the balances agree.

The village is not consistently applying its shutoff policy for delinquent water and sewer accounts. Although the village's written guidelines state service will be shutoff when a bill is delinquent over 40 days, Trustee Woodworth's account was not shutoff despite being 3 months delinquent. Customers have less incentive to pay their bills if they can receive the service without paying, and when village officials are allowed to receive service without paying for it, the public's confidence in its government could be damaged.

Accounting Procedures	The village does not adequately segregate accounting duties, which increases the risk of theft or misuse of funds. If proper segregation is not possible, the Board of Trustees should conduct timely supervisory reviews. The village also needs to improve its procedures for receipts and deposits. Receipts are not always issued for monies received, and the composition of receipts is not always reconciled to the composition of deposits, so errors might not be prevented or detected. In addition, the village should make sure monies collected are deposited promptly and checks and money orders are marked "for deposit only" as soon as they are received. The village should also establish a separate fund for motor vehicle-related revenues, since state law requires that such revenues be spent only on street-related purposes.
Meetings, Minutes, and Ordinances	The village did not always comply with the Sunshine Law when closing meetings. Open meeting minutes should document the vote to close the meeting and the reason for closing it. Minutes of the closed meeting were not taken and kept, and it appears closed meetings were not limited to the topics allowed by law. The village's ordinances are not up-to-date and well-maintained, and it is difficult to determine whether ordinances have been formally approved and are still in effect.
Budgeting and Financial Reporting	The village is not meeting state law requirements for budgets and financial statements. Budgets are missing required content, and semi-annual financial statements are not posted or published and lack sufficient detail.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)	The Village of Bull Creek did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent:	The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
Good:	The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
Fair:	The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
Poor:	The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Village of Bull Creek
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Management Advisory Report - State Auditor's Findings

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THOMAS A. SCHWEICH
Missouri State Auditor

To the Honorable Chairperson
and
Members of the Board of Trustees
Village of Bull Creek, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Village of Bull Creek. We have audited certain operations of the village in fulfillment of our duties. The village engaged Decker & DeGood, Certified Public Accountants (CPAs), to audit the village's financial statements for the year ended June 30, 2010. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2010. The objectives of our audit were to:

1. Evaluate the village's internal controls over significant management and financial functions.

2. Evaluate the village's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the village, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the village's management and was not subjected to the procedures applied in our audit of the village.

For the areas audited, we identified (1) deficiencies in internal control, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Village of Bull Creek.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Ted Fugitt, CPA

1. Village Disbursements

Improvements are needed with regard to bidding, approving disbursements, and allocating expenses. Village disbursements total approximately $320,000 annually.

1.1 Bidding

Bids were not solicited for some purchases in compliance with village policy. Only two bids were solicited for water well repairs totaling $2,345, although the village procurement policy states that purchases for this amount require at least three bids be solicited and a record of bids be maintained. There was no documentation to explain why only two bids were solicited and received. Also, the purchase of a utility meter for $3,905 was made without due notice inviting bids, as required by the village purchasing policy, and the only documentation that bids were received was a handwritten note listing four bid amounts dated 6 months before the meter was purchased.

To ensure the village has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in village business, the village Board of Trustees should ensure compliance with all applicable provisions of its procurement policy.

1.2 Board approval

Approval of disbursements by the Board of Trustees is not adequate. When the Board of Trustees approves bills to be paid at each regularly scheduled monthly meeting many of the disbursement amounts are estimates. The Board does not subsequently see the actual amounts paid as compared to the estimates. In addition, a disbursement for $809 to the certified water operator was not included on the list of bills to be paid and, therefore, was not approved.

To ensure all disbursements are proper, procedures should be developed to ensure estimates of bills to be paid are reasonable by comparing them to actual amounts paid and ensure all disbursements are included for the Board of Trustees review.

1.3 Village Hall

Disbursements to renovate the village hall were not handled properly. In November 2008, the village advertised for sealed bids to renovate the village hall (a mobile home). A low bid of $4,365 was accepted for the work. Personnel indicated the bids were opened prior to submission to the Board of Trustees, and the low bid, submitted last of the three bids, was $35 less than the next lowest bid. Further, the scope of the work changed while the renovation was in progress and the change was agreed to by the Village Clerk and some of the board members but not formally approved by a quorum of the Board. A payment of $4,863 ($498 more than the bid) was made to the construction company on December 12, 2008, and was not documented as approved by the Board. A payment on February 12, 2009, for additional work totaling $543, was approved by the Board.

The procurement policy of the village requires sealed bids to be opened "in public at the time and place stated in the public notices." This is to ensure that no party has an unfair advantage by being aware of the amount of other bids and all interested parties are given an equal opportunity to participate in village business. Further, if the scope of a project changes substantially, consideration should be given to rebidding those parts of the project. Additionally, to ensure all disbursements are proper, changes made to construction projects and the subsequent payment of construction costs should be formally approved by a quorum of the Village Board with the approval process documented.

1.4 Expense allocations

Expenses are not properly allocated to village funds.

- The salaries of both the Village Clerk and the maintenance employee are paid from the Water and Sewer Fund although each employee performs some duties unrelated to the water and sewer system. The salaries totaled approximately $38,000 during the year ended June 30, 2010.

- A check for $2,558 to the Village Clerk to reimburse for supplies purchased for the village on her personal credit card was paid entirely from the Water and Sewer Fund although some of the expenses were unrelated to the water and sewer system. Additionally, checks to reimburse petty cash totaling approximately $1,000 during the year ended June 30, 2010, were also paid entirely from the Water and Sewer Fund.

The funds of the village are established as separate accounting entities to account for specific activities of the village. Reflecting expenses in the proper fund is necessary to accurately determine the results of operations and/or specific activities; thus, enabling the village to establish the level of taxation and/or user fees necessary to meet operating costs. Documentation should be maintained to support the percentages used for allocating the various expenses.

1.5 Contract with water operator

The village does not have a written contract with its certified water operator and does not receive an invoice to support the monthly payment made to this individual. The village paid this individual a total of $1,750 from October 2010 to February 2011. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing. A written contract, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to provide protection to both parties.

1.6 Vehicle log

Although a log of fuel purchases and mileage is maintained for the village truck, the purpose of miles driven is not recorded in the log and fuel purchases are not regularly compared to mileage readings. Additionally, the village did not maintain a log prior to September 2010.

Detailed mileage logs are necessary to document the appropriate use of the village truck and support fuel charges. The logs should include the date, purpose and destination of each trip, fuel purchases, and the daily beginning and ending odometer readings. To ensure the reasonableness of fuel disbursements, the village should compare miles driven to fuel purchased.

Recommendations

The Village of Bull Creek Board of Trustees:

1.1 Ensure bids are solicited in compliance with all applicable provisions of the village procurement policy.

1.2 Develop procedures to ensure all disbursements are properly approved and compare estimates of bills to actual amounts paid.

1.3 Ensure the village procurement policy regarding sealed bids is followed and significant changes to construction projects are rebid and formally approved by a quorum of the Village Board of Trustees with the approval process documented.

1.4 Ensure all village expenses are allocated to village funds appropriately.

1.5 Obtain a written contract with the certified water operator.

1.6 Include purpose of miles driven on the vehicle log and compare miles driven to fuel purchased.

Auditee's Response

The Village Board of Trustees provided the following responses:

1.1 We have recently initiated an effort to codify the village's ordinances. Bids have been solicited for this process. During this process, we plan to review all ordinances and update them to ensure they meet the needs of the village. This process will include procurement related ordinances.

1.2 This recommendation has been implemented. We are now reviewing all actual disbursements.

1.3 This recommendation has been implemented. We are now handling the opening of sealed bids differently than prior administrations and all disbursements are approved.

1.4 This recommendation has been implemented. We have taken steps to better allocate expenses.

1.5& 1.6 These recommendations have been implemented.

2. Water and Sewer System

The village has not adequately documented support for its water and sewer rates, and customer utility security deposit records are not reconciled to monies on hand. Additionally, the village needs to develop shutoff procedures for delinquent accounts. The village collects approximately $237,000 in water, sewer, and trash fees.

2.1 User rates

The former Village Administrator performed a cost analysis of sewer rates in 2009 in which he proposed a reduction in rates; however, the Board did not change the rates, and could provide no documentation to support the water or sewer rates charged.

Water and sewer fees are user charges which should cover the cost of providing the related services. Section 67.042, RSMo, provides that fees may be increased if supported by a statement of the costs necessary to maintain the funding of the service. Without a cost study to support the rates charged for water and sewer services, it is unclear whether the rates assessed for these services are set at an appropriate level.

2.2 Utility deposits

The list of customer utility security deposits is not accurate, and the village does not periodically reconcile the list with the balance in the utility deposit bank account. As of February 2011, village records showed $34,335 held in refundable customer security deposits while the bank account had a reconciled balance of $35,068. Some amounts applied to final bills were still on the list, and some amounts deposited were not yet posted to the utility system.

To ensure sufficient funds are on hand to cover the liability for customer utility security deposits and to ensure all amounts in the utility deposit account can be identified, the village should reconcile the amount in the customer utility deposit account with the list of deposits monthly.

2.3 Shutoff procedures

The village does not follow a consistent policy regarding shutoff of water and sewer service when accounts are delinquent. The Village Clerk was unable to locate an ordinance governing shutoff procedures but did provide us with a set of written guidelines for shutoffs. However, she indicated shutoffs are handled on a case by case basis. For example, the written guidelines indicate village citizens will be shutoff when their bill has been delinquent over 40 days; however, Trustee Woodworth was 3 months delinquent in water and sewer charges and service was not shutoff.

Allowing customers to receive utility service without paying reduces the incentive to make payments and may result in a loss of revenue to the village. In addition, village officials serve the village in a fiduciary capacity, and the failure to pay their own utility accounts could harm public confidence and reduce their effectiveness. To ensure all utility customers are treated equitably, the Board of Trustees should develop procedures for shutoff of water and sewer service when accounts are delinquent and ensure the policy is applied consistently.

Recommendations

The Village of Bull Creek Board of Trustees:

2.1 Periodically perform and document a cost study of water and sewer services to ensure rates are set at an appropriate level and to support any rate increases.

2.2 Reconcile monthly the balance in the customer utility security deposit account to the record of customer deposits held, and investigate any differences.

2.3 Develop procedures for shutoff of water and sewer service when accounts are delinquent and ensure the policy is applied consistently.

Auditee's Response

The Village Board of Trustees provided the following responses:

2.1 We will prepare a cost analysis for water and sewer rates during our review and approval of next year's budget.

2.2 The amount in the bank account is more than the list of customer deposits; however, the amounts are very close. We believe the difference relates to records maintained by prior clerks. We will transfer the excess to the Water and Sewer Fund and begin to reconcile the deposit account with the list of customer deposits periodically.

2.3 We recently approved updated shutoff procedures. These new procedures are designed to tighten controls and also address the various customer circumstances that occur in our village. These procedures will be applied consistently.

3. Accounting Procedures

Accounting duties are not adequately segregated and numerous weaknesses exist in the handling of village receipts. During the year ended June 30, 2010, the village's audited financial statements reported revenues of approximately $320,000.

3.1 Segregation of duties

The duties of the Village Clerk are not adequately segregated, and the Board of Trustees does not provide adequate supervision or review of the work performed by the Village Clerk. The Village Clerk is responsible for receiving, recording, and depositing monies; preparing utility bills; adjusting and writing off water and sewer charges; performing bank reconciliations; and preparing financial reports.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Since the Village Clerk is the only office employee, proper segregation of duties may not be possible; therefore, a timely supervisory review of the Village Clerk's work should be performed and documented by the Board of Trustees.

3.2 Receipts and deposits

We noted numerous weaknesses in the procedures for handling village receipts and deposits.

- Receipt slips are not issued for some monies received. For example, receipt slips are not always issued for franchise fees. During the year ended June 30, 2010, the village received franchise fees totaling $3,813.

- The composition of receipt slips is not reconciled to the composition of deposits. While all utility security deposits are to be recorded in a separate receipt book, a receipt slip was not issued for a $150 check for a security deposit. If receipt slips were reconciled to amounts deposited, this error may have been identified.

- Utility payments (water, sewer and trash) are not posted to the computerized accounting system and deposited timely. For example, cash payments totaling $181 received on November 10, 2010, were not posted until November 13, 2010, and were not deposited until November 15, 2010. Eight checks totaling $8,828 received November 10, 2010, were not posted and deposited until November 15, 2010.

- Some receipts are not deposited intact. For example, a $20 building permit fee received October 29, 2010, was excluded from a deposit of building permit fees on November 3, 2010, and not deposited until November 5, 2010.

- Checks and money orders are not restrictively endorsed for deposit only immediately upon receipt.

To ensure receipts are accounted for properly, receipt slips should be issued for all monies received, all monies should be posted to the accounting system timely, and the composition of receipts should be reconciled to the composition of deposits. Additionally, checks and money orders should be

restrictively endorsed immediately upon receipt, and all monies should be deposited timely and intact.

3.3 Motor vehicle revenues

The village deposits all state motor vehicle-related revenues into its general checking account and does not separately account for these monies. According to the village audit report for the year ended June 30, 2010, the village received approximately $8,000 in state motor vehicle-related revenues and spent approximately $5,500 in street related disbursements; however, a running balance is not maintained of the accumulated unspent balance of motor vehicle revenues.

Article IV, Section 30, Missouri Constitution, requires motor vehicle-related revenues apportioned by the state of Missouri be expended for street-related purposes, including policing, signing, lighting, and cleaning of roads and streets. The village should establish a separate fund or separate accounting to ensure the motor vehicle-related revenues are spent in accordance with the state constitution.

Recommendations

The Village of Bull Creek Board of Trustees:

3.1 Segregate accounting duties to the extent possible and develop procedures to provide adequate oversight of the accounting functions performed by the Village Clerk.

3.2 Ensure all receipts are posted to the accounting records timely and deposited timely and intact. In addition, the Board of Trustees should ensure the composition of receipts is periodically reconciled to the composition of deposits and checks are restrictively endorsed immediately upon receipt.

3.3 Establish a separate fund or separate accounting to ensure motor vehicle-related revenues are spent in accordance with the state constitution.

Auditee's Response

The Village Board of Trustees provided the following responses:

3.1 This recommendation has been implemented. We are currently seeing more detailed financial information which provides better oversight of the duties of the Village Clerk.

3.2 These recommendations have been implemented. We have initiated new receipting and depositing procedures to address all recommendations.

3.3 We will add a street fund to our accounting records and track these monies separately to ensure they are spent appropriately.

4. Meetings, Minutes, and Ordinances

The village did not always comply with Chapter 610, RSMo (the Sunshine Law), and ordinances of the village are not complete, well organized, and up to date.

4.1 Closed meetings

Numerous closed sessions were held by the Board of Trustees, but the various requirements in the Sunshine Law, regarding closed meetings were not always followed.

- Open meeting minutes did not always document the related vote to close the meeting or the section of law which allowed the meeting to be closed. Also, the village did not document how some items discussed in closed session complied with state law. For example, during closed session, the Board discussed such items as the decision to purchase a time clock for employees, estimated payroll, and setting the pay rate of the maintenance employee.

- Minutes were not taken and retained for several closed sessions and some minutes taken lacked adequate detail regarding discussions held. For example, some closed session minutes stated topics such as personnel, management issues, and maintenance were discussed but provided no further detail as to the specifics of the discussions.

The Sunshine Law, Chapter 610, RSMo, states the specific reasons for the closed meeting shall be voted on at an open meeting and provides public governmental bodies shall not discuss any other business during the closed meeting which differs from the specific reason used to justify such meeting, record, or vote. In addition, the Board should restrict the discussions in closed meetings to specific topics listed in Chapter 610, RSMo. Further, Chapter 610, RSMo requires minutes be taken and retained for all closed sessions.

4.2 Ordinances

Ordinances of the village are not complete, well organized, and up to date. In addition, the village ordinance book includes some proposed ordinances that were never formally approved. There is also an old book of ordinances from when the village had a police department. The Village Clerk said she is not sure whether these ordinances are still in effect. Further, the Village Clerk said some ordinances were mistakenly taken out of the ordinance books in an attempt to organize them and are now missing. Since ordinances represent legislation which has been passed by the Board of Trustees to govern the village and its residents, it is important that village ordinances be maintained in a complete and up-to-date manner.

Recommendations

The Village of Bull Creek Board of Trustees:

4.1 Refrain from discussing items in closed session which should otherwise be discussed during an open session, and ensure open

meeting minutes include the specific reason for closing the meeting and a record of the related votes taken. Additionally, the Board of Trustees should ensure minutes are taken and retained for all closed sessions.

4.2 Maintain a complete updated set of village ordinances in an organized manner.

Auditee's Response

The Village Board of Trustees provided the following responses:

4.1 This recommendation has been implemented.

4.2 As mentioned in our response to finding number 1.1, we are in the process of codifying our ordinances and during that process each ordinance will be reviewed and updated and new ordinances will be approved as needed.

5. Budgeting and Financial Reporting

Budgets were not prepared in the required format and financial statements were not published as required by state law.

5.1 Budgets

The 2010 and 2011 budgets did not include a budget message, budget summary, beginning available resources, reasonable estimates of the ending available resources, or comparisons of actual receipts and disbursements for the 2 preceding fiscal years. Additionally, budgets were not prepared for each fund, instead a combined budget for all funds in total was prepared.

Sections 67.010 through 67.080, RSMo, set specific guidelines as to the format, approval, and amendment of the annual operating budget. A complete and well planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of village operations and provides a means to effectively monitor actual costs and receipts.

5.2 Published financial statements

The village did not post or publish semiannual financial statements for the 6 months ended June 30, 2010. Additionally, the financial statements published for the 6 months ended December 31, 2009, only listed total receipts and disbursements and did not provide any detail.

Section 80.210, RSMo, requires the Board of Trustees prepare and publish semiannual financial statements in a local newspaper, or if there is no local newspaper, to post semiannual financial statements in at least six of the most public places in the village. Additionally, to better inform the citizens, the village should consider reporting more detailed financial information.

The publication of such financial statements is intended to provide complete and accurate information to citizens regarding the financial activity and condition of the village.

Recommendations

The Village of Bull Creek Board of Trustees:

5.1 Prepare annual budgets for each village fund that include all information required by state law.

5.2 Publish or post semiannual financial statements as required by state law and consider including more detailed information regarding the types of receipts and disbursements of the village.

Auditee's Response

The Village Board of Trustees provided the following responses:

5.1 In the coming months we will be reviewing and approving a budget for next year and we will prepare a budget for each fund, and ensure our new budget complies with any applicable state laws then in effect.

5.2 Detailed financial statements will be prepared and published as required by state law beginning with the financial statements for the year ended June 30, 2011.

Village of Bull Creek
Organization and Statistical Information

The Village of Bull Creek is located in Taney County. The village was incorporated in 1993. The village employs two full-time employees.

Village operations include utilities (water and sewer), street maintenance, and maintenance of a village park.

Board of Trustees

The village government consists of a five-member elected board of trustees. The members are elected for 2-year terms. The chairperson is appointed by the board from the members. The Board of Trustees at June 30, 2010 are identified below. There was one vacancy. The Board of Trustees members receive no compensation.

Jody LeMaster, Chairperson
William Woodworth, Vice Chairperson
Dixie Henrichson
Una Fullmer

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The Village of Bull Creek did not receive any federal stimulus monies during the year ended June 30, 2010.

Thomas A. Schweich

Missouri State Auditor

REVENUE

DEPARTMENT OF REVENUE

Administrative Functions

May 2011

Report No. 2011-18

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Revenue, Administrative Functions

Sale of Information	The Department of Revenue (DOR) does not maintain adequate documentation to support the rates charged for the sale of Motor Vehicle and Drivers License (MV/DL) records. The Sunshine Law mandates that the cost charged for these public records not exceed the cost of producing the information, and in May 2010, the Missouri Court of Appeals Western District held that the rate DOR was charging for such records violated the Sunshine Law. Although the DOR provided some documentation, it did not provide any support for most of the expense and equipment charges included in the rate calculation. A similar condition was noted in a previous audit, Report Number 2001-08.
Integrated Motor Vehicle Drivers Licensing System	After spending over $6 million for an integrated motor vehicle drivers licensing system and record sales system to replace the 20 various systems being used, the DOR still does not have fully functioning systems and has not developed a plan for completing the systems since canceling the project almost 2 years ago. The DOR should look at its options (finish the started systems, develop new systems, or continue with the current systems) and determine which one makes the most fiscal sense.
Internal Compliance Bureau	The Internal Compliance Bureau (ICB) conducts internal audits of the DOR, but the current structure does not give the ICB complete independence from the activities it audits. The ICB reports to the Director of the Division of Administration rather than the Director of the Department of Revenue. This could prevent the ICB from giving complete and objective audits, especially when auditing programs or offices in the Division of Administration. The current reporting structure does not meet the Institute of Internal Audit standards.
Policies and Procedures	The DOR has not developed a procedure for municipalities to submit excess revenues from traffic violations to the DOR. Since the mid 1990s, state law has required that excess revenues from traffic violations be submitted to the DOR for distribution to the schools, but the DOR has yet to draft a rule and procedures for implementing this law. In a recent audit of one city municipal court, it was estimated approximately $40,000 to $50,000 in excess monies should have been sent to the DOR for distribution to the schools. The audit also found the DOR paid $25,845 in salaries and other costs related to the Governor's office and the Office of Administration (OA). In fiscal year 2009, the funds went toward one staff member in the Governor's office, but in fiscal year 2010, the funding increased to three members of staff in the Governor's office and two in the OA. It appears these employees were located in, and supervised by, the Governor's office and the OA and performed functions related to those offices. The DOR also paid over $9,500 for 35 flights of the Governor's office, only 4 of which included

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

DOR personnel. These practices circumvent the appropriations process and distort the operating costs of the DOR, the OA and the Governor's office.

The DOR lacks adequate procedures for ensuring that businesses are properly registered with the state. The DOR should match its database with those of the Secretary of State and the Department of Labor and Industrial Relations to ensure that businesses are properly registered and the state is receiving the required fees and taxes.

The DOR also lacks an adequate method for updating related parties information to ensure that no employees hire or supervise a related party. New hires are required to disclose any related employees, but this information is not updated periodically.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The DOR was appropriated federal stimulus funds from the Federal Budget Stabilization - Medicaid Reimbursement Fund and expended $2,578,612 of these funds in FY2010 to purchase license plates and tabs from Missouri Vocational Enterprises and reimburse counties for homestead exemption credits. Federal stimulus funds were also transferred from the Federal Budget Stabilization - Medicaid Reimbursement Fund to the General Revenue Fund to pay income tax refunds ($250,000,000 in 2009 and $305,305,975 in 2010).

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Alana M. Barragán-Scott, Director
Department of Revenue
Jefferson City, Missouri

We have audited certain operations of the Department of Revenue, Administrative Functions, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2010, 2009, and 2008. The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions.

2. Evaluate the department's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures.

The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Revenue, Administrative Functions.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni Crabtree, CPA
In-Charge Auditor:	Katie Twiehaus
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Department of Revenue - Administrative Functions
Management Advisory Report
State Auditor's Findings

1. Sale of Information

The Department of Revenue (DOR) does not maintain complete and detailed documentation to support the rates charged for the sale of Motor Vehicle and Drivers License (MV/DL) records. As a result, the DOR has limited justification for the rates currently charged, or whether the rates are in compliance with Chapter 610, RSMo (Sunshine Law).

The DOR sells certain MV/DL and other information. Since these MV/DL records are public information, rates charged may not exceed the cost of producing the information as provided in the Sunshine Law. The monies collected from these sales are deposited to the Department of Revenue Information Fund. Over $6.3 million was collected and deposited to this fund during the 3 years ended June 30, 2010, with over 98 percent related to the sale of MV/DL records.

For almost 10 years rates charged for MV/DL information remained unchanged. However, on May 1, 2008, the DOR significantly increased MV/DL rates to help pay for the development of a new integrated vehicle and drivers license system and records sales system. (See MAR finding number 2.) From June 2008 through May 2009, the MV/DL rates were revised several times due to lawsuits and court rulings that the bulk rate charged by the DOR was not in compliance with the Sunshine Law. (See Appendix E for a timeline of various rate changes.) Finally, in May 2010, the Missouri Court of Appeals Western District ruled in *R.L. Polk & Co. v. Missouri Dept. of Rev. 309 S.W.3d 881 (Mo.App. W.D. 2010)* that the bulk rate for MV/DL records set at 3.82 cents per record on December 1, 2008, violated the Sunshine Law, and required the DOR to either charge the rate in effect prior to May 1, 2008, or charge a rate that complied with the Sunshine Law. As a result, the current bulk MV/DL rate has been set at the rate in effect prior to May 2008, and the DOR has not developed new rates for providing the MV/DL information based on current costs.

Although officials told us the DOR developed new batch and individual rates for MV/DL records based on current costs, the DOR has limited documentation for these calculations. Some costs included in the calculations were not supported by complete and detailed documentation.

To ensure justification and reasonableness of the rates charged for the sale of records and compliance with the Sunshine Law, the DOR should periodically review and evaluate MV/DL rates and the current cost of providing this information, and ensure adequate supporting documentation is prepared and retained to support the rate calculations.

A similar condition was noted in a previous audit, Report No. 2001-08, *Department of Revenue, Division of Administration,* issued in February 2001.

Recommendation

The DOR develop a methodology to determine the appropriate rate to charge for the sale of MV/DL information. In addition, adequate documentation to support the rates should be maintained, and the rates should be periodically reviewed for adequacy.

Auditee's Response

Agree in part. As addressed in more detail below, the Department already has a methodology in place to set charges for records; already maintains adequate documentation to support the charges; and has recently reviewed the charges. The Department agrees that charges should be regularly reviewed for adequacy.

The amount the Department charges for a copy of a record depends on the type of record. To set a charge, the Department has since at least 2005 examined staff pay, expenses and equipment involved in providing records. The Department provided detailed documentation to support the current charges for the individual paper record fee and electronic batch record fee, set in 2008 and 2009, respectively, and maintains similar documentation for charges for other types of records.

The Department set charges differently in one instance in 2007, when it determined to charge $7 per record (beginning in the spring of 2008) in connection with the decision to fund the purchase of a new motor vehicle and driver licensing system. The $7 charge applied to copies of any motor vehicle or driver record, including bulk electronic copies of records. The methodology and charge were successfully challenged in court. During the litigation, the Department was ordered to re-impose the charges it had in place prior to May 1, 2008 for bulk electronic records ($.0043 per electronic record for the first 50,000 records, and $.0003 per electronic record for every record over 50,000) or to establish a new charge using the criteria in Section 610.026.1(2), RSMo. The Department attempted to establish a new charge for the electronic bulk records under Section 610.026.1(2), RSMo. It reviewed staff pay, expenses and equipment involved in providing records and set a revised charge of $.0382 per electronic record, which was again successfully challenged in the same court case as excessive. In accordance with the orders and judgment, the Department re-imposed the charges for bulk electronic records that it had in place prior to May 1, 2008, and the court has held that this charge complied with Chapter 610.

The Department agrees that charges for copies of records should be regularly reviewed for adequacy and plans to do so every 3 years or more frequently when appropriate.

Auditor's Comment

The supporting documentation supplied to the State Auditor's office by the DOR for the batch and individual rates for the MV/DL records was not sufficient. There was no documentation to support most of the expense and

equipment charges included in the rate calculations. For example, the DOR furnished no supporting documentation for the information technology expenses (including computers, state data center charges, maintenance, and programming), totaling over $19.5 million, for the individual rate calculation.

2. Integrated Motor Vehicle Drivers Licensing System

Nearly 2 years after canceling the development and implementation of an integrated motor vehicle drivers licensing system and record sales system, the DOR has still not developed a plan regarding the completion of these systems. Cost estimates and funding mechanisms have not been established for use in determining whether to 1) complete the systems, either by internal or external parties, 2) develop an entirely new integrated system, or 3) continue operations with the current system. Additionally, it appears the DOR did not develop adequate plans to fund the development and implementation of these new systems. The DOR will still need to spend a significant amount if the current MV/DL system is upgraded or replaced.

The DOR spent a significant amount on the new integrated/record sales systems; however, these systems were not completed as planned, and limited functionality of the integrated system is currently utilized. During fiscal years 2009 and 2008, the DOR paid over $6 million for the development of the new systems. Approximately 90 percent of the development costs were paid from the General Revenue Fund and 10 percent from the Motor Vehicle Commission Fund. An additional $204,000 for project management was paid from the State Highways and Transportation Department Fund.

To replace the 20 various MV/DL systems being used, the DOR contracted with a company (the contractor) in October 2007 to develop/install an integrated motor vehicle drivers licensing system and record sales system. The integrated system included: 1) planning, 2) infrastructure, 3) customer management, 4) cash management and finance, 5) vehicle management, 6) dealer management, 7) driver services, and 8) work management.

The systems were scheduled to be completed in early 2009, with the maintenance portion of the contract extending to June 2012. The estimated cost of the development and implementation was almost $26 million, with additional maintenance costs of almost $9 million for the period 2009 to 2017. The contract also required the DOR to pay the contractor $1 for every record sale related to the utilization of the records sales system. The total payment for records sales was estimated to be $13 million over the 10 years, from 2007 to 2017. The DOR planned to increase its rates for the sale of MV/DL records to pay some of the project costs; however, this funding did not materialize. (See MAR finding number 1.) Additionally, the DOR contracted with a second firm to serve as the project manager for the project. Although the Office of Administration (OA), Information

Technology Services Division (ITSD) had oversight of the project and approved vendor payments, DOR personnel had final approval/authorization of vendor payments.

From reviews of weekly status reports prepared by the contractor, it appears there were delays in the design and development of the systems, and the contractor was late on project deliverables. For example, the scheduled timeframe required system development to be completed by January 2009; however, at that time, the driver services and vehicle management segments had an estimated completion date of January 2010 and March 2010, respectively. According to DOR personnel, a former Director of Revenue did not believe the project manager's oversight was sufficient, and the project manager was not doing enough to speed up the project progress. Thus, in March 2008, the DOR canceled the project manager's contract, and a DOR employee began serving as the project manager.

In January 2009, a new Director of Revenue was appointed, and the project was stopped in February 2009. This cancellation appears to have been due to the contractor's bankruptcy and DOR project funding issues. When the project was cancelled, the record sales system was completed, but not implemented, and three parts of the integrated system were not completed (vehicle management, driver services, and work management). The other parts of the integrated system were completed and interfaced with the current systems.

To help ensure system development projects are efficiently completed, the project scope and responsibilities should be clearly defined and communicated, and actively managed/monitored to ensure the project contains the required functionality, anticipated completion dates are met, and cost overruns kept to a minimum. In addition, funding sources should be clearly defined and adequate.

Recommendation

The DOR decide how to handle the uncompleted MV/DL systems. To ensure the most effective use of limited resources, the DOR should develop various options regarding 1) completing the systems, 2) developing new systems, or 3) continuing operations with the current systems and/or upgrading the current systems. In addition, costs estimates and funding mechanisms for each option should be prepared.

Auditee's Response

As explained in more detail below, when the funding mechanism for the 2007 contract to install an integrated motor vehicle and driver licensing system was struck down in litigation, the Department began examining other options for completing the project, obtaining a new system, or upgrading the current systems, including applying for grant monies. The Department is mindful of current fiscal constraints and continues to explore feasible funding options. It is also important to note that all of the

infrastructure and programs the contractor was able to install during the short life of the contract are presently being used by the Department to perform its functions and provide services.

In 2007, a state contract was awarded to install an integrated motor vehicle and driver licensing system for the Department. Most of the funding for the contract was planned to be provided by increasing the amount the Department charged for copies of records to $7 per record, including electronic copies of records provided in bulk, and an appropriation was made. As noted in the preceding response, that increased charge was successfully challenged in litigation, and the Department stopped charging the $7 per record. As a result, the amount of charges for records was insufficient to pay for the project. Also, the contractor declared bankruptcy in 2009. While some of the contracts were assumed by another company, that company did not choose to continue to perform the Missouri contract.

Given the existing systems' age and overall limitations, the Department continues to look for ways to complete the project, obtain a different system, or upgrade the existing systems. The Department investigated several alternatives and developed cost estimates for each, but the cost of funding any such alternatives was, and remains prohibitive. Also, in 2009, the Department applied for a federal grant to fund the project, but the application was unsuccessful. The Department has also been exploring with OA-IT how completion of the project, installation of a new system, or upgrade of existing systems could be accomplished by OA-IT, and what funding resources would be necessary. The Department will continue to update existing, and perform additional, cost benefit analyses.

3. Internal Compliance Bureau

The DOR internal audit section, Internal Compliance Bureau (ICB), is not fully independent of the activities it audits.

Under the current organization structure, the ICB does not report directly to the Director of Revenue, but instead is organizationally under and reports to the DOR, Division of the Administration Director. Virtually all DOR financial transactions flow through or are reported to this division. The Director of Revenue does review/approve the ICB annual department-wide risk assessment and audit plan. Currently, the ICB supervisory position is vacant, and the bureau has four staff members.

The Institute of Internal Auditors standards provide that internal audit activity is to be independent and should "report to a level within the organization that allows the internal audit activity to fulfill its responsibilities." In addition, impairments to organizational independence results when an audit function is organizationally located within the reporting line of areas under audit. To ensure complete and objective audit coverage, the internal audit function must be independent of the activities it

audits, through both departmental status and objective performance of its audits.

Internal audits can be a valuable management tool by identifying ineffective or inefficient operations and ensuring that established policies and procedures are followed. Direct communication with the Director of Revenue would help ensure independence and provide a means whereby top management can be kept abreast of current operations and activities.

Recommendation

The DOR require the ICB to report directly to the Director of Revenue.

Auditee's Response

The Internal Compliance Bureau Administrator position reported directly to the Director of Revenue on a monthly basis, about internal audit activity, and more often as appropriate. The administrator position is currently vacant due to the retirement of the last administrator and funding shortfalls sustained by the Division in the FY11 budget. The internal audit staff is presently reporting audit activity directly to the Director of the Division of Administration, who directly reports to the Director of Revenue. Oversight of any internal audit activity concerning the Administration Division is planned to be performed by an independent administrator, who will report directly to the Director of Revenue. The Department agrees that internal audit activity should be independent of the activities it audits and report to a level within the organization that allows the internal audit activity to fulfill its responsibilities, and believes the current operating structure satisfies these criteria.

4. Policies and Procedures

The DOR needs to improve various policies and procedures.

4.1 Collection of excess revenues from municipalities

The DOR has not developed a procedure, as required by state law, for municipalities (cities, towns, and villages) to remit to the DOR excess revenues related to fines and court costs for traffic violations on state or federal highways. As a result, the DOR has less assurance excess revenues have been properly remitted.

Section 302.341.2, RSMo, requires municipalities deriving more than 35 percent of their annual general operating revenue from fines and court costs for traffic violations occurring on a state or federal highway to remit the excess revenue to the DOR to be distributed to schools of the county. This section also provides that the DOR should establish, by rule, a procedure regarding sending the excess revenues to the DOR.

When this law was established in the mid 1990s, the DOR established a bank account for these excess funds; however, the DOR did not establish procedures for municipalities to follow for remitting the excess revenues to

the DOR. According to DOR personnel, as of July 2010, no municipality has remitted funds under this statute. Report No. 2010-108, *Seventh Judicial Circuit, City of Randolph, Municipal Division*, issued in September 2010, estimated, during the year ended December 31, 2009, the city should have remitted excess monies of between $39,575 and $53,878.

DOR personnel told us the DOR is currently establishing a rule to address this issue.

4.2 Costs of other agencies

During the 2 years ended June 30, 2010, the DOR paid salaries and other costs totaling $25,845 related to operations of the Governor's office and the OA, thus circumventing the appropriation process established by the General Assembly, and distorting the actual costs of operating the DOR, the OA, and the Governor's office.

Beginning in February 2009, the OA has notified the DOR of the amounts charged to DOR appropriations for a portion of the salaries of staff in these offices. In fiscal year 2009, this funding related to one staff in the Governor's office and, in fiscal year 2010, the funding increased to three staff in the Governor's office and two staff in the OA. It appears these employees were physically located in and supervised by the Governor's office and the OA, and performed duties attendant to the programs and functions of those offices. If these employees were performing work benefiting the Governor's office or OA, it appears their salaries should be paid from appropriations of that respective office.

In addition, the DOR paid over $9,500 for 35 flights of the Governor's office. The flights typically included the Governor, members of his staff, and his security. Only four of these flights included DOR personnel. It does not appear appropriate for state agencies to bear the cost of flights that provide no clear benefit to the applicable agencies.

4.3 Registering businesses

The DOR does not have adequate procedures in place to ensure businesses are properly registered with the state, and as a result, is unable to inform other state agencies when a business is not registered with other applicable agencies. Significant agencies businesses should be registered with include the DOR, the Secretary of State (SOS), and the Department of Labor and Industrial Relations (DLIR), Division of Employment Security.

Except for certain instances, various state laws require businesses to register with and pay appropriate fees and/or taxes to the SOS, the DOR, and the DLIR. In addition, a business needs to be properly registered with these agencies to furnish goods and services to the state. According to DOR personnel, the DOR periodically matches its information with DLIR information to identify businesses registered with the DLIR and not the DOR. However, the DOR does not share the results of this match with other

state agencies, and does not match its database of registered businesses with the databases maintained by the SOS. Additionally, when a business indicates on the DOR application it is not required to register with the SOS, the DOR does not verify the accuracy of this statement. According to DOR personnel, the DOR has evaluated matching its database with the SOS; however, DOR data is not compatible with SOS data.

To ensure businesses are properly registered with the state and the state receives various fees and taxes mandated by state law, the DOR should match its databases with the data maintained by the SOS and DLIR, and share the results of the matches with other applicable state agencies.

4.4 Related parties

The DOR has not established an adequate method to identify related employees.

Although the DOR nepotism policy provides a related party cannot hire or supervise a related party, the DOR does not maintain a list of related employees. Upon employment, new employees identify all current DOR employees they are related to, and these relationships are considered in hiring and promoting employees. However, the DOR has not established procedures for updating related party information periodically. The absence of data on related employees weaken internal controls and may result in conflicting situations. The DOR should monitor related party situations.

Recommendations

The DOR:

4.1 Establish a rule, as required by state law, for the collection of excess revenues related to fines and court costs for traffic violations on state or federal highways.

4.2 Work with the Governor's office and the OA to discontinue the practice of using DOR appropriations to pay operating costs of other state agencies.

4.3 Establish procedures to periodically match its business entity database with SOS and DLIR databases to identify entities that are not properly registered and paying appropriate fees/taxes. In this regard, the DOR, in conjunction with the SOS and the DLIR, should consider establishing a comprehensive database of businesses registered with the state.

4.4 Establish procedures to update related party information, verify information with each employee periodically, and ensure individuals are not working in conflicting employment capacities.

Auditee's Response

4.1 A rule was already promulgated and it will become effective on March 30, 2011.

The Department initiated the rulemaking process when the proposed rule was filed with the Secretary of State on September 27, 2010. A notice of proposed rulemaking was published in the Missouri Register on November 1, 2010. The final rule, 12 CSR 10-44.100, "Excess Traffic Violation Revenue", was published in the Code of State Regulations on February 28, 2011, and, as noted, becomes effective on March 30, 2011.

The Department also notes that after the State Auditor's audit staff obtained information from the Department about collection of excess revenues from municipalities related to fines and court costs for traffic violations on state or federal highways, the Department in February 2011 received a remittance from a municipality.

4.2 Disagree. The Office of Administration, Division of Budget and Planning determines the allocation of salary and other expenses incurred by the Governor's Office for providing services to state departments. The Division of Budget and Planning informs the Department of the department's share of these expenses. The expenses are properly allocated to the Department.

4.3 These processes are already in place or in development.

The Secretary of State does not presently store business registration data in a form that can be electronically matched with department data. The Department understands that the Secretary of State expects to complete replacement of its current system by the end of calendar year 2011, which will permit data matching, and at that time the Department will initiate the process.

The Department matches information from the Department of Labor and Industrial Relations on a periodic basis. Businesses registered with Labor but not registered with the Department are contacted and brought into compliance, including registration. Using Labor's information, the Department has collected $34.5 million in unpaid taxes over the last five years.

The Department agrees that development of a comprehensive database of businesses registered with the state should be considered. A roadblock to the department's participation in such a database is the existence of extensive federal tax information in the department's antiquated legacy tax systems that cannot be segregated from other information. The registration information the

Department maintains is updated and sometimes created based on the information in those systems. But the Department is prohibited by the Internal Revenue Service (IRS) from sharing federal tax information with other state agencies or statewide offices, including Labor and the Secretary of State. Because the Department cannot segregate the federal information, the Department cannot share business registration data with Labor and the Secretary of State. If the Department were to share federal information, the IRS would prohibit the Department from participating in programs that assist the state in collecting tax delinquencies, including the federal audit and federal match programs which recovered $30.6 million for the state in calendar year 2010. The Governor's FY2012 budget included a request to accomplish replacement of the department's legacy tax systems, through a benefits-based funding model. Modern systems available in the marketplace today facilitate clear identification and segregation of federal tax information.

4.4 *Agree. The Department follows its anti-nepotism policy but agrees that having a formal method in place to track changes in data about related employees is appropriate. The Department has updated its Employee Information form and Change of Personal Information form to capture information about related personnel when an employee is hired or whose personal information changes. The Department began collecting this data on Monday, March 7, 2011 and will maintain it in the Reports Database for tracking. This information will also be added to the annual verification form that the department employees review each October, to ensure information is kept up-to-date. The Department will review the data each month to verify that no conflicts of interest exist in the reporting structure, as provided in its Administrative Policy 1.04 (Nepotism).*

Auditor's Comment

4.3 We did not recommend the DOR share federal tax information with other state agencies. However, we see no reason why the DOR cannot implement the recommendation without disclosing confidential tax information.

Department of Revenue - Administrative Functions
Organization and Statistical Information

The Department of Revenue (DOR) was created by Article IV, Section 12 of the Missouri Constitution as the central collection agency for state revenues. DOR responsibilities include:

1) Administering and collecting state taxes and fees
2) Collecting certain taxes and fees for local governments
3) Titling and licensing motor vehicles, trailers, and boats, and
4) Licensing motor vehicle operators

The Director of Revenue is appointed by the Governor, with the advice and consent of the Senate, and is responsible for all operations and polices of the DOR. The Directors of Revenue from July 2007 to June 2010 include:

Patricia Vincent, January 2005 to November 2007
Omar D. Davis, December 2007 to January 2009
Karen King Mitchell. January 2009 to July 2009
Alana M. Barragán-Scott (Acting) July 2009 - present (officially appointed Director in October 2009)

The Department of Revenue consists of four divisions and the director's office.

Motor Vehicle and Driver Licensing Division: This division consists of three bureaus. 1) The Motor Vehicle Bureau issues titles and registers motor vehicles, trailers, all-terrain vehicles, manufactured homes, and marine craft. In addition, the bureau issues registration certificates to motor vehicle and salvage dealers and leasing companies. 2) The Driver License Bureau issues, renews, suspends, revokes, and reinstates driver and nondriver licenses and driving permits. The bureau also processes and maintains records regarding license issuance, traffic violation point assessments, and failure to appear in court for traffic violations, and the administrative alcohol and abuse laws for alcohol/drug offenders. 3) The License Offices Bureau manages the operations of the contract license offices throughout the state. These local offices provide driver licensing and motor vehicle services.

Taxation Division: This division consists of four bureaus. 1) The Business Tax Bureau administers sales and use, financial institutions, insurance premiums, franchise, excise, cigarette and other tobacco products, motor fuel, corporate income, withholding, and county taxes and fees. 2) The Personal Tax bureau administers individual income, partnership, fiduciary, and estate taxes, plus the property tax credit and homestead preservation credit. 3) The Collections and Tax Assistance Bureau provides tax assistance to individuals and businesses and handles unpaid tax liabilities. 4) The Field Compliance Bureau audits businesses both in-state and out-state to ensure compliance with the state's tax laws.

Administration Division: This division consists of three bureaus. 1) Personnel Services Bureau is responsible for the DOR personnel matters, policies and procedures, training, and written communications. 2) The Financial and General Services Bureau is responsible for accounting, procurement, bank, and general services such as telecommunications, safety issues, and maintenance. 3) The Internal Compliance Bureau reviews and evaluates the DOR administrative, operations, and internal accounting controls.

Legal Services Division: This division ensures the DOR compliance with law and internal policies. The General Counsel's Office advises the director and divisions on legal matters and represents the DOR in court. The Criminal Investigation Bureau investigates and develops information for local prosecution of individuals and businesses suspected of violating the law the DOR administers.

Director's Office: This office includes the Director, deputy director and key administrative staff. The Public Information Office develops and maintains media and public relations. The Legislative Office serves as the DOR liaison to the General Assembly. This office also develops fiscal and revenue estimates on proposed legislation.

The DOR Information Technology (IT) unit is included in the Office of Administration, Division of Technology Services (ITSD). Appropriations for the IT unit are included in the ITSD's budget, and the ITSD has final approval of all IT expenditures.

At June 30, 2010, the DOR had 1,117 full-time and 5 part-time employees.

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

During the year ended June 30, 2010, the DOR spent American Recovery and Reinvestment Act (ARRA) of 2009 monies totaling $2,578,612 to 1) purchase license plates and tabs from Missouri Vocational Enterprises and 2) reimburse counties for homestead exemption credits issued pursuant to Section 137.106, RSMo. These monies were appropriated to the DOR from the Federal Budget Stabilization - Medicaid Reimbursement Fund. (See Appendix B-1.) Additionally, for the years ended June 30, 2010 and 2009, ARRA monies were also transferred from the Federal Budget Stabilization - Medicaid Reimbursement Fund to the General Revenue Fund for the payment of income tax refunds, totaling $305,305,975 and $250,000,000, respectively.

Appendix A-1

Department of Revenue
Combined Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Changes in Cash and Investments
Year Ended June 30, 2010

	Department of Revenue Fund	Motor Vehicle Commission Fund	Department of Revenue Information Fund	Department of Revenue Specialty Plate Fund	Total
RECEIPTS					
Federal grants	$ 3,592,850	0	0	0	3,592,850
License fees	0	892,228	0	0	892,228
Program administration fees	0	46,910	0	0	46,910
Copy fees	0	0	11,244	0	11,244
Other fees	0	0	0	10,000	10,000
Information sales	0	0	1,402,488	0	1,402,488
Sales tax	0	0	36	0	36
Rebates	369	0	0	0	369
Miscellaneous	1,114	0	70	0	1,184
Total Receipts	3,594,333	939,138	1,413,838	10,000	5,957,309
DISBURSEMENTS					
Personal service	121,335	700,169	288,235	0	1,109,739
Employee fringe benefits	53,033	349,599	156,274	0	558,906
Expense and equipment	3,209,109	29,205	309,829	0	3,548,143
Postage	0	44,029	199,611	0	243,640
Refunds	0	2	0	0	2
Cost allocation plan	0	9,458	8,626	0	18,084
Total Disbursements	3,383,477	1,132,462	962,575	0	5,478,514
RECEIPTS OVER (UNDER) DISBURSEMENTS	210,856	(193,324)	451,263	10,000	478,795
OTHER FINANCING SOURCES (USES)					
Appropriations Exercised by Other Agencies	0	(130,997)	(553,279)	0	(684,276)
Transfers to State Highways and Transportation Department Fund	0	0	0	(10,676)	(10,676)
Total Financing Sources (Uses)	0	(130,997)	(553,279)	(10,676)	(694,952)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	210,856	(324,321)	(102,016)	(676)	(216,157)
CASH AND INVESTMENTS, JULY 1	1,832,165	610,794	975,322	10,679	3,428,960
CASH AND INVESTMENTS, JUNE 30	$ 2,043,021	286,473	873,306	10,003	3,212,803

Appendix A-2

Department of Revenue
Combined Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Changes in Cash and Investments
Year Ended June 30, 2009

	Department of Revenue Fund	Motor Vehicle Commission Fund	Department of Revenue Information Fund	Department of Revenue Specialty Plate Fund	Total
RECEIPTS					
Federal grants	$ 3,936,732	0	0	0	3,936,732
License fees	0	920,472	0	0	920,472
Program administration fees	0	46,655	0	0	46,655
Copy fees	0	0	835	0	835
Other fees	0	0	0	15,026	15,026
Interest	0	1	106	1	108
Information sales	0	0	3,058,849	0	3,058,849
Sales tax	0	0	54	0	54
Vendor refunds	825	0	0	0	825
Rebates	28	6	0	0	34
Miscellaneous	2,261	0	0	0	2,261
Total Receipts	3,939,846	967,134	3,059,844	15,027	7,981,851
DISBURSEMENTS					
Personal service	33,932	701,415	265,901	1,040	1,002,288
Employee fringe benefits	15,475	312,805	134,814	529	463,623
Expense and equipment	3,640,814	368,296	314,310	2,780	4,326,200
Postage	0	42,527	192,802	0	235,329
Refunds	0	923	0	0	923
Cost allocation plan	0	8,082	8,890	0	16,972
Total Disbursements	3,690,221	1,434,048	916,717	4,349	6,045,335
RECEIPTS OVER (UNDER) DISBURSEMENTS	249,625	(466,914)	2,143,127	10,678	1,936,516
OTHER FINANCING SOURCES (USES)					
Appropriations Exercised by Other Agencies	0	(134,729)	(4,354,582)	0	(4,489,311)
Transfers to State Highways and Transportation Department Fund	0	0	0	(4,860)	(4,860)
Total Financing Sources (Uses)	0	(134,729)	(4,354,582)	(4,860)	(4,494,171)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	249,625	(601,643)	(2,211,455)	5,818	(2,557,655)
CASH AND INVESTMENTS, JULY 1	1,582,540	1,212,437	3,186,777	4,861	5,986,615
CASH AND INVESTMENTS, JUNE 30	$ 1,832,165	610,794	975,322	10,679	3,428,960

Appendix A-3

Department of Revenue
Combined Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Changes in Cash and Investments
Year Ended June 30, 2008

	Department of Revenue Fund	Motor Vehicle Commission Fund	Department of Revenue Information Fund	Department of Revenue Specialty Plate Fund	Total
RECEIPTS					
Federal grants	$ 4,867,935	0	0	0	4,867,935
License fees	0	977,540	0	0	977,540
Program administration fees	0	47,643	0	0	47,643
Copy fees	0	0	954	0	954
Other fees	0	0	0	19,850	19,850
Interest	0	437	480	11	928
Information sales	0	0	1,931,363	0	1,931,363
Sales tax	0	0	19,114	0	19,114
Miscellaneous	2,500	0	0	0	2,500
Total Receipts	4,870,435	1,025,620	1,951,911	19,861	7,867,827
DISBURSEMENTS					
Personal service	29,314	706,024	281,444	0	1,016,782
Employee fringe benefits	13,510	319,074	145,126	0	477,710
Expense and equipment	4,051,169	347,599	207,548	0	4,606,316
Postage	0	42,527	192,802	0	235,329
Refunds	0	3,110	0	15,000	18,110
Cost allocation plan	0	6,574	7,849	0	14,423
Total Disbursements	4,093,993	1,424,908	834,769	15,000	6,368,670
RECEIPTS OVER (UNDER) DISBURSEMENTS	776,442	(399,288)	1,117,142	4,861	1,499,157
OTHER FINANCING SOURCES (USES)					
Appropriations Exercised by Other Agencies	0	(131,347)	(314,177)	0	(445,524)
Transfers to State Highways and Transportation Department Fund	0	0	0	(25,580)	(25,580)
Total Financing Sources (Uses)	0	(131,347)	(314,177)	(25,580)	(471,104)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	776,442	(530,635)	802,965	(20,719)	1,028,053
CASH AND INVESTMENTS, JULY 1	806,098	1,743,072	2,383,812	25,580	4,958,562
CASH AND INVESTMENTS, JUNE 30	$ 1,582,540	1,212,437	3,186,777	4,861	5,986,615

Appendix B-1

Missouri Department of Revenue
Comparative Statement of Appropriations and Expenditures
Year Ended June 30, 2010

	Appropriation	Expenditures	Lapsed Balances
GENERAL REVENUE FUND			
Postage	$ 2,464,160	2,360,768	103,392
Payment of fees to counties as a result of delinquent collections made by circuit attorneys or prosecuting attorneys and payment of collection agency fees	2,430,625	2,415,473	15,152
Refunds	1,472,000,000	1,468,754,504	3,245,496
Customer services taxation - Personal Service	12,186,882	11,710,292	476,590
Customer services taxation - Expense and Equipment	1,716,063	1,483,473	232,590
Customer services taxation Multistate Tax Commission dues - Expense and Equipment	163,001	149,961	13,040
Customer services motor vehicle and driver's license - Personal	284,094	193,665	90,429
Customer services motor vehicle and driver's license - Expense and Equipment	212,984	201,410	11,574
Legal services - Personal Service	1,839,757	1,690,772	148,985
Legal services - Expense and Equipment	173,806	161,205	12,601
Fiscal services - Personal Service	8,564,225	7,853,158	711,067
Fiscal services - Expense and Equipment	884,763	580,190	304,573
Highway collection customer services taxation - Personal Service	642,526	519,545	122,981
Highway collection customer services motor vehicle and driver's license - Personal Service	6,069,404	5,205,246	864,158
Highway collection customer services motor vehicle and driver's license - Expense and Equipment	2,717,820	2,288,807	429,013
Highway collection legal services - Personal Service	1,001,719	922,377	79,342
Highway collection fiscal services - Personal Service	920,509	866,620	53,889
Highway collection postage	976,387	928,348	48,039
Distribution to offset property taxes for homestead preservation			
Payment of real property, related services, utilities, systems furniture, structural modification, and related expenses - Expense and	684,381	684,381	0
Apportionments to offset credits taken against the county stock insurance tax	1,294,984	1,294,983	1
Distribution to Veterans of Foreign Wars Department of Missouri of all emblem use fee contributions	1,000	100	900
Payment of real property leases, related services, utilities, systems furniture, structural modification, and related expenses - Expense and Equipment	747,302	692,689	54,613
Payment of fees to counties for the filing of lien notices and lien releases	225,000	225,000	0
Payment of local sales tax delinquencies set off by tax credits	400,000	259,589	140,411
Total General Revenue Fund	1,518,601,392	1,511,442,556	7,158,836
FACILITIES MAINTENANCE RESERVE FUND			
Payment of real property, related services, utilities, systems furniture, structural modification, and related expenses - Expense and	1,557,251	1,557,251	0
Total Facilities Maintenance Reserve Fund	1,557,251	1,557,251	0

Appendix B-1

Missouri Department of Revenue
Comparative Statement of Appropriations and Expenditures
Year Ended June 30, 2010

	Appropriation	Expenditures	Lapsed Balances
DEPARTMENT OF REVENUE FUND			
Customer services motor vehicle and driver's license - Personal	199,141	34,119	165,022
Customer services motor vehicle and driver's license - Expense and Equipment	379,816	21,599	358,217
Legal services - Expense and Equipment	70,000	68,241	1,759
Fiscal services - Personal Service	50,758	25,625	25,133
Fiscal services - Expense and Equipment	5,970,006	3,119,269	2,850,737
Legal services - Personal Service	163,030	61,591	101,439
Total Department Of Revenue Fund	6,832,751	3,330,444	3,502,307
CHILD SUPPORT ENFORCEMENT COLLECTION FUND			
Fiscal services - Personal Service	24,372	17,316	7,056
Fiscal services - Expense and Equipment	2,599,841	1,802,909	796,932
Total Child Support Enforcement Collection Fund	2,624,213	1,820,225	803,988
HEALTH INITIATIVES FUND			
Postage	5,373	5,212	161
Tobacco tax refunds	25,000	19,993	5,007
Customer services taxation - Personal Service	49,332	47,175	2,157
Customer services taxation - Expense and Equipment	4,382	1,765	2,617
Total Health Initiatives Fund	84,087	74,145	9,942
SCHOOL BUILDING REVOLVING FUND			
Refunds for overpayment or erroneous payment of any tax or any payment credited to Federal and Other Funds	8,029	8,029	0
Total School Building Revolving Fund	8,029	8,029	0
GAMING PROCEEDS FOR EDUCATION FUND			
Refunds for overpayment or erroneous payment of any tax or any payment credited to Federal and Other Funds	5,000	0	5,000
Total Gaming Proceeds For Education Fund	5,000	0	5,000
GAMING COMMISSION FUND			
Refunds for overpayment or erroneous payment of any tax or any payment credited to Federal and Other Funds	5,000	0	5,000
Total Gaming Commission Fund	5,000	0	5,000
ELDERLY HOME-DELIVER MEALS TRUST FUND			
Customer services taxation - Personal Service	12,582	11,788	794
Total Elderly Home-Deliver Meals Trust Fund	12,582	11,788	794

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Missouri Department of Revenue
Comparative Statement of Appropriations and Expenditures
Year Ended June 30, 2010

	Appropriation	Expenditures	Lapsed Balances
SOLID WASTE MANAGEMENT-SCRAP TIRE FUND			
Refunds for overpayment or erroneous payment of any tax or any payment credited to Federal and Other Funds	15,000	673	14,327
Total Solid Waste Management-Scrap Tire Fund	15,000	673	14,327
PETROLEUM STORAGE TANK INSURANCE FUND			
Customer services taxation - Personal Service	26,527	24,486	2,041
Customer services taxation - Expense and Equipment	1,127	0	1,127
Total Petroleum Storage Tank Insurance Fund	27,654	24,486	3,168
MOTOR VEHICLE COMMISSION FUND			
Customer services motor vehicle and driver's license - Personal Service	274,374	274,255	119
Customer services motor vehicle and driver's license - Expense and Equipment	344,604	27,410	317,194
Legal services - Personal Service	455,981	425,914	30,067
Legal services - Expense and Equipment	36,077	1,795	34,282
Postage	44,029	44,029	0
Refunds for overpayment or erroneous payment of any tax or any payment credited to Federal and Other Funds	5,000	2	4,998
Total Motor Vehicle Commission Fund	1,160,065	773,405	386,660
CONSERVATION COMMISSION FUND			
Customer services taxation - Personal Service	539,472	527,390	12,082
Customer services taxation - Expense and Equipment	16,344	15,524	820
Postage	1,343	1,343	0
Total Conservation Commission Fund	557,159	544,257	12,902
STATE SCHOOL MONEYS FUND			
Tobacco tax refunds	25,000	0	25,000
Total State School Moneys Fund	25,000	0	25,000
DEPARTMENT OF REVENUE INFORMATION FUND			
Postage	199,611	199,611	0
Customer services motor vehicle and driver's license - Personal Service	289,915	288,235	1,680
Customer services motor vehicle and driver's license - Expense and Equipment	199,914	195,436	4,478
Fiscal services - Expense and Equipment	114,433	114,393	40
Fiscal services	5,000	0	5,000
Total Department Of Revenue Information Fund	808,873	797,675	11,198
BLIND PENSION FUND			
Refunds for overpayment or erroneous payment of any tax or any payment credited to Federal and Other Funds	4,470	4,469	1
Total Blind Pension Fund	4,470	4,469	1

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Missouri Department of Revenue
Comparative Statement of Appropriations and Expenditures
Year Ended June 30, 2010

	Appropriation	Expenditures	Lapsed Balances
STATE HIGHWAYS AND TRANSPORTATION DEPARTMENT			
Highway collection attorney fees	5,000	0	5,000
Refunds	2,290,564	1,309,153	981,411
Refunds and distributions of motor fuel taxes	10,914,000	10,559,438	354,562
Highway collection customer services taxation - Personal Service	800,158	767,089	33,069
Highway collection customer services taxation - Expense and Equipment	89,887	84,645	5,242
Highway collection customer services motor vehicle and driver's license - Personal Service	3,909,912	3,791,162	118,750
Highway collection customer services motor vehicle and driver's license - Expense and Equipment	3,075,425	2,989,444	85,981
Highway collection legal services - Personal Service	1,222,340	1,185,669	36,671
Highway collection legal services - Expense and Equipment	118,023	112,379	5,644
Highway collection fiscal services - Personal Service	778,476	763,635	14,841
Highway collection fiscal services - Expense and Equipment	41,589	38,194	3,395
Highway collection postage	2,076,463	2,014,169	62,294
Total State Highways And Transportation Department Fund	25,321,837	23,614,977	1,706,860
WORKERS COMPENSATION FUND			
Refunds	505,236	505,236	0
Total Workers Compensation Fund	505,236	505,236	0
PETROLEUM INSPECTION FUND			
Customer services taxation - Personal Service	32,531	29,581	2,950
Customer services taxation - Expense and Equipment	2,966	0	2,966
Total Petroleum Inspection Fund	35,497	29,581	5,916
MOTOR FUEL TAX FUND			
Distributions	188,000,000	182,146,916	5,853,084
Total Motor Fuel Tax Fund	188,000,000	182,146,916	5,853,084
FAIR SHARE FUND			
Tobacco tax refunds	11,000	0	11,000
Total Fair Share Fund	11,000	0	11,000
AMERICAN CANCER SOCIETY, HEARTLAND DIVISION FUND			
Distributions	10,070	10,069	1
Total American Cancer Society, Heartland Division Fund	10,070	10,069	1
ALS LOU GEHRIG'S DISEASE FUND			
Distributions	4,600	4,599	1
Total ALS Lou Gehrig's Disease Fund	4,600	4,599	1
AMERICAN LUNG ASSOCIATION OF MISSOURI FUND			
Distributions	3,500	1,955	1,545
Total American Lung Association Of Missouri Fund	3,500	1,955	1,545
MUSCULAR DYSTROPHY ASSOCIATION FUND			
Distributions	3,500	1,564	1,936
Total Muscular Dystrophy Association Fund	3,500	1,564	1,936

Appendix B-1

Missouri Department of Revenue
Comparative Statement of Appropriations and Expenditures
Year Ended June 30, 2010

	Appropriation	Expenditures	Lapsed Balances
ARTHRITIS FOUNDATION FUND			
Distributions	2,500	1,333	1,167
Total Arthritis Foundation Fund	2,500	1,333	1,167
NATIONAL MULTIPLE SCLEROSIS SOCIETY FUND			
Distributions	4,256	4,256	0
Total National Multiple Sclerosis Society Fund	4,256	4,256	0
AMERICAN DIABETES ASSOCIATION GATEWAY AREA FUND			
Distributions	5,057	5,057	0
Total American Diabetes Association Gateway Area Fund	5,057	5,057	0
AMERICAN HEART ASSOCIATION FUND			
Distributions	3,500	3,159	341
Total American Heart Association Fund	3,500	3,159	341
MARCH OF DIMES FUND			
Distributions	3,500	3,334	166
Total March Of Dimes Fund	3,500	3,334	166
DEBT OFFSET ESCROW FUND			
Payment of refunds set off against debts	250,000	202,537	47,463
Postage for plate reissuance	457,059	156,438	300,621
Total Debt Offset Escrow Fund	707,059	358,975	348,084
DEPARTMENT OF REVENUE SPECIALTY PLATE FUND			
Customer services motor vehicle and driver's license - Personal Service	2,206	0	2,206
Customer services motor vehicle and driver's license - Expense and Equipment	3,000	0	3,000
Refunds for overpayment or erroneous payment of any tax or any payment credited to Federal and Other Funds	4,850	0	4,850
Total Department Of Revenue Specialty Plate Fund	10,056	0	10,056
BREAST CANCER AWARENESS TRUST FUND			
Distributions	3,646	3,646	0
Total Breast Cancer Awareness Trust Fund	3,646	3,646	0
AVIATION TRUST FUND			
Refunds	50,000	4,957	45,043
Total Aviation Trust Fund	50,000	4,957	45,043
FEDERAL BUDGET STABILIZATION-MEDICAID REIMBURSEMENT FUND			
Highway collection motor vehicle and driver's license - Expense and Equipment	90,000	90,000	0
Distribution to offset property taxes for homestead preservation	2,571,865	2,488,612	83,253
Total Federal Budget Stabilization-Medicaid Reimbursement Fund	2,661,865	2,578,612	83,253
Total All Funds	$ 1,749,675,205	1,729,667,629	20,007,576

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Missouri Department of Revenue
Comparative Statement of Appropriations and Expenditures
Year Ended June 30, 2009

	Appropriation	Expenditures	Lapsed Balances
GENERAL REVENUE FUND			
Postage	$ 3,544,793	3,155,417	389,376
Payment of fees to counties as a result of delinquent collections made by circuit attorneys or prosecuting attorneys and payment of collection agency fees	4,080,000	3,927,796	152,204
Refunds	1,440,700,000	1,440,486,520	213,480
Customer services taxation - Personal Service	13,756,897	11,711,209	2,045,688
Customer services taxation - Expense and Equipment	1,931,565	1,735,615	195,950
Customer services taxation Multistate Tax Commission dues - Expense and Equipment	163,001	158,111	4,890
Customer services motor vehicle and driver's license - Personal Service	505,079	391,559	113,520
Customer services motor vehicle and driver's license - Expense and Equipment	456,292	446,218	10,074
Legal services - Personal Service	1,779,009	1,614,555	164,454
Legal services - Expense and Equipment	172,682	149,631	23,051
Fiscal services - Personal Service	9,600,622	8,037,537	1,563,085
Fiscal services - Expense and Equipment	1,262,751	851,422	411,329
Highway collection customer services taxation - Personal Service	660,484	346,785	313,699
Highway collection customer services motor vehicle and driver's license - Personal Service	6,878,796	5,862,018	1,016,778
Highway collection customer services motor vehicle and driver's license - Expense and Equipment	3,720,082	3,165,525	554,557
Highway collection legal services - Personal Service	1,328,803	1,288,896	39,907
Highway collection fiscal services - Personal Service	597,549	568,025	29,524
Highway collection postage	1,339,903	1,259,706	80,197
Distribution to offset property taxes for homestead preservation	91,089	90,612	477
Payment of real property, related services, utilities, systems furniture, structural modification, and related expenses - Expense and Equipment	726,932	706,072	20,860
Apportionments to offset credits taken against the county stock insurance tax	1,507,687	1,507,687	0
Distribution to Veterans of Foreign Wars Department of Missouri of all emblem use fee contributions	1,000	300	700
Fiscal division central mail - Personal Service	440,869	427,614	13,255
Highway collections central mail - Expense and Equipment	4,729	0	4,729
Highway collections central mail - Personal Service	219,960	213,253	6,707
Payment of real property leases, related services, utilities, systems furniture, structural modification, and related expenses - Expense and Equipment	931,280	804,721	126,559
Payment of fees to counties for the filing of lien notices and lien releases	225,000	186,110	38,890
Payment of local sales tax delinquencies set off by tax credits	275,000	238,494	36,506
Total General Revenue Fund	1,496,901,854	1,489,331,408	7,570,446
FACILITIES MAINTENANCE RESERVE FUND			
Payment of real property, related services, utilities, systems furniture, structural modification, and related expenses - Expense and Equipment	1,829,523	1,757,223	72,300
Total Facilities Maintenance Reserve Fund	1,829,523	1,757,223	72,300

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Missouri Department of Revenue
Comparative Statement of Appropriations and Expenditures
Year Ended June 30, 2009

	Appropriation	Expenditures	Lapsed Balances
DEPARTMENT OF REVENUE FUND			
Customer services motor vehicle and driver's license - Personal Service	199,141	10,244	188,897
Customer services motor vehicle and driver's license - Expense and Equipment	379,816	289,664	90,152
Legal services - Expense and Equipment	70,000	42,821	27,179
Fiscal services - Personal Service	50,758	23,688	27,070
Fiscal services - Expense and Equipment	5,970,006	3,308,329	2,661,677
Total Department Of Revenue Fund	6,669,721	3,674,746	2,994,975
CHILD SUPPORT ENFORCEMENT COLLECTION FUND			
Fiscal services - Personal Service	24,372	17,480	6,892
Fiscal services - Expense and Equipment	2,599,841	1,911,035	688,806
Total Child Support Enforcement Collection Fund	2,624,213	1,928,515	695,698
HEALTH INITIATIVES FUND			
Postage	5,190	5,034	156
Tobacco tax refunds	25,000	3,722	21,278
Customer services taxation - Personal Service	49,332	43,766	5,566
Customer services taxation - Expense and Equipment	4,382	3,555	827
Total Health Initiatives Fund	83,904	56,077	27,827
GAMING PROCEEDS FOR EDUCATION FUND			
Refunds for overpayment or erroneous payment of any tax or any payment credited to Federal and Other Funds	5,000	0	5,000
Total Gaming Proceeds For Education Fund	5,000	0	5,000
GAMING COMMISSION FUND			
Refunds for overpayment or erroneous payment of any tax or any payment credited to Federal and Other Funds	5,000	0	5,000
Total Gaming Commission Fund	5,000	0	5,000
ELDERLY HOME-DELIVER MEALS TRUST FUND			
Customer services taxation - Personal Service	12,582	11,774	808
Total Elderly Home-Deliver Meals Trust Fund	12,582	11,774	808
SOLID WASTE MANAGEMENT-SCRAP TIRE FUND			
Refunds for overpayment or erroneous payment of any tax or any payment credited to Federal and Other Funds	10,000	4,540	5,460
Total Solid Waste Management-Scrap Tire Fund	10,000	4,540	5,460
PETROLEUM STORAGE TANK INSURANCE FUND			
Customer services taxation - Personal Service	26,527	24,456	2,071
Customer services taxation - Expense and Equipment	1,127	954	173
Total Petroleum Storage Tank Insurance Fund	27,654	25,410	2,244
MOTOR VEHICLE COMMISSION FUND			
Customer services motor vehicle and driver's license - Personal Service	246,374	245,811	563
Customer services motor vehicle and driver's license - Expense and Equipment	372,604	367,485	5,119
Legal services - Personal Service	455,981	455,604	377
Legal services - Expense and Equipment	36,077	811	35,266
Postage	42,527	42,527	0
Refunds for overpayment or erroneous payment of any tax or any payment credited to Federal and Other Funds	5,000	923	4,077
Total Motor Vehicle Commission Fund	1,158,563	1,113,161	45,402

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Missouri Department of Revenue
Comparative Statement of Appropriations and Expenditures
Year Ended June 30, 2009

	Appropriation	Expenditures	Lapsed Balances
CONSERVATION COMMISSION FUND			
Customer services taxation - Personal Service	539,472	538,995	477
Customer services taxation - Expense and Equipment	16,344	12,961	3,383
Postage	1,297	1,297	0
Total Conservation Commission Fund	557,113	553,253	3,860
STATE SCHOOL MONEYS FUND			
Tobacco tax refunds	25,000	0	25,000
Total State School Moneys Fund	25,000	0	25,000
DEPARTMENT OF REVENUE INFORMATION FUND			
Postage	192,802	192,802	0
Customer services motor vehicle and driver's license - Personal Service	289,915	265,901	24,014
Customer services motor vehicle and driver's license - Expense and Equipment	199,914	199,084	830
Fiscal services - Expense and Equipment	114,433	112,645	1,788
Fiscal services	5,000	2,581	2,419
Total Department Of Revenue Information Fund	802,064	773,013	29,051
STATE HIGHWAYS AND TRANSPORTATION DEPARTMENT			
Highway collection attorney fees	5,000	0	5,000
Refunds	2,290,564	1,321,413	969,151
Refunds and distributions of motor fuel taxes	11,414,000	11,297,485	116,515
Highway collection customer services taxation - Personal Service	1,036,312	1,003,243	33,069
Highway collection customer services taxation - Expense and Equipment	240,733	235,491	5,242
Highway collection customer services motor vehicle and driver's license - Personal Service	4,052,544	3,930,968	121,576
Highway collection customer services motor vehicle and driver's license - Expense and Equipment	2,866,020	2,780,039	85,981
Highway collection legal services - Personal Service	1,128,113	1,094,224	33,889
Highway collection legal services - Expense and Equipment	140,023	95,926	44,097
Highway collection fiscal services - Personal Service	375,739	364,321	11,418
Highway collection fiscal services - Expense and Equipment	81,589	78,805	2,784
Highway collection postage	1,959,537	1,905,834	53,703
Highway collections central mail - Personal Service	114,737	98,239	16,498
Total State Highways And Transportation Department Fund	25,704,911	24,205,988	1,498,923
WORKERS COMPENSATION FUND			
Refunds	2,057,888	2,057,888	0
Total Workers Compensation Fund	2,057,888	2,057,888	0
PETROLEUM INSPECTION FUND			
Customer services taxation - Personal Service	32,531	32,337	194
Customer services taxation - Expense and Equipment	2,966	2,867	99
Total Petroleum Inspection Fund	35,497	35,204	293
MOTOR FUEL TAX FUND			
Distributions	188,000,000	181,390,104	6,609,896
Total Motor Fuel Tax Fund	188,000,000	181,390,104	6,609,896
MISSOURI OFFICE OF PROSECUTION SERVICES FUND			
Refunds for overpayment or erroneous payment of any tax or any payment credited to Federal and Other Funds	5,100	5,010	90
Total Missouri Office Of Prosecution Services Fund	5,100	5,010	90
FAIR SHARE FUND			
Tobacco tax refunds	11,000	0	11,000
Total Fair Share Fund	11,000	0	11,000

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Missouri Department of Revenue
Comparative Statement of Appropriations and Expenditures
Year Ended June 30, 2009

	Appropriation	Expenditures	Lapsed Balances
AMERICAN CANCER SOCIETY, HEARTLAND DIVISION FUND			
Distributions	8,771	8,755	16
Total American Cancer Society, Heartland Division Fund	8,771	8,755	16
ALS LOU GEHRIG'S DISEASE FUND			
Distributions	3,637	3,630	7
Total ALS Lou Gehrig's Disease Fund	3,637	3,630	7
AMERICAN LUNG ASSOCIATION OF MISSOURI FUND			
Distributions	3,500	872	2,628
Total American Lung Association Of Missouri Fund	3,500	872	2,628
MUSCULAR DYSTROPHY ASSOCIATION FUND			
Distributions	3,500	1,027	2,473
Total Muscular Dystrophy Association Fund	3,500	1,027	2,473
ARTHRITIS FOUNDATION FUND			
Distributions	3,500	1,343	2,157
Total Arthritis Foundation Fund	3,500	1,343	2,157
NATIONAL MULTIPLE SCLEROSIS SOCIETY FUND			
Distributions	4,500	4,184	316
Total National Multiple Sclerosis Society Fund	4,500	4,184	316
AMERICAN DIABETES ASSOCIATION GATEWAY AREA FUND			
Distributions	4,500	4,354	146
Total American Diabetes Association Gateway Area Fund	4,500	4,354	146
AMERICAN HEART ASSOCIATION FUND			
Distributions	3,500	3,101	399
Total American Heart Association Fund	3,500	3,101	399
MARCH OF DIMES FUND			
Distributions	3,500	3,080	420
Total March Of Dimes Fund	3,500	3,080	420
DEBT OFFSET ESCROW FUND			
Payment of refunds set off against debts	270,000	261,976	8,024
Total Debt Offset Escrow Fund	270,000	261,976	8,024
DEPARTMENT OF REVENUE SPECIALTY PLATE FUND			
Customer services motor vehicle and driver's license - Personal Service	2,206	1,040	1,166
Customer services motor vehicle and driver's license - Expense and Equipment	3,000	2,780	220
Refunds for overpayment or erroneous payment of any tax or any payment credited to Federal and Other Funds	4,850	0	4,850
Total Department Of Revenue Specialty Plate Fund	10,056	3,820	6,236
BREAST CANCER AWARENESS TRUST FUND			
Distributions	10,000	0	10,000
Total Breast Cancer Awareness Trust Fund	10,000	0	10,000
AVIATION TRUST FUND			
Refunds	75,000	58,079	16,921
Total Aviation Trust Fund	75,000	58,079	16,921
Total All Funds	$ 1,726,930,551	1,707,277,535	19,653,016

Appendix B-3

Missouri Department of Revenue
Comparative Statement of Appropriations and Expenditures
Year Ended June 30, 2008

	Appropriation	Expenditures	Lapsed Balances
GENERAL REVENUE FUND			
Postage	$ 3,059,238	2,944,099	115,139
Payment of fees to counties as a result of delinquent collections made by circuit attorneys or prosecuting attorneys and payment of collection agency fees	3,880,000	3,380,162	499,838
Refunds	1,300,000,000	1,257,997,366	42,002,634
Customer services taxation - Personal Service	12,357,965	11,504,044	853,921
Customer services taxation - Expense and Equipment	2,656,345	2,517,631	138,714
Customer services taxation Multistate Tax Commission dues - Expense and Equipment	163,001	163,000	1
Customer services motor vehicle and driver's license - Personal Service	278,100	265,487	12,613
Customer services motor vehicle and driver's license - Expense and Equipment	1,491,449	1,456,740	34,709
Legal services - Personal Service	1,744,136	1,692,197	51,939
Legal services - Expense and Equipment	181,985	137,828	44,157
Fiscal services - Personal Service	8,147,892	7,337,639	810,253
Fiscal services - Expense and Equipment	2,145,204	1,897,464	247,740
Highway collection customer services taxation - Personal Service	404,364	359,252	45,112
Highway collection customer services motor vehicle and driver's license - Personal Service	5,880,564	5,608,348	272,216
Highway collection customer services motor vehicle and driver's license - Expense and Equipment	4,685,072	4,193,795	491,277
Highway collection legal services - Personal Service	1,307,042	1,230,537	76,505
Highway collection fiscal services - Personal Service	580,144	562,740	17,404
Highway collection postage	1,389,903	1,351,301	38,602
Distribution to offset property taxes for homestead preservation	1,085,347	1,055,643	29,704
Payment of real property, related services, utilities, systems furniture, structural modification, and related expenses - Expense and	540,354	511,039	29,315
Apportionments to offset credits taken against the county stock insurance tax	834,950	834,944	6
Distribution to Veterans of Foreign Wars Department of Missouri of all emblem use fee contributions	1,000	350	650
Fiscal division central mail - Personal Service	428,027	415,012	13,015
Highway collections central mail - Expense and Equipment	4,875	0	4,875
Highway collections central mail - Personal Service	213,554	207,108	6,446
Payment of real property leases, related services, utilities, systems furniture, structural modification, and related expenses - Expense and Equipment	1,002,308	1,001,788	520
Payment of fees to counties for the filing of lien notices and lien releases	200,000	191,765	8,235
Payment of local sales tax delinquencies set off by tax credits	250,000	227,342	22,658
Total General Revenue Fund	1,354,912,819	1,309,044,621	45,868,198
FACILITIES MAINTENANCE RESERVE FUND			
Payment of real property, related services, utilities, systems furniture, structural modification, and related expenses - Expense and Equipment	1,803,229	1,803,229	0
Total Facilities Maintenance Reserve Fund	1,803,229	1,803,229	0

Appendix B-3

Missouri Department of Revenue
Comparative Statement of Appropriations and Expenditures
Year Ended June 30, 2008

	Appropriation	Expenditures	Lapsed Balances
DEPARTMENT OF REVENUE FUND			
Customer services motor vehicle and driver's license - Personal Service	192,856	5,372	187,484
Customer services motor vehicle and driver's license - Expense and Equipment	1,129,816	635,461	494,355
Legal services - Expense and Equipment	70,000	30,754	39,246
Fiscal services - Personal Service	49,280	23,942	25,338
Fiscal services - Expense and Equipment	5,970,006	3,384,954	2,585,052
Total Department Of Revenue Fund	7,411,958	4,080,483	3,331,475
CHILD SUPPORT ENFORCEMENT COLLECTION FUND			
Fiscal services - Personal Service	23,662	18,567	5,095
Fiscal services - Expense and Equipment	2,599,841	1,960,425	639,416
Total Child Support Enforcement Collection Fund	2,623,503	1,978,992	644,511
HEALTH INITIATIVES FUND			
Postage	5,190	5,190	0
Tobacco tax refunds	25,000	13,839	11,161
Customer services taxation - Personal Service	47,896	39,648	8,248
Customer services taxation - Expense and Equipment	4,382	1,589	2,793
Total Health Initiatives Fund	82,468	60,266	22,202
GAMING PROCEEDS FOR EDUCATION FUND			
Refunds for overpayment or erroneous payment of any tax or any payment credited to Federal and Other Funds	24,700	0	24,700
Total Gaming Proceeds For Education Fund	24,700	0	24,700
GAMING COMMISSION FUND			
Refunds for overpayment or erroneous payment of any tax or any payment credited to Federal and Other Funds	5,000	0	5,000
Total Gaming Commission Fund	5,000	0	5,000
ELDERLY HOME-DELIVER MEALS TRUST FUND			
Customer services taxation - Personal Service	12,216	11,662	554
Total Elderly Home-Deliver Meals Trust Fund	12,216	11,662	554
SOLID WASTE MANAGEMENT-SCRAP TIRE FUND			
Refunds for overpayment or erroneous payment of any tax or any payment credited to Federal and Other Funds	20,150	10,861	9,289
Total Solid Waste Management-Scrap Tire Fund	20,150	10,861	9,289
PETROLEUM STORAGE TANK INSURANCE FUND			
Customer services taxation - Personal Service	25,754	23,743	2,011
Customer services taxation - Expense and Equipment	1,127	0	1,127
Total Petroleum Storage Tank Insurance Fund	26,881	23,743	3,138
MOTOR VEHICLE COMMISSION FUND			
Customer services motor vehicle and driver's license - Personal Service	266,383	263,341	3,042
Customer services motor vehicle and driver's license - Expense and Equipment	344,604	344,582	22
Legal services - Personal Service	442,700	442,683	17
Legal services - Expense and Equipment	36,077	3,017	33,060
Postage	42,527	42,527	0
Refunds for overpayment or erroneous payment of any tax or any payment credited to Federal and Other Funds	12,000	3,110	8,890
Total Motor Vehicle Commission Fund	1,144,291	1,099,260	45,031

Appendix B-3

Missouri Department of Revenue
Comparative Statement of Appropriations and Expenditures
Year Ended June 30, 2008

	Appropriation	Expenditures	Lapsed Balances
STATE FORENSIC LABORATORY FUND			
Refunds for overpayment or erroneous payment of any tax or any payment credited to Federal and Other Funds	300	300	0
Total State Forensic Laboratory Fund	300	300	0
CONSERVATION COMMISSION FUND			
Customer services taxation - Personal Service	523,759	516,103	7,656
Customer services taxation - Expense and Equipment	16,344	9,507	6,837
Postage	1,297	1,297	0
Total Conservation Commission Fund	541,400	526,907	14,493
STATE SCHOOL MONEYS FUND			
Tobacco tax refunds	50,000	21,090	28,910
Total State School Moneys Fund	50,000	21,090	28,910
DEPARTMENT OF REVENUE INFORMATION FUND			
Postage	192,802	192,802	0
Customer services motor vehicle and driver's license - Personal Service	281,470	281,444	26
Customer services motor vehicle and driver's license - Expense and Equipment	199,914	185,262	14,652
Fiscal services - Expense and Equipment	114,433	22,213	92,220
Fiscal services	5,000	73	4,927
Total Department Of Revenue Information Fund	793,619	681,794	111,825
STATE HIGHWAYS AND TRANSPORTATION DEPARTMENT			
Highway collection attorney fees	15,000	0	15,000
Refunds	1,790,564	1,598,703	191,861
Refunds and distributions of motor fuel taxes	10,414,000	9,324,668	1,089,332
Highway collection customer services taxation - Personal Service	1,070,205	1,038,099	32,106
Highway collection customer services taxation - Expense and Equipment	23,733	18,476	5,257
Highway collection customer services motor vehicle and driver's license - Personal Service	3,906,633	3,788,598	118,035
Highway collection customer services motor vehicle and driver's license - Expense and Equipment	3,017,020	2,931,039	85,981
Highway collection legal services - Personal Service	1,123,130	1,090,054	33,076
Highway collection legal services - Expense and Equipment	130,023	125,783	4,240
Highway collection fiscal services - Personal Service	364,794	353,674	11,120
Highway collection fiscal services - Expense and Equipment	81,589	79,141	2,448
Highway collection postage	1,790,085	1,737,597	52,488
Highway collections central mail - Personal Service	111,396	107,792	3,604
Total State Highways And Transportation Department Fund	23,838,172	22,193,624	1,644,548
WORKERS COMPENSATION FUND			
Refunds	1,272,000	1,271,232	768
Total Workers Compensation Fund	1,272,000	1,271,232	768
WORKERS COMPENSATION-SECOND INJURY FUND			
Refunds	248,966	0	248,966
Total Workers Comp-Second Injury Fund	248,966	0	248,966
PETROLEUM INSPECTION FUND			
Customer services taxation - Personal Service	31,584	30,335	1,249
Customer services taxation - Expense and Equipment	2,966	0	2,966
Total Petroleum Inspection Fund	34,550	30,335	4,215
MOTOR FUEL TAX FUND			
Distributions	189,736,000	189,735,068	932
Total Motor Fuel Tax Fund	189,736,000	189,735,068	932

Appendix B-3

Missouri Department of Revenue
Comparative Statement of Appropriations and Expenditures
Year Ended June 30, 2008

	Appropriation	Expenditures	Lapsed Balances
FAIR SHARE FUND			
Tobacco tax refunds	11,000	9,374	1,626
Total Fair Share Fund	11,000	9,374	1,626
AMERICAN CANCER SOCIETY, HEARTLAND DIVISION FUND			
Distributions	7,421	7,333	88
Total American Cancer Society, Heartland Division Fund	7,421	7,333	88
ALS LOU GEHRIG'S DISEASE FUND			
Distributions	3,500	3,156	344
Total ALS Lou Gehrig's Disease Fund	3,500	3,156	344
AMERICAN LUNG ASSOCIATION OF MISSOURI FUND			
Distributions	3,500	1,269	2,231
Total American Lung Association Of Missouri Fund	3,500	1,269	2,231
MUSCULAR DYSTROPHY ASSOCIATION FUND			
Distributions	3,500	1,120	2,380
Total Muscular Dystrophy Association Fund	3,500	1,120	2,380
ARTHRITIS FOUNDATION FUND			
Distributions	3,500	907	2,593
Total Arthritis Foundation Fund	3,500	907	2,593
NATIONAL MULTIPLE SCLEROSIS SOCIETY FUND			
Distributions	3,500	2,807	693
Total National Multiple Sclerosis Society Fund	3,500	2,807	693
AMERICAN DIABETES ASSOCIATION GATEWAY AREA FUND			
Distributions	4,359	4,306	53
Total American Diabetes Association Gateway Area Fund	4,359	4,306	53
AMERICAN HEART ASSOCIATION FUND			
Distributions	3,500	3,409	91
Total American Heart Association Fund	3,500	3,409	91
MARCH OF DIMES FUND			
Distributions	3,500	3,205	295
Total March Of Dimes Fund	3,500	3,205	295
DEBT OFFSET ESCROW FUND			
Payment of refunds set off against debts	300,000	285,584	14,416
Total Debt Offset Escrow Fund	300,000	285,584	14,416
DEPARTMENT OF REVENUE SPECIALTY PLATE FUND			
Customer services motor vehicle and driver's license - Personal Service	2,142	0	2,142
Customer services motor vehicle and driver's license - Expense and Equipment	3,000	0	3,000
Refunds for overpayment or erroneous payment of any tax or any payment credited to Federal and Other Funds	15,000	15,000	0
Total Department Of Revenue Specialty Plate Fund	20,142	15,000	5,142
AVIATION TRUST FUND			
Refunds	157,927	16,155	141,772
Total Aviation Trust Fund	157,927	16,155	141,772
Total All Funds	$ 1,585,107,571	1,532,927,092	52,180,479

Appendix C

Missouri Department of Revenue
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2010	2009	2008	2007	2006
Salaries and wages	$ 37,236,706	38,623,543	37,217,421	38,407,778	44,734,294
Travel, in-state	133,735	131,030	154,651	176,534	258,675
Travel, out-of-state	99,006	129,875	133,961	126,245	170,230
Fuel and utilities	47,121	45,260	52,431	156,288	83,370
Supplies	11,040,310	9,541,433	10,391,493	9,699,186	5,205,475
Professional development	266,696	286,501	287,118	313,980	290,916
Communication services and supplies	635,847	713,768	648,107	632,470	1,352,797
Professional services	6,575,480	12,258,303	12,909,156	9,490,774	20,779,626
Housekeeping and janitorial services	21,941	20,099	29,516	36,595	56,080
Maintenance and repair services	446,031	568,013	317,223	361,650	1,772,601
Computer equipment	84,698	98,255	1,155,205	1,181,914	2,846,662
Motorized equipment	29,089	0	149,991	230,288	4,095
Office equipment	43,762	140,617	508,384	601,462	74,732
Other equipment	19,318	41,200	447,573	49,571	67,140
Property and improvements	0	0	0	60,481	15,958
Building lease payments	2,960,417	3,203,497	3,299,995	3,028,634	1,104,118
Equipment rental and leases	10,871	16,775	8,617	34,662	110,717
Miscellaneous expenses	6,959	6,549	25,541	42,612	39,998
Rebillable expenses	0	96	0	127	0
Refunds	1,481,785,018	1,455,738,631	1,270,795,886	1,220,123,901	1,139,750,496
Program distributions	188,224,624	185,714,090	194,394,823	196,904,047	190,099,593
Total Expenditures	$ 1,729,667,629	1,707,277,535	1,532,927,092	1,481,659,198	1,408,817,573

Appendix D

Department of Revenue
Statement of Changes in General Capital Assets

All Funds	Furniture and Equipment	Motor Vehicles	Total
Balance, July 1, 2007	$ 14,913,581	736,159	15,649,740
Additions	573,389	195,475	768,864
Dispositions	(4,657,421)	(107,901)	(4,765,322)
Balance, June30, 2008	10,829,549	823,733	11,653,282
Additions	641,843	0	641,843
Dispositions	(1,550,582)	(84,138)	(1,634,720)
Balance, June 30, 2009	9,920,810	739,595	10,660,405
Additions	3,753	61,332	65,085
Dispositions	(1,788,012)	(46,584)	(1,834,596)
Balance, June 30, 2010	$ 8,136,551	754,343	8,890,894

Fund of Acquisition	Balance June 30, 2010
General Revenue Fund	$ 5,309,587
Department of Revenue Fund	333,790
Motor Vehicle Commission Fund	7,468
Conservation Commission Fund	3,523
Department of Revenue Information Fund	170,704
State Highways and Transportation Department Fund	3,065,822
	$ 8,890,894

Appendix E

Department of Revenue
Motor Vehicle and Driver License (MV/DL) Records
Timeline of Rate Changes

Date	Cost Per Record/Batch	Cost Per Bulk	Cost Per Individual Record
Prior to May 1, 2008	$1.25	$0.0043 for the first 50,000 records $0.0003 for every record over 50,000 $35 processing fee for each job $35 programming fee (new customers) $1,035 complete file w/o history $2,035 complete file w/ history	$1.25
May 1, 2008	$7.00	$7 for each record	$7.00
June 2, 2008	$1.25	$0.0043 for the first 50,000 records $0.0003 for every record over 50,000 $35 processing fee for each job $35 programming fee (new customers) $1,035 complete file w/o history $2,035 complete file w/ history	$7.00
August 28, 2008	$0.005	$0.005 for each record	$7.00
September 1, 2008	$0.005	$0.005 for each record	$5.88
December 1, 2008	$0.0382	$0.0382 for each record	$5.88
May 1, 2009	$52 *	$0.0043 for the first 50,000 records $0.0003 for every record over 50,000 $35 processing fee for each job $35 programming fee (new customers) $1,035 complete file w/o history $2,035 complete file w/ history	$5.88

* This amount is the fee for each "batch" of records. All other amounts are the fee for each individual record in the batch.

Thomas A. Schweich

Missouri State Auditor

INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

Division of Finance

May 2011

Report No. 2011-17

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Insurance, Financial Institutions and Professional Registration, Division of Finance

Background

The Division of Finance of the Department of Insurance, Financial Institutions and Professional Registration (DOF) incorporates, regulates and licenses Missouri financial institutions, including residential mortgage brokers, state-chartered banks and savings and loan associations, non-depository trust companies, Missouri Certified Capital Companies and thousands of consumer credit companies. The DOF is required by state law to periodically examine these institutions to assess their solvency and ensure they are abiding by state laws and regulations. The DOF helps protect the financial interests of Missouri's citizens by taking actions to merge, close or otherwise address institutions with severe financial difficulties.

Access to Information

The DOF did not provide the State Auditor's Office access to most financial institution examination records. As such, we could not confirm whether the DOF is properly examining financial institutions and adequately protecting the financial interests of Missourians.

We identified instances of noncompliance from looking at the limited records the DOF did provide, as described below. Auditors need to review the withheld documents to check for other instances of noncompliance.

The State Auditor's Office is confident in its power to compel production of these documents. Because of the significance of the findings, we did not want to delay this audit report, but a subsequent audit will be completed which will pursue the production of these records.

Financial Institution Examinations

Section 369.324, RSMo, suggests the DOF must examine associations every 12 months. The DOF claims, however, that some associations can wait 18 months between examinations. Even using the DOF's more relaxed interpretation, the DOF was late performing association examinations 47 percent of the time.

There is no documentation that the DOF consistently completed all required procedures, employed supervisory reviews or used the most recent version of examination programs when reviewing banks which closed between March 2008 and April 2010. Without documentation it is impossible to know whether all necessary examination procedures are being performed.

The audit also uncovered several errors in the association examination tracking database. Access to the withheld documents is necessary to determine if additional mistakes occurred.

All three written agreements the DOF has with federal agencies for the sharing of examination responsibilities are outdated. The most recent agreement is from 2006, and the other agreements are from 1994 and 1993. Current written agreements are needed to clearly explain each agency's obligations.

Financial Institution Assessments

During the 3 years ended June 30, 2010, the DOF collected $1,546,000 more from banks than necessary to cover actual costs. The DOF is allowed to assess banks the actual costs incurred for conducting examinations, but the amount the DOF assessed for administrative costs exceeded actual costs. The DOF transferred the over-assessments for fiscal years 2008 and 2009 ($956,697) to the General Revenue Fund. After audit staff questioned this practice, however, the DOF used the fiscal year 2010 over-assessment to offset fiscal year 2011 assessments.

The DOF claims that overhead rates for association and trust assessments are reviewed annually, but there is no documentation of such a review and the rates have not changed in several years. The DOF adds a 40 percent overhead rate to association examination costs and a 25 percent overhead rate to trust examination costs to cover personnel costs. The DOF must review these rates for reasonableness each year and adjust them accordingly.

Although the overall performance of this entity in the areas audited was **Fair***, the current rating is **Incomplete**, because the DOF denied auditors access to necessary documents. As noted above a subsequent audit will be completed which will review the requested documents.

American Recovery and Reinvestment Act 2009 (ARRA or Federal Stimulus)

The Department of Insurance, Financial Institutions and Professional Registration, Division of Finance did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Division of Finance
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
John M. Huff, Director
Department of Insurance, Financial Institutions and Professional Registration
and
Richard J. Weaver, Commissioner
Division of Finance
Jefferson City, Missouri

We have audited certain operations of the Department of Insurance, Financial Institutions and Professional Registration, Division of Finance, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2010, 2009, and 2008. The objectives of our audit were to:

1. Evaluate the division's internal controls over significant management and financial functions.

2. Evaluate the division's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the division; and testing selected transactions. Citing confidentiality requirements, the division did not permit us full access to listings of completed financial institution examinations, examination reports and related documentation, or consumer complaints filed with the division. We could not audit certain information because of the limitations the division imposed on the scope of our audit.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

Except as discussed in the second paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the division's management and was not subjected to the procedures applied in our audit of the division.

The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Insurance, Financial Institutions, and Professional Registration, Division of Finance.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Robyn Lamb
Audit Staff:	Kelli Oldham
	Lacy Miller, M.Acct.

Division of Finance
Management Advisory Report
State Auditor's Findings

1. Access to Information

The Division of Finance (DOF) did not provide access to most financial institution examination records based upon its interpretation of state law. As a result, there is less assurance the DOF is meeting statutory responsibilities and adequately protecting the financial interests of state citizens.

The recent financial crisis that has resulted in the collapse of several Missouri financial institutions amplifies the need for a thorough independent review of financial institution examination procedures to ensure the DOF meets statutory responsibilities and adequately protects the financial interests of state citizens. The DOF should provide access to DOF examination tracking reports, working papers and reports of examinations performed, and consumer complaints to allow the Office of State Auditor to perform an independent review of DOF regulatory procedures.

Section 361.080, RSMo, requires DOF personnel to, "keep secret all facts and information obtained in the course of all examinations and investigations," but says, "except: (1) To the extent that the public duty of the director requires the director to report information to another government official or agency or take administrative or judicial enforcement action regarding the affairs of a financial institution. . . ." The commissioner of the DOF, like the head of every other state agency, has a public duty to cooperate with the state auditor. Section 29.130, RSMo, provides the state auditor with free access to all offices of this state for the inspection of such books, accounts, and papers as concern any of his duties. The DOF has failed to fully comply with the provisions of Section 29.130, RSMo.

Through a confidentiality agreement, the DOF provided examination tracking reports of financial institution examinations (excluding institution names) performed in recent years. The DOF did not provide access to working papers and reports of examinations performed, and most consumer complaints filed with the DOF. As a result, we could not reach conclusions regarding the adequacy of the financial institution examinations performed and the proper resolution of consumer complaints filed with the DOF. The DOF provided examination reports and related examination programs of financial institutions closed between March 2008 and April 2010. In addition, the DOF provided documentation relating to 12 consumer complaints originally received by our office and referred to the DOF, and provided access to a listing of, as well as the corresponding examination history and most recent reports for, consumer credit companies closed during calendar years 2008 and 2009.

The results of tests performed on the limited information provided to us by the DOF disclosed instances of noncompliance with various state laws and internal policies and concerns with the accuracy of the information provided. These findings are presented throughout this report. Had we been able to fully test compliance with regulatory and procedural provisions

applicable to DOF functions and verify the validity of the data provided by the DOF, other instances of noncompliance and concerns might have come to our attention that would have been included in this report.

Recommendation

The DOF reconsider providing the State Auditor the necessary access to division records and personnel to ensure the division is adequately protecting the financial interests of state citizens.

Auditee's Response

The Division disagrees with this audit finding. The Division derives its regulatory authority from Chapter 361. Its employees are "bound under oath to keep secret all facts and information obtained in the course of all examinations and investigations" and are subject to criminal conviction, forfeiture of office and fines for failure to follow this provision. Section 361.080, RSMo Supp. 2010. The Auditor's Office believes Section 361.080.1(1), the first of the enumerated exceptions, allows the Division to release any document requested by the Auditor's Office. That exception allows release of the information to a government official or agency if the Director's public duty requires release of the information. No existing statute requires the Division to release the requested information to the Auditor's Office. Additionally, the Auditor's Office argues that the Division can provide the information when it is "necessary or required" under Section 361.080.1(7). However, despite requests from the Division, the Auditor's Office has not shown a public duty requiring such release or the necessity of the release. The Audit Report's paraphrasing of Section 361.080 is insufficient to persuade the Division that it can release more information than it has, particularly in light of the severe penalties that can be imposed on Division employees in the event of an unauthorized release of information under Section 361.080.3.

The Auditor's Office sought access to all Division documents, including those considered confidential under Section 361.080. To the extent possible, the Division provided the information requested or sufficient information to allow the Auditor's Office to reach conclusions with respect to the issues presented. As an example, the Division provided redacted copies of examinations of banks closed by the Division. Additionally, the Division provided a report containing a list of banks and examination dates so the Auditor's Office could determine if the Division had met its statutory duty to perform examinations timely. The names of the banks were redacted. However, from that report the Auditor's Office could determine if the Division was complying with the timeliness requirements of the examination statute. Not all records requested could be produced and still comply with the Division's confidentially requirement. The Audit Report's statement suggesting that there is a concern about the adequate protection of the financial interests of Missourians as a result of the Division's compliance with its confidentially statute is ill-considered and untrue.

Auditor's Comment

Auditors in the State Auditor's office routinely review confidential information of governmental entities, and are legally obligated, under the threat of a possible felony conviction and up to 5 years imprisonment, to keep confidential any matters they learn during the audit. Currently, the DOF does not receive any independent review of the timeliness of financial institution examinations or the working papers prepared during financial institution examinations. The DOF must be subject to oversight to ensure it is meeting its obligations to the citizens of Missouri.

2. Financial Institution Examinations

The DOF did not always perform association examinations in accordance with the internal examination frequency policy, and has not considered possible statutory requirements to determine the required frequency of association examinations. In addition, bank examination procedures performed and supervisory review of this work were not always documented. Also, the association examination tracking database was not always accurate or updated for examinations performed. Furthermore, the DOF does not have current agreements with the federal agencies with which it shares examination responsibilities.

The DOF regulates approximately 280 banks, 6 associations, and 6 trusts by performing examinations of condition and operations. A composite CAMELS rating[1] of 1 to 5 (where 1 is the least degree of supervisory concern and 5 the highest degree of supervisory concern) is assigned to each financial institution.

2.1 Association examinations

DOF personnel did not always ensure association examinations were performed in accordance with internal policies, resulting in untimely examinations.

The DOF performed 15 association examinations between December 2002 and April 2010. In these 15 instances, the DOF was untimely in the performance of the examinations 7 times (47 percent), averaging approximately 50 days late.

According to DOF management, statutes do not specify the frequency with which association examinations are to be conducted. As a result, the DOF has determined associations will be examined at the same frequency as banks. The frequency of bank examinations is governed by Section 361.160, RSMo, which requires banks with a CAMELS rating of 3, 4, or 5 to be examined every 12 months, and banks with ratings of 1 or 2 to be examined every 18 months. The bank examination agreement between the Federal Deposit Insurance Corporation (FDIC) and the DOF further requires a bank

[1] A rating assigned financial institutions based on an evaluation and rating of six components; capital adequacy, asset quality, management, earnings, liquidity, and sensitivity to market risk.

to be examined every 12 months if the bank's total assets are greater than $500 million.

In addition, although the DOF maintains statutes do not require specific frequencies for association examinations, wording in Section 369.324, RSMo, suggests annual examinations may be required. This section provides that associations shall pay for each annual or special examination.

To ensure associations are adequately monitored and supervised, examinations should be performed in accordance with internal frequency requirements. Consideration of all possible statutory language is necessary to ensure compliance with association examination frequency requirements.

2.2 Bank examinations

DOF bank examiners did not always properly document on examination programs whether required examination procedures were performed, and examination programs sometimes lacked evidence of a supervisory review. In addition, the most current version of examination programs was not always used.

Our review of the examination programs for four of five banks closed between March 2008 and April 2010 noted the following:

- For the four bank examination programs reviewed (100 percent), the completion of several required procedures were not documented by examiners.
- For two of the four bank examination programs reviewed (50 percent), there was no evidence a supervisor had reviewed documentation of examination procedures performed.
- For three of the four bank examination programs reviewed (75 percent), the most recent version of the program was not completed by examiners or examiners in-charge.

Internal policies require various procedures to be completed by examination staff and for the examiner in-charge to document the review of procedures performed by staff. Without documentation and supervisory reviews of examination procedures performed, the DOF cannot be assured all necessary and required examination procedures have been properly performed.

2.3 Association examination tracking report

The report of the results of association examinations performed and the frequency of the examinations was not accurate or up-to-date.

Three errors occurred because association examinations performed by the Office of Thrift Supervision (OTS) were not entered in the examination

tracking database. One additional error occurred because the incorrect examination agency was entered into the database. These errors were discovered by the DOF after we had noted potential exceptions related to the frequency of examinations. Had we been provided full access to information contained in the database, (see MAR finding number 1), we may have identified additional erroneous information.

Accurate and reliable reports are needed to ensure the DOF ensures association examinations are conducted within timeframes required by state law.

2.4 Examination agreements

The DOF does not have current written agreements with the federal agencies that also conduct financial institution examinations. The DOF alternates examination responsibilities with the OTS to perform association examinations and the FDIC and Federal Reserve Banks to perform bank examinations. The most recent agreement with the FDIC was entered into in 2006 under the previous commissioner. In addition, the most recent agreement with the OTS was entered into in 1994 and the most recent agreements with the Federal Reserve Banks were entered into in 1993.

Current written agreements are necessary to ensure the current responsibilities of each party are clearly documented.

Recommendations

The DOF:

2.1 Review state law to determine whether annual examinations are required for associations, and monitor scheduled examination dates more closely to ensure compliance with applicable statutes and internal policies.

2.2 Ensure required examination procedures and supervisory reviews are performed and documented, and the most current version of the bank examination program is used.

2.3 Ensure examination tracking reports are accurate and up-to-date.

2.4 Ensure current association and bank examination written agreements are entered into with the applicable federal agencies.

Auditee's Response

2.1 The Division disagrees with the assertion of the Auditor's Office that it has not always performed association examinations in a timely manner. There are no statutory time requirements for association examinations. The Division has established an internal goal utilizing the same time standards used for bank examinations because the institutions present similar safety and soundness issues. The Division certainly strives to complete all examinations within

these time frames. As shown through the information provided to the Auditor's Office, the Division performed 1,821 financial institution examinations during the examined period of December 2002 through April 2010. Of those examinations, 99.62 percent were conducted within the statutory guidelines and internal goals.

Additionally, the Audit Report failed to account for the Division's working relationship with the Office of Thrift Supervision (OTS). The OTS sets the next examination date for associations based on the date of issuance of the prior examination report. The Division sets the date based on the first day of fieldwork. That discrepancy accounts for a portion of the seven timing issues presented in the Audit Report.

2.2 The Division partially agrees with this audit finding. The Audit Report criticized the documentation and supervision of examinations based on review of examination programs of banks that were closed after those examinations. Banks in problem status, as these institutions were, are examined every 6 months. However, the exams performed are limited in scope so not every item on the examination program is required at those examinations. The Division has not created a special examination program for these limited examinations. Additionally, in any examination, the program is merely a guide that is altered as the examination progresses. Nothing in the guide is considered a requirement or required by statute.

Every examination goes through several levels of review before the official report is issued. No report leaves the Division without those reviews. In the case of banks that are closing, the last examination is not intended to follow all the normal examination procedures because the focus is to assure the bank can close in an orderly fashion. The supervisors are active at all times in the end stages of a bank. The lack of supervisor signatures is not an indication that all levels of supervision were not involved.

To the extent that some Division examiners used outdated examination forms, the Division will take steps to assure that examiners use the appropriate form and will improve documentation of supervisory involvement.

2.3 The Division partially agrees with this audit finding. The Division works diligently to assure that its internal reports are accurate and recognizes the need for such accuracy. To the extent errors were found in internal reports, the Division will determine the reason and work to assure those errors are not repeated. However, the Division

disagrees that the Auditor was not provided sufficient information to determine the extent of the errors. The document provided did have redacted information. However, that same document was used to point out the errors contained in the Auditor's Report. Therefore, the Division provided sufficient information from which such errors could be discerned.

2.4 The Division disagrees with this audit finding. The Division operates under several agreements with other financial institution regulators to perform alternating examinations. Those agreements were written so that each regulator can meet its statutory obligations. As neither the state nor federal agencies have had statutory changes necessitating changes to the agreement and those agreements are between the agencies and not the individuals who signed on behalf of the agency, the criticized agreements are still current and valid.

Auditor's Comment

2.3. The errors described above were detected when we presented apparent examination frequency exceptions to the DOF and the DOF determined dates in the examination tracking report were not accurate. Additional errors may have been detected had we been allowed to review documentation to support the report.

3. Financial Institution Assessments

Banks were assessed approximately $1,546,000 more than actual examination costs during the 3 years ended June 30, 2010. In addition, overhead rates used in the calculations of association and trust assessments have not been changed in several years and there is no documentation that rates have been annually reviewed.

3.1 Bank assessments

The DOF misinterpreted statutory requirements when calculating bank assessments and determining transfers to be made to the General Revenue Fund. When calculating annual bank assessments for the 3 years ended June 30, 2010, the DOF assessed banks an additional 15 percent of examination costs to pay for various administrative costs. However, this assessment exceeded actual costs, and resulted in the DOF over-assessing banks $589,335, $484,483, and $472,214 during the years ended June 30, 2010, 2009, and 2008, respectively.

The DOF transferred the amounts related to the over-assessment to the state General Revenue Fund for the 2 years ended June 30, 2009. However, since expenditures paid by the General Revenue Fund were already reimbursed through the state's cost allocation plan, it does not appear appropriate to transfer additional amounts to the General Revenue Fund. After we questioned this practice, the over-assessment related to the year ended June 30, 2010, was not transferred, and was used to offset fiscal year 2011 assessments.

The DOF should assess banks the actual costs incurred by the Division of Finance Fund and only reimburse the state General Revenue Fund for expenditures actually paid by that fund.

3.2 Overhead rates

Overhead rates used when calculating association and trust assessments have not been changed in several years and there is no documentation that rates have been annually reviewed. The DOF adds a 40 percent overhead rate to association examination costs and a 25 percent overhead rate to trust examination costs to determine total costs to be assessed for examinations performed. These rates are intended to cover costs related to personnel who review and process examination reports but do not actually participate in the on-site examination. DOF officials indicated rates were reviewed for reasonableness annually, but no documentation was maintained and the overhead rates had not been changed in several years.

To ensure actual costs of association and trust examinations are assessed to the appropriate institutions, the overhead rates applied to the assessments should be annually reviewed for reasonableness and adjusted as necessary.

Recommendations

The DOF:

3.1 Comply with statutory provisions related to bank assessments. In addition, the DOF should work with the General Assembly to transfer $956,697 from the state's General Revenue Fund to the Division of Finance Fund, and reduce future bank assessments by this amount.

3.2 Re-calculate the overhead rate for association and trust examination assessments on an annual basis and retain documentation.

Auditee's Response

3.1 The Division partially agrees with this audit finding. The Audit Report found issues with respect to the assessments issued to banks that fund the Division's operations. Due to changes in how the Office of Administration reports overhead costs to agencies, the Audit Report concluded that the Division overcharged the assessment. The assessment statute allows the Division to charge "up to fifteen percent of the estimated expenses to pay the costs of rent and other supporting services such as the costs related to the division's services from the state auditor and attorney general and an amount sufficient to cover the cost of fringe benefits furnished by the state." Section 361.170.1 RSMo. The Division's assessment never exceeded the fifteen percent statutory cap. The Division used estimates of these numbers to make the assessment. Recently, the Office of Administration was able to provide actual costs but the Division used the estimate. The Division has altered the assessment methodology, starting with the assessment mailed during the audit,

to address this finding. Of note is the fact that the average rate of assessment is one-half of what it was 10 years ago.

3.2 *The Division partially disagrees with this audit finding. The Audit Report questions the Division's review of its overhead rates. Those rates are reviewed annually as the assessments are calculated. Because the statute requires the Division to base assessments on very specific cost items, those must be reviewed annually. A Division employee calculates the overhead rates and provides them to the Deputy Director who then reviews them again. Hence, the rates are reviewed twice. The Division will attempt to make that process more clear in the future.*

Auditor's Comment

3.1 The DOF response has not addressed the recommendation to reduce future bank assessments to offset over-assessments. In addition, the recent OA change referred to by the DOF actually occurred in 2002.

Division of Finance
Organization and Statistical Information

The Missouri General Assembly created the State Banking Department headed by the Bank Commissioner, in 1907. This department became the Department of Finance in 1921 and was placed under the management and control of the Commissioner of Finance. Effective July 1, 1946, the Missouri Constitution changed the name of the department to the Division of Finance (DOF) and placed it within the Department of Business and Administration. The Reorganization Act of 1974 abolished the Department of Business and Administration and transferred the DOF to the newly created Department of Consumer Affairs, Regulation and Licensing. The passage of Constitutional Amendment No. 6, adopted on August 7, 1984, renamed the Department of Consumer Affairs, Regulation and Licensing to the Department of Economic Development. Under the authority of the Reorganization Act of 1974 and executive order 06-04, effective August 28, 2006, the DOF was transferred from the Department of Economic Development to the Department of Insurance, Financial Institutions and Professional Registration.

The DOF incorporates, regulates, and licenses various financial institutions of the state. As of June 30, 2010, the DOF regulated 2,724 licensed consumer credit companies, 382 licensed residential mortgage brokers, 273 state-chartered banks, 6 state-chartered savings and loan associations, 6 non-depository trust companies, and 4 Missouri Certified Capital Companies. The 2,724 licensed consumer credit companies consisted of 1,046 payday lenders, 610 consumer installment lenders, 427 small loan companies, 274 title lenders, 132 motor vehicle time sales businesses, 77 retail installment businesses, 69 premium finance companies, 57 sale of checks businesses, and 32 credit service organizations.

State statutes provide that each state-chartered bank and trust company be examined by staff of the DOF at least once each year to determine each institution's solvency, safety of operations, and adherence to applicable state laws and regulations, except those institutions receiving a satisfactory examination rating may be reviewed once in an 18 month period. These examinations are accomplished with alternating examination agreements with the Federal Deposit Insurance Corporation and the Federal Reserve Banks. The DOF may also take action to merge, close, or otherwise address institutions with severe financial difficulties. State-chartered savings and loan associations are examined by DOF staff in accordance with the state-chartered bank and trust company statutes. These examinations are accomplished with alternating examination agreements with the Office of Thrift Supervision. Non-depository trust companies are examined by DOF staff in accordance with internal policies requiring a review once in an 18 month period. Consumer credit companies are examined by DOF staff in accordance with internal policies requiring a review once in an 18 month period, except those institutions receiving a non-satisfactory examination rating are reviewed again in either 3 or 6 months depending on the rating.

The DOF is self-supporting through statutory assessments and fees based on the total assets and the relative costs to examine the institutions under its supervision. The DOF is funded by three separate sources, as follows:

The Division of Finance Fund receives monies assessed on banks, trust companies, and other corporations. Expenditures incurred by the DOF for the regulation of banks, trust companies, and other corporations subject to its jurisdiction are paid exclusively from this fund.

The Residential Mortgage Licensing Fund receives fees set and collected for application fees, investigation of license applicant fees, examination fees and contingent fees. Any other miscellaneous fees are also received through this fund. The actual cost of administering the Residential Mortgage Licensing Law is transferred to the Division of Finance Fund, with excess revenues remaining in the Residential Mortgage Licensing Fund.

The Division of Savings and Loan Supervision Fund receives monies assessed on savings and loan associations and other corporations. The actual cost of regulating state chartered savings and loan associations and other corporations is transferred to the Division of Finance Fund. Any amount remaining in the Division of Savings and Loan Supervision Fund which exceeds five percent of the amount assessed to the savings and loan associations and other corporations is transferred to the state General Revenue Fund.

The State Banking Board, Savings and Loan Commission, and Residential Mortgage Board were created to handle appeals from certain decisions and orders of the Commissioner of Finance.

The State Banking Board, a judicial body, was created in 1955 to handle appeals from certain decisions and orders of the Commissioner of Finance. The bipartisan board is comprised of five members; two must be non-bankers, one must be a lawyer and two must be experienced bankers.

State Banking Board Members at June 30, 2010

Member	Term Expires
Glen (Brad) Williams (1)	August 29, 2009
M. Elizabeth Fast (1)	August 29, 2007
Robert M. Robuck (1)	August 28, 2007
Linda G. Renner (1)	August 27, 2005
Vacancy	

(1) Although the member's term has expired, he or she continues to serve on the State Banking Board until a successor is appointed by the Governor.

The Savings and Loan Commission, created in 1957, serves a similar function for state-chartered thrift associations. This bipartisan commission is also comprised of five members, one of whom must be a lawyer.

Savings and Loan Commission Members at June 30, 2010

Member	Term Expires
Richard C. Fellhauer (1)	October 10, 2005
Charles R. (Rick) Butler (1)	October 10, 2003
Bayard C. Plowman (1)	August 29, 2003
Vacancy	
Vacancy	

(1) Although the member's term has expired, he continues to serve on the Savings and Loan Commission until a successor is appointed by the Governor.

The Residential Mortgage Board was created in December 1996 to hear appeals of decisions of the Commissioner of Finance relating to mortgage brokers. This bipartisan board is comprised of five members; one must be a lawyer and three must be experienced in mortgage brokering.

Residential Mortgage Board Members at June 30, 2010

Member	Term Expires
Gregory C. Lucas	October 10, 2010
Richard L. Smith (1)	October 10, 2009
John W. Scates (1)	October 10, 2008
Vacancy	
Vacancy	

(1) Although the member's term has expired, he continues to serve on the Residential Mortgage Board until a successor is appointed by the Governor.

The DOF is organized into several main areas including Fiscal and Administration, Mortgage Licensing, Consumer Credit, and an Examination section. At June 30, 2010, the DOF had 106 full-time employees and 4 part-time employees, with a majority of these consisting of bank and trust examination section employees (83) and consumer credit section employees (16). The DOF maintains five examination field offices in Kansas City, St. Louis, Springfield, Columbia, and Sikeston. The Commissioner is appointed by the Governor with the advice and consent of the Senate. D. Eric McClure served as the Commissioner from January 3, 2003, until January 12, 2009. Richard J. Weaver, the previous Deputy Commissioner of Finance, was appointed Commissioner of Finance on April 17, 2009.

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The DOF did not receive any federal stimulus monies during the 3 years ended June 30, 2010.

Appendix A-1

Division of Finance
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2010

	Division of Finance Fund	Residential Mortgage Licensing Fund	Division of Savings and Loan Supervision Fund	Total (Memorandum Only)
RECEIPTS				
Financial institutions examination fee	$ 8,831,976	0	0	8,831,976
Consumer finance license fees	1,064,775	0	0	1,064,775
Salesman licenses or permits	0	328,500	0	328,500
Loan administration fees	0	0	33,346	33,346
Other fees	100,249	0	0	100,249
Miscellaneous	1,367	0	0	1,367
Interest	31,905	6,389	385	38,679
Transfers in	442,754	0	0	442,754
Total receipts	10,473,026	334,889	33,731	10,841,646
DISBURSEMENTS				
Personal service	5,784,648	0	0	5,784,648
Employee fringe benefits	2,272,403	0	0	2,272,403
Expense and equipment	953,428	0	0	953,428
Cost allocation plan	95,271	0	0	95,271
State owned facilities operations	150,949	0	0	150,949
Leasing operations	88,195	0	0	88,195
Transfers out to General Revenue Fund	484,483	3,674	13,127	501,284
Transfers out to Division of Finance Fund	0	419,828	21,491	441,319
Transfers out to Department of Insurance, Financial Institutions and Professional Registration Administrative Fund	103,336	0	0	103,336
Total disbursements	9,932,713	423,502	34,618	10,390,833
RECEIPTS OVER (UNDER) DISBURSEMENTS	540,313	(88,613)	(887)	450,813
CASH AND INVESTMENTS, JULY 1	647,111	454,002	36,083	1,137,196
CASH AND INVESTMENTS, JUNE 30	$ 1,187,424	365,389	35,196	1,588,009

Appendix A-2

Division of Finance
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2009

		Division of Finance Fund	Residential Mortgage Licensing Fund	Division of Savings and Loan Supervision Fund	Total (Memorandum Only)
RECEIPTS					
Financial institutions examination fee	$	7,327,555	0	0	7,327,555
Consumer finance license fees		1,007,100	0	0	1,007,100
Salesman licenses or permits		0	79,340	0	79,340
Loan administration fees		0	0	35,701	35,701
Other fees		37,880	0	0	37,880
Miscellaneous		1,145	0	0	1,145
Interest		57,574	15,095	739	73,408
Transfers in		232,320	0	0	232,320
Total receipts		8,663,574	94,435	36,440	8,794,449
DISBURSEMENTS					
Personal service		5,198,027	0	0	5,198,027
Employee fringe benefits		1,904,622	0	0	1,904,622
Expense and equipment		817,870	0	0	817,870
Cost allocation plan		96,998	0	0	96,998
State owned facilities operations		150,375	0	0	150,375
Leasing operations		89,091	0	0	89,091
Transfers out to General Revenue Fund		472,214	2,809	357	475,380
Transfers out to Division of Finance Fund		0	197,623	29,521	227,144
Transfers out to Department of Insurance, Financial Institutions and Professional Registration Administrative Fund		83,252	0	0	83,252
Total disbursements		8,812,449	200,432	29,878	9,042,759
RECEIPTS OVER (UNDER) DISBURSEMENTS		(148,875)	(105,997)	6,562	(248,310)
CASH AND INVESTMENTS, JULY 1		795,986	559,999	29,521	1,385,506
CASH AND INVESTMENTS, JUNE 30	$	647,111	454,002	36,083	1,137,196

Appendix A-3

Division of Finance
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2008

		Division of Finance Fund	Residential Mortgage Licensing Fund	Division of Savings and Loan Supervision Fund	Total (Memorandum Only)
RECEIPTS					
Financial institutions examination fee	$	6,574,587	0	0	6,574,587
Consumer finance license fees		1,208,234	0	0	1,208,234
Salesman licenses or permits		0	186,210	0	186,210
Loan administration fees		0	0	27,036	27,036
Other fees		120,598	0	0	120,598
Miscellaneous		744	0	0	744
Interest		109,292	35,310	1,529	146,131
Transfers in		280,466	0	0	280,466
Total receipts		8,293,921	221,520	28,565	8,544,006
DISBURSEMENTS					
Personal service		5,007,099	0	0	5,007,099
Employee fringe benefits		1,806,253	0	0	1,806,253
Expense and equipment		785,835	0	0	785,835
Cost allocation plan		105,318	0	0	105,318
State owned facilities operations		157,414	0	0	157,414
Leasing operations		85,707	0	0	85,707
Transfers out to General Revenue Fund		421,566	107,878	11,845	541,289
Transfers out to Division of Finance Fund		0	263,818	15,613	279,431
Transfers out to Department of Insurance, Financial Institutions and Professional Registration Administrative Fund		61,924	0	0	61,924
Total disbursements		8,431,116	371,696	27,458	8,830,270
RECEIPTS OVER (UNDER) DISBURSEMENTS		(137,195)	(150,176)	1,107	(286,264)
CASH AND INVESTMENTS, JULY 1		933,181	710,175	28,414	1,671,770
CASH AND INVESTMENTS, JUNE 30	$	795,986	559,999	29,521	1,385,506

Appendix B

Division of Finance
Comparative Statement of Appropriations and Expenditures (1)

	Year Ended June 30,								
	2010			2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
DIVISION OF FINANCE FUND									
Information Technology Services Division personal service	$ 51,248	45,984	5,264	46,248	45,822	426	44,901	42,033	2,868
Information Technology Services Division expense and equipment	99,552	80,807	18,745	126,552	109,054	17,498	99,543	86,429	13,114
Division of Finance personal expense and equipment	936,260	854,308	81,952	749,838	676,517	73,321	707,858	657,770	50,088
Division of Finance personal service	6,216,626	5,738,664	477,962	5,799,996	5,152,205	647,791	5,547,419	4,965,066	582,353
Operation of state-owned facilities, related services, utilities, systems furniture, structural modifications, and related expenses expense and equipment	150,949	150,949	0	157,841	150,375	7,466	164,115	157,414	6,701
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses expense and equipment	89,496	88,195	1,301	89,097	89,091	6	86,355	85,708	647
Out-of-State Examinations	50,000	18,313	31,687	50,000	32,299	17,701	50,000	37,512	12,488
Reimbursing the Division of Employment Security benefit account for claims paid to former state employees for unemployment insurance coverage and for related professional services	7,903	0	7,903	7,903	0	7,903	7,903	0	7,903
Total Division Of Finance Fund	7,602,034	6,977,220	624,814	7,027,475	6,255,363	772,112	6,708,094	6,031,932	676,162
Total All Funds	$ 7,602,034	6,977,220	624,814	7,027,475	6,255,363	772,112	6,708,094	6,031,932	676,162

(1) The amounts include Office of Administration appropriations which were expended on behalf of the Division of Finance for information technology services and unemployment insurance claims.

Appendix C

Division of Finance
Comparative Statement of Expenditures (From Appropriations) (1)

	Year Ended June 30,				
	2010	2009	2008	2007	2006
Salaries and wages	$ 5,784,647	5,198,027	5,007,099	4,695,516	4,340,691
Travel:					
In-state	419,985	373,001	333,252	360,534	345,291
Out-of-state	101,478	108,656	103,691	102,322	85,882
Fuel and utilities	8,006	7,351	6,667	12,391	8,218
Supplies	61,675	53,519	62,760	46,285	51,625
Professional development	90,588	94,247	103,225	96,968	91,532
Communication services and supplies	35,357	33,958	35,722	35,159	40,198
Services:					
Professional	125,307	39,739	37,044	56,583	62,192
Housekeeping and janitorial	6,777	6,924	6,939	11,343	7,170
Maintenance and repair	12,715	16,992	25,827	26,426	26,364
Equipment:					
Computer	53,012	77,944	49,588	59,177	52,155
Office	41,738	11,836	20,735	12,314	28,895
Other	1,118	0	505	287	1,579
Property and improvements	0	230	0	0	0
Debt service	25,537	27,129	17,846	15,102	0
Building lease payments	202,165	198,873	211,478	179,312	112,770
Equipment rentals and leases	159	91	77	160	644
Miscellaneous expenses	597	756	4,712	3,834	328
Rebillable expenses	4,559	4,040	2,240	0	0
Refunds	1,800	2,050	2,525	2,800	1,300
Program distributions	0	0	0	0	4,774
Total Expenditures	$ 6,977,220	6,255,363	6,031,932	5,716,513	5,261,608

(1) The amounts include Office of Administration appropriations which were expended on behalf of the Division of Finance for information technology services.

Thomas A. Schweich

Missouri State Auditor

ECONOMIC DEVELOPMENT

Division of Workforce Development

April 2011

Report No. 2011-16

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Economic Development, Division of Workforce Development

Contract Monitoring

The Division of Workforce Development (DWD) did not adequately monitor the status of a software development contract and paid $3.8 million to a vendor for two computer systems it could not use. The DWD salvaged the project by paying another vendor $570,000 to complete the project and implement the systems. If the DWD had paid the first vendor only as the agreed upon milestones were met, the DWD should have realized early on that the project was not being completed as stipulated in the contract.

Since this contract was procured, the state's process has changed and information technology contracts are monitored by the Office of Administration Information Technology Services Division and are paid only upon completion of defined milestones.

Payment of Operating Costs of the Governor's Office

The DWD paid over $1,630 in travel costs for the Governor and a Department of Labor and Industrial Relations official for air travel to promote an information technology training program to be administered by the DWD. It does not seem appropriate for the DWD to pay for flights that include no DWD employees. Shifting costs among departments circumvents the appropriations process and distorts the actual costs of operating the DWD, the Department of Labor and Industrial Relations, and the Governor's office.

In the areas audited, the overall performance of this entity was **Good**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The DWD was awarded approximately $98.8 million in federal stimulus funds ($32,706,284 in 2009 and $66,265,250 in 2010) and spent approximately $3.9 million in FY2009 and $52.8 million in FY2010. Appropriations to the DWD from the Federal Stimulus-DED Fund were expended on: personal service ($3,483,625 in 2010); expense and equipment ($22,056 in 2009 and $2,093,447 in 2010); job training (3,890,786 in 2009 and $46,057,513 in 2010); dislocated workers assistance ($818,425 in 2010); emerging industry grants ($74,124 in 2010); and temporary assistance for needy families summer youth program ($295,000 in 2010).

While most of the DWD federal stimulus funds went to fund existing programs and fill budget gaps, according to the DWD, federal stimulus funding helped create or retain an average of 813.5 full-time equivalent jobs in FY2010. These positions were related primarily to temporary jobs in the Workforce Investment Act Summer Youth program intended to provide work experience for youth to prepare them for the workforce.

Division of Workforce Development
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
David Kerr, Director
Department of Economic Development
and
Julie Gibson, Director
Division of Workforce Development
Jefferson City, Missouri

We have audited certain operations of the Department of Economic Development, Division of Workforce Development, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2010. The objectives of our audit were to:

1. Evaluate the division's internal controls over significant management and financial functions.

2. Evaluate the division's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Economic Development, Division of Workforce Development.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Robert Showers, CPA
In-Charge Auditor:	Denise Huddleston, MBA
Audit Staff:	Robert Graham

Division of Workforce Development
Management Advisory Report
State Auditor's Findings

1. Contract Monitoring

The Division of Workforce Development (DWD) did not sufficiently monitor the status of a software development contract and did not determine the usability of project deliverables[1] before paying the vendor. The DWD paid a total of $3.8 million to the vendor to develop the Toolbox and Great Hires systems to track program participants and match participants with appropriate employers. The contract was entered into in August 2005 with a scheduled completion date of June 2006. However, DWD officials attempted to withhold the final $1.75 million payment when they determined neither system was usable. After negotiating with the vendor and consulting with the U.S. Department of Labor, the final payment was made in June 2010. The DWD paid an additional $570,000 to another software company to complete the project and implement the systems. This contract was entered into in April 2007 and completed in 2008.

The Office of Administration (OA), Division of Purchasing and Materials Management, was responsible for the procurement of the systems. Although project deliverables were clearly defined in the contract, the DWD agreed to pay the vendor on a monthly basis rather than based on the completion and acceptance of project deliverables. In addition, the DWD did not monitor the status of the project before making monthly payments to ensure the division was receiving functional deliverables as defined in the contract.

Paying vendors based on the status of deliverables and achievement of milestones helps ensure the project is being completed as expected, and helps to avoid unnecessary costs and ineffective products. The state's process for information technology contracts, such as the one in question, have changed since this contract was procured. Current practices dictate projects be monitored by the OA Information Technology Services Division and paid only as milestones are achieved.

Recommendation

In any future contracts, the DWD should make payments to contractors based on the status of project deliverables to ensure the product received meets contract specifications.

Auditee's Response

The DWD paid the vendor in accordance with the terms of the contract; however, DWD accepts the recommendation and future contracts will be based on the status of contract deliverables.

[1] A product or service that is prepared for and delivered to the government under the terms of a contract; National Institute of Standards and Technology, Special Publication 800-64 p.63/71

2. Payment of Operating Costs of the Governor's Office

In fiscal year 2010, the DWD paid more than $1,630 related to travel costs of the Governor's office and another state agency, thus circumventing the appropriation process established by the General Assembly. The trip billed to the DWD was for the Governor and a Department of Labor and Industrial Relations (DLIR) official to promote an information technology training program to be administered by the DWD. Documentation of the flight shows no DWD personnel were on the flight.

It does not appear appropriate for the DWD to bear the cost of flights that include no DWD employees. This practice distorts the actual costs of operating the DWD, the DLIR, and the Governor's office.

Recommendation

The DWD work with the Governor's office to discontinue the practice of using DWD appropriations to pay operating costs of the Governor's office and the DLIR.

Auditee's Response

The Office of Administration, Division of Budget and Planning determines the allocation of expenses incurred by the Governor's office for providing services to state departments. The Division of Budget and Planning informed the Department of Economic Development of its share of those expenses. Travel expenses benefitting state departments and their constituents are allocated to the departments. The Department of Economic Development believes the costs are an appropriate expense.

Division of Workforce Development
Organization and Statistical Information

The Division of Workforce Development (DWD) is a division of the Department of Economic Development (DED). The DWD is responsible for providing services to businesses and individuals to increase workforce skills necessary for various industries. The DWD has seven sections; Business and Industry, Workforce Services, Planning and Performance Management, Workforce Development Board, Equal Employment Officer, Policy Communications, and Financial Management.

Julie Gibson has served as the Director of the DWD since March 2009. Mark Bauer served as interim Director from February 2009 to March 2009. Dawn Busick was Director during the remainder of the 2 years ended June 30, 2010. At June 30, 2010, the DWD had 432 employees.

DWD services are provided through 43 career centers, 14 local workforce investment boards (WIB), and 12 community college districts. The DWD has contracts with the WIB's to provide guidance to the career centers. The career centers administer several federal programs including the Workforce Investment Act and the Wagner-Peyser programs.

The DWD administers three state-funded programs aimed at job creation and retention. These three programs are; Missouri Customized Training Program, Community College New Jobs Training Program (NJTP), and Community College Job Retention Training Program (JRTP). The Missouri Customized Training Program is funded through the Missouri Job Development Fund (MJDF).

Missouri Customized Training Program

The MJDF is established and defined by sections 620.470 through 620.481, RSMo. The MJDF provides assistance to eligible businesses to train workers with a focus on job creation and retention. The DWD receives appropriations from the General Revenue Fund to fund this program. Businesses submit training program applications that are evaluated for potential program awards. Appropriations totaled $13.9 million for fiscal year 2010. This funding assistance can help lower the cost of locating a new facility or keeping a facility in Missouri. Funding assistance is available for a variety of training costs, including instructional salaries, curriculum development, and training materials.

The MJDF is operated by Local Educational Agencies (LEAs). LEAs are primarily community colleges, area career schools, and some 4-year universities that provide training and locally administer funding assistance. Companies can choose from a variety of training options to best meet their needs. Many of Missouri's LEAs have developed specialized resources for providing instruction, curriculum development, or training materials to businesses. In other instances, the individual company or a private vendor may be the best match for meeting training goals.

To be eligible for training funding, businesses must be located in Missouri and employ Missouri residents as full-time employees. Businesses should be either creating new jobs or retraining employees after making a significant capital investment. The DWD has established certain criteria to help with determining how MJDF resources should be distributed. Factors such as new job creation, substantial capital investment, high wages (at or above the county average), and a written commitment to support a program are considered. If any jobs for which training assistance has been received are moved out of Missouri or eliminated within 5 years of the date the project is approved, a company may be responsible for repayment of all training assistance received through the program.

Community College New Jobs Training Program

The NJTP is authorized by Sections 178.892 through 178.896, RSMo. The NJTP provides assistance in reducing the cost associated with training to expand a workforce. Under the NJTP, revenue from the diverted withholding taxes from employees in the newly created jobs is used to pay training expenses. The amount of withholding taxes diverted totaled $3.2 million for fiscal year 2010. The NJTP is considered a tax credit program, and was separately audited in 2003.[2]

The NJTP is operated by community colleges and monitored by the DWD. Provided training can include skill assessments, instruction costs, curriculum development, pre-employment training and on-the-job training (not to exceed 50 percent of project training costs). Training may be provided by the company, an LEA, or a training vendor.

Recipients can involve a company that is locating a new facility or expanding existing workforce in Missouri. Companies must be in the industries of manufacturing, processing, or assembling of products, or research and development, or provide services of interstate commerce to be eligible. They must be located in Missouri and have a sound credit rating. Generally, companies selected to receive funding should be creating at least 100 jobs at or above the county average wage rate.

Community College Job Retention Training Program

The JRTP is authorized by Sections 178.760 through 178.764, RSMo. The JRTP provides assistance in reducing the cost associated with retraining an existing workforce for the purpose of retaining jobs in Missouri. Under the JRTP, revenue from the diverted withholding taxes from employees in retained jobs is used to pay training expenses. The amount of withholding taxes diverted totaled $8.1 million for fiscal year 2010.

The JRTP is operated by community colleges and monitored by the DWD. Provided training can include skill assessments, instruction costs,

[2] *New Jobs Training Program Tax Credit,* April 2003 (Report No. 2003-32).

curriculum development, and on-the-job training (not to exceed 50 percent of project training costs). Training may be provided by the company, an LEA or a training vendor.

To be eligible for the JRTP, companies must (1) be in the industries of manufacturing, processing, or assembling of products, research and development, or provide services of interstate commerce; (2) be located in Missouri and have a sound credit rating; (3) generally be creating at least 100 jobs at or above the county average wage rate, and (4) meet one of the following criteria: have made a capital investment of at least $1 million, be located in a border county of the state and represent a potential risk of relocation from the state, or be determined by the DWD to represent a substantial risk of relocation from the state.

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The DWD was awarded approximately $98.8 million in American Recovery and Reinvestment Act of 2009 monies, and has spent approximately $3.9 million and $52.8 million of those funds during the years ended June 30, 2009 and 2010, respectively. These monies were appropriated to the DWD from the Federal Stimulus - DED Fund (see Appendix B). The funds were used primarily for job training purposes as part of the Workforce Investment Act grant from the United States Department of Labor, although portions were used for general administration of the DWD. According to DWD documents, ARRA funding helped to create or retain an average of 813.5 full-time equivalent jobs during fiscal year 2010.[3] The majority of the jobs reported were associated with the summer youth program, which is intended to provide employment-related services and high quality work experience for youth to prepare them for the workforce. Accordingly, these jobs were designed to be temporary.

[3] Job data was not available for fiscal year 2009 activity.

Appendix A-1

Department of Economic Development
Division of Workforce Development
Combined Statements of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2010

	Job Development and Training Fund	Missouri Community College New Job Training Fund	Missouri Job Development Fund	Missouri Community College Job Retention Training Fund	DED-Federal Stimulus Fund	Total (Memorandum Only)
RECEIPTS						
Federal grant	$ 116,644,548	0	0	0	0	116,644,548
Donated assets - state agency	19,087	0	0	0	0	19,087
American Recovery and Reinvestment Act (ARRA)	0	0	0	0	54,633,328	54,633,328
Vendor refunds	106,003	0	0	0	0	106,003
Individual income tax	0	3,228,611	0	8,145,996	0	11,374,607
Cost reimbursements	4,363,672	0	109,836	0	0	4,473,508
Rebates	48	0	3	0	0	51
Overpayments	11,891	0	9,259	0	0	21,150
Interagency receipts	3,142,502	0	2,853,304	0	0	5,995,806
Transfers in	0	0	9,643,027	0	0	9,643,027
Total receipts	124,287,751	3,228,611	12,615,429	8,145,996	54,633,328	202,911,115
DISBURSEMENTS						
Personal service	13,011,481	0	315,946	0	3,483,625	16,811,052
Expense and equipment	4,627,877	0	21,403	0	1,745,163	6,394,443
Debt service	88,530	0	0	0	0	88,530
Building lease payments	793,984	0	120	0	0	794,104
Miscellaneous expenses	38,428	0	826	0	4,191	43,445
Program distributions	95,925,549	3,228,601	12,976,173	8,145,996	47,589,156	167,865,475
Interagency disbursements	3,801,522	0	0	0	0	3,801,522
Appropriated transfers out	7,552,230	0	211,596	0	0	7,763,826
Total disbursements	125,839,601	3,228,601	13,526,064	8,145,996	52,822,135	203,562,397
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,551,850)	10	(910,635)	0	1,811,193	(651,282)
CASH AND INVESTMENTS, JULY 1	1,875,682	0	2,533,271	0	8,072	4,417,025
CASH AND INVESTMENTS, JUNE 30	$ 323,832	10	1,622,636	0	1,819,265	3,765,743

Appendix A-2

Department of Economic Development
Division of Workforce Development
Combined Statements of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2009

		Job Development and Training Fund	Missouri Community College New Job Training Fund	Missouri Job Development Fund	Missouri Community College Job Retention Training Fund	DED-Federal Stimulus Fund	Total (Memorandum Only)
RECEIPTS							
Federal grant	$	119,401,138	0	0	0	0	119,401,138
American Recovery and Reinvestment Act (ARRA)		0	0	0	0	3,920,914	3,920,914
Vendor refunds		389,563	0	54,583	0	0	444,146
Other refunds		53	0	0	0	0	53
Individual income tax		0	4,175,591	0	9,992,850	0	14,168,441
Cost reimbursements		1,094,057	0	135,197	0	0	1,229,254
Canceled checks		40	0	0	0	0	40
Capital credit/dividends		107	0	0	0	0	107
Overpayments		7,921	0	0	0	0	7,921
Interagency receipts		840,251	0	0	0	0	840,251
Transfers in		1,806,768	0	10,215,914	0	0	12,022,682
Total receipts		123,539,898	4,175,591	10,405,694	9,992,850	3,920,914	152,034,947
DISBURSEMENTS							
Personal service		15,257,240	0	320,918	0	0	15,578,158
Expense and equipment		2,740,948	0	63,727	0	137,681	2,942,356
Debt service		89,089	0	0	0	0	89,089
Building lease payments		1,076,484	0	150	0	0	1,076,634
Miscellaneous expenses		27,194	0	87	0	0	27,281
Program distributions		92,500,810	4,175,591	9,594,174	9,992,850	3,775,161	120,038,586
Interagency disbursements		3,732,009	0	0	0	0	3,732,009
Appropriated transfers out		8,295,042	0	194,321	0	0	8,489,363
Total disbursements		123,718,816	4,175,591	10,173,377	9,992,850	3,912,842	151,973,476
RECEIPTS OVER (UNDER) DISBURSEMENTS		(178,918)	0	232,317	0	8,072	61,471
CASH AND INVESTMENTS, JULY 1		2,054,600	0	2,300,954	0	0	4,355,554
CASH AND INVESTMENTS, JUNE 30	$	1,875,682	0	2,533,271	0	8,072	4,417,025

Appendix B

Department of Economic Development
Division of Workforce Development
Comparative Statement of Appropriations and Expenditures (1)

	Year Ended June 30,						
	2010			2009			
	Appropriation Authority	Expenditures	Lapsed Balances		Appropriation Authority	Expenditures	Lapsed Balances	
General Revenue Fund								
Workforce autism	$ 200,000	193,884	6,116		200,000	163,568	36,432	
DED state owned	185,733	182,129	3,604		249,893	206,863	43,030	
Upgrades device project	625,000	229,268	395,732	(3)	0	0	0	
Job training	1,978,912	1,819,545	159,367		1,978,912	1,919,545	59,367	
Total General Revenue Fund	2,989,645	2,424,826	564,819	(2)	2,428,805	2,289,976	138,829	(2)
Facilities Maintenance Reserve Fund								
Paving management	0	0	0		7,935	7,935	0	
Total Facilities Maintenance Reserve Fund	0	0	0		7,935	7,935	0	
Job Development and Training Fund								
Workforce development personal service	21,397,398	12,956,714	8,440,684		21,397,398	15,202,140	6,195,258	
Job training	96,024,374	80,270,751	15,753,623		99,695,988	84,126,034	15,569,954	
TAA and JTPA Programs	18,000,000	17,955,771	44,229		8,950,000	8,949,169	831	
DED leasing	1,606,112	1,449,520	156,592		1,737,669	1,484,467	253,202	
Workforce development expense and equipment	3,038,437	2,454,937	583,500		3,042,037	2,295,282	746,755	
DED state owned	1,122,772	971,735	151,037		1,208,376	1,172,754	35,622	
Women's council administration personal service	55,167	54,767	400		55,167	55,100	67	
Women's council administration expense and equipment	16,502	13,434	3,068		16,502	16,502	0	
Total Job Development & Training Fund	141,260,762	116,127,629	25,133,133		136,103,137	113,301,448	22,801,689	
Child Support Enforcement Fund								
Job training	0	0	0		370,183	370,183	0	
Workforce development personal service	0	0	0		197,290	197,290	0	
Workforce development expense and equipment	0	0	0		18,955	18,955	0	
Total Child Support Enforcement Fund	0	0	0		586,428	586,428	0	
Missouri Community College New Job Training Fund								
Community college new jobs training	16,000,000	3,228,601	12,771,399		16,000,000	4,175,591	11,824,409	
Total Mo Community College New Job Training Fund	16,000,000	3,228,601	12,771,399		16,000,000	4,175,591	11,824,409	
Missouri Job Development Fund								
Missouri job development	13,494,139	12,976,173	517,966		10,640,835	9,594,174	1,046,661	
Workforce development personal service	371,707	315,946	55,761		371,707	320,918	50,789	
Workforce development expense and equipment	81,389	22,349	59,040		81,389	63,965	17,424	
Total Missouri Job Development Fund	13,947,235	13,314,468	632,767	(2)	11,093,931	9,979,057	1,114,874	
Missouri Community College Job Retention Training Program Fund								
Jobs retention training program	10,000,000	8,145,996	1,854,004		10,000,000	9,992,850	7,150	
Total MO Community College Job Retention Training Program Fund	10,000,000	8,145,996	1,854,004		10,000,000	9,992,850	7,150	
Special Employment Security Fund								
Buildings and land	0	0	0		216,000	15,434	200,566	
DED leasing	216,000	216,000	0		200,566	200,566	0	
Total Special Employment Security Fund	216,000	216,000	0		416,566	216,000	200,566	(2)
Hero At Home Fund								
Workforce development	315,000	450	314,550		350,000	11,296	338,704	
Total Hero At Home Fund	315,000	450	314,550		350,000	11,296	338,704	
Federal Stimulus-DED Fund								
Workforce development personal service	4,423,929	3,483,625	940,304		1,479,842	0	1,479,842	
Workforce development expense and equipment	2,168,448	2,093,447	75,001		369,960	22,056	347,904	
Job training	46,059,448	46,057,513	1,935		30,856,482	3,890,786	26,965,696	
Dislocated workers assistance	818,425	818,425	0		0	0	0	
Emerging industry grants	12,500,000	74,124	12,425,876		0	0	0	
TANF summer youth program	295,000	295,000	0		0	0	0	
Total Federal Stimulus-DED Fund	66,265,250	52,822,134	13,443,116		32,706,284	3,912,842	28,793,442	
Total All Funds	$ 250,993,892	196,280,104	54,713,788		209,693,086	144,473,423	65,219,663	

(1) The amounts include Office of Administration appropriations which were expended on behalf of the Division of Workforce Development for real property rentals and leases.

(2) The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,	
	2010	2009
General Revenue Fund		
Workforce autism	$ 6,000	36,432
Job training	159,367	59,367
DED state owned	3,604	0
Total General Revenue Fund	168,971	95,799
Missouri Job Development Fund		
Missouri job development	483,394	0
Total Missouri Job Development Fund	483,394	0
Special Employment Security Fund		
Buildings and land	0	200,566
Total Special Employment Security Fund	0	200,566
Total All Funds	$ 652,365	296,365

(3) Biennial appropriations set up in the current fiscal year are re-appropriations to the next fiscal year. After the fiscal year-end processing has been completed, the unexpended appropriation balance for a biennial appropriation is established in the new fiscal year. Therefore, there is no lapsed balance for a biennial appropriation at the end of the first year.

Appendix C

Department of Economic Development
Division of Workforce Development
Comparative Statement of Expenditures (From Appropriations) (1)

	Year Ended June 30,				
	2010	2009	2008	2007	2006
Salaries and wages	$ 16,811,052	15,775,448	16,119,457	16,119,347	16,576,871
Travel, in-state	530,471	499,008	674,170	757,450	843,592
Travel, out-of-state	81,194	79,945	99,004	106,997	115,939
Fuel and utilities	190,707	156,665	180,623	188,409	295,902
Supplies	508,822	481,081	587,756	450,093	563,468
Professional development	155,361	224,711	283,134	446,556	292,827
Communication services and supplies	553,615	545,488	648,030	614,199	789,787
Services:					
Professional services	4,031,186	623,167	940,546	1,007,791	1,657,025
Janitorial	111,985	130,800	146,459	147,050	266,682
Maintenance and repair	346,180	346,117	226,268	271,444	459,224
Equipment:					
Computer	24,581	51,874	2,160	0	0
Motorized	23,125	14,208	970	15,170	39,376
Office	152,205	19,851	30,839	66,130	117,337
Other	179,561	25,657	74,646	36,684	94,837
Property and improvements	0	13,236	39,957	41,130	2,547
Debt service	88,530	89,089	56,849	57,014	19,611
Real property rentals and leases	2,548,442	2,832,288	3,345,119	3,188,695	1,656,329
Equipment rental and leases	20,289	14,107	20,261	17,897	35,768
Miscellaneous expenses	43,445	27,281	43,003	58,532	86,701
Rebillable expenses	0	20,223	53,910	0	0
Program distributions	169,879,353	122,503,179	108,468,646	100,552,549	95,463,181
Total Expenditures	$ 196,280,104	144,473,423	132,041,807	124,143,136	119,377,004

(1)The amounts include Office of Administration appropriations expended on behalf of the Division of Workforce Development (DWD) for real property rentals and leases.

Thomas A. Schweich

Missouri State Auditor

ADMINISTRATION

Review of Article X, Sections 16 Through 24, Constitution of Missouri

Year Ended June 30, 2010

April 2011

Report No. 2011-15

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the review of Article X, Sections 16 through 24, Constitution of Missouri

Background

The Constitution of Missouri was amended in 1980 to add Article X, Sections 16 through 24, commonly referred to as the Hancock Amendment. This tax limitation amendment imposes restrictions on the amount of personal income used to fund state government and the amount by which fees and taxes can be increased. Mathematical formulas are used to determine the relevant threshold amounts each year.

The Hancock Amendment limits the amount of Missourian's personal income that may be used to fund state government to no greater than the portion used to do so in 1981. In other words, since 5.6 percent of Missourian's personal income went to fund state government in 1981, then no more than 5.6 percent can be used to do so in future years, unless revenues are specifically excluded by a vote of the people.

The Hancock Amendment also requires voter approval before taxes or fees can be increased by the General Assembly beyond a certain annual limit. Based upon the calculation provided by the Office of Administration, Division of Budget and Planning, the relevant annual revenue limit for fiscal year 2010 was $96 million.

Fiscal Year 2010 Findings

For the fiscal year ended June 30, 2010, our review determined no refunds were due. In fact, total state revenue was $4.4 billion under the refund threshold. In addition, the Office of Administration, Division of Budget and Planning determined that net taxes and fees increased by $1.9 million, well below the $96 million annual limit. As a result, our review concluded the state complied with these provisions of the Hancock Amendment.

Because of the limited objective of this review, no overall rating is provided.

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

Not applicable to this report.

Review of Article X, Sections 16 Through 24, Constitution of Missouri
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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
Kelvin L. Simmons, Commissioner
Office of Administration
Jefferson City, Missouri

We have conducted a review of revenues of the state of Missouri for the year ended June 30, 2010, and the application to those revenues of Article X, Sections 16 through 24, Missouri Constitution, more commonly referred to as the Hancock Amendment (included as an Appendix). We had previously reported on revenues of the state for the years ended June 30, 1982 through 2009. The amendment, which was adopted by the voters of Missouri on November 4, 1980, limits the growth of state revenues collected in any fiscal year. The objectives of this review were to:

1. Evaluate the formula to calculate the state's revenue limit.

2. Determine the specific items included in total state revenues.

3. Verify the accuracy of the revenue limit computation and compare that limit to total state revenues.

4. Review the state's overall compliance with the provisions of the amendment.

Our review included only the application of the revenue limit to state revenues and, accordingly, did not include a review of the effects of the amendment on any local governmental unit.

Our methodology to accomplish these objectives included discussions with personnel of the Office of Administration, Division of Budget and Planning, inspecting relevant records and reports compiled by that office, and reviewing data and reports from the statewide accounting system. We reviewed this information to the extent necessary to satisfy ourselves that the information in the Exhibits is fairly stated in all material respects.

The Executive Summary and the Background, Methodology, and Conclusions present our comments, findings, and conclusions concerning the state's overall compliance with the provisions of Article X, Sections 16 through 24, Missouri Constitution.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Jeffrey Thelen, CPA

Executive Summary

The amendment, commonly referred to as the Hancock Amendment, requires that no greater portion of Missourians' personal income (MPI) be used in any future year to fund state government than was the case in fiscal year 1981, except as authorized by a vote of the people.

The results of our review determined that for the year ended June 30, 2010, total state revenue (TSR) was approximately $4.4 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2010.

The amendment also imposes an additional revenue limit, which states the general assembly shall not increase taxes or fees in any fiscal year without voter approval that in total produce new annual revenues greater than $50 million adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or one percent of total state revenues for the second fiscal year prior to the general assembly's action, whichever is less.

For the year ended June 30, 2010, the Office of Administration, Division of Budget and Planning has determined that as a result of legislative actions net taxes and fees increased by a total of $1.9 million. As a result, it appears the state also complied with this provision of the amendment.

The revenue limit has not been exceeded since the year ended June 30, 1999. Over the last 5 years the amount of TSR under the refund threshold has increased from $1.4 billion to $4.4 billion.

A bar graph of TSR compared to the refund threshold follows:

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
CONSTITUTION OF MISSOURI
CHART OF TOTAL STATE REVENUE VERSUS REFUND THRESHOLD

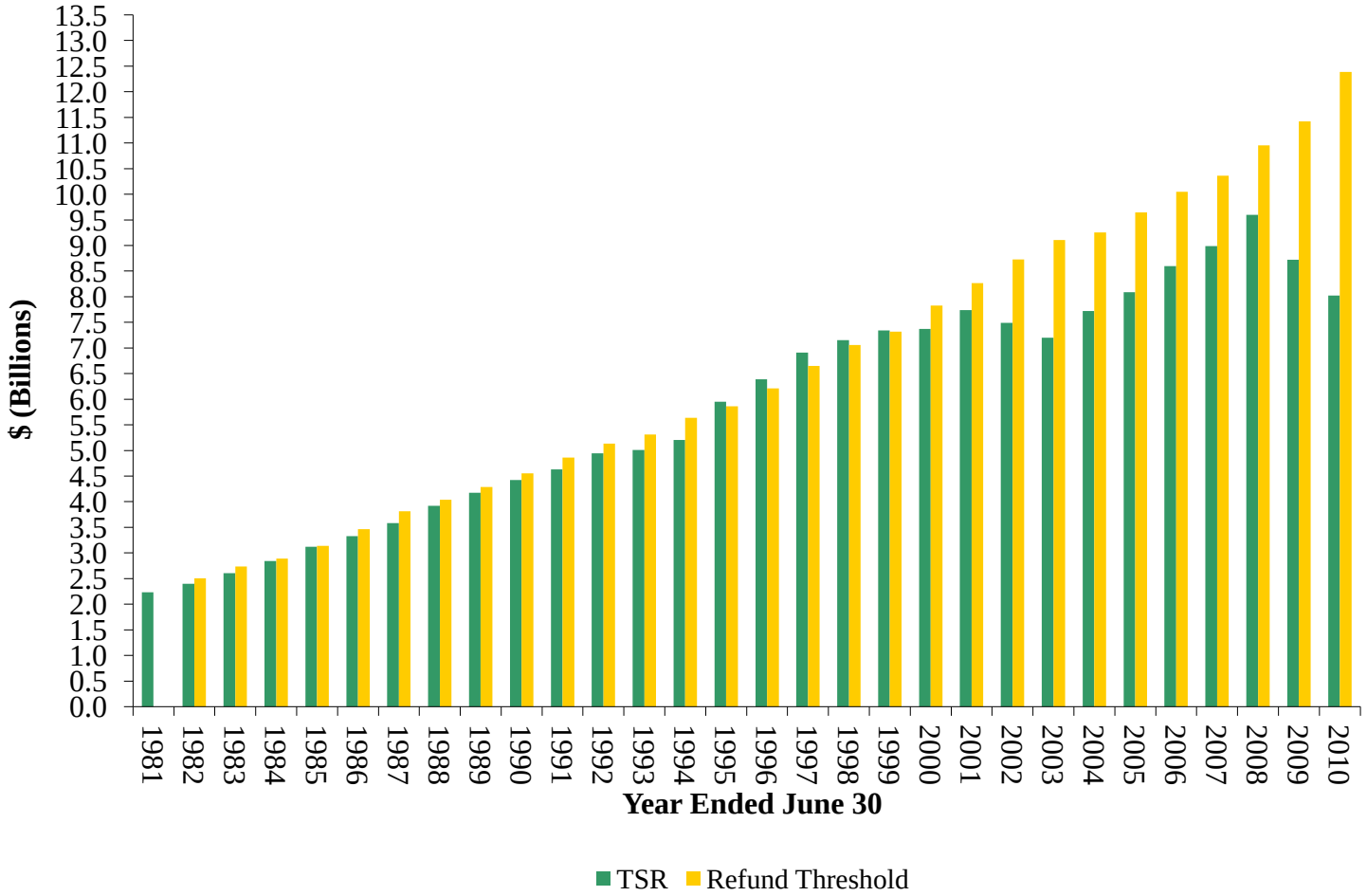

Exhibit A

Review of Article X, Sections 16 Through 24, Constitution of Missouri
Summary of Total State Revenue and Refund Calculations
(In Millions)

		Year Ended June 30,				
		2006	2007	2008	2009	2010
TOTAL STATE REVENUE (TSR)						
Total state receipts	$	20,919.97	21,928.92	22,939.03	22,962.81	25,392.29
Less excluded revenue		(11,170.56)	(11,675.58)	(12,021.91)	(12,742.02)	(15,836.59)
Less expenditure refunds		(1,185.51)	(1,272.91)	(1,321.37)	(1,504.91)	(1,543.13)
Add refundable tax credits		31.20	5.08	2.75	5.66	9.95
TSR	$	8,595.10	8,985.51	9,598.50	8,721.54	8,022.52
REVENUE LIMIT AND REFUND THRESHOLD						
Missouri personal income	$	175,524.00	181,066.00	191,413.00	199,655.00	216,547.00
Base year ratio	x	0.056395	0.056395	0.056395	0.056395	0.056395
Base limit		9,898.68	10,211.22	10,794.74	11,259.54	12,212.17
Judicial article amendment		45.81	47.64	49.06	50.53	50.53
Revenue limit		9,944.49	10,258.86	10,843.80	11,310.07	12,262.70
1 percent adjustment		99.44	102.59	108.44	113.10	122.63
Refund threshold	$	10,043.93	10,361.45	10,952.24	11,423.17	12,385.33
REFUND CALCULATION						
TSR	$	8,595.10	8,985.51	9,598.50	8,721.54	8,022.52
Less refund threshold		10,043.93	10,361.45	10,952.24	11,423.17	12,385.33
Over (Under) Threshold		(1,448.83)	(1,375.94)	(1,353.74)	(2,701.63)	(4,362.81)
1 percent adjustment		0.00	0.00	0.00	0.00	0.00
Refund	$	0.00	0.00	0.00	0.00	0.00

Exhibit B

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenues

Revenue Source Code		Type of Revenue	Year Ended June 30, 2006	2007	2008	2009	2010
1001		Sales and use tax	$ 1,957,288,809	2,035,863,087	2,029,365,907	1,927,035,752	1,839,221,316
1003	(l)	Parks sales and use tax	39,628,892	41,334,134	41,177,179	38,627,585	37,541,193
1005	(k)	Soil and water sales and use tax	39,632,549	41,334,138	41,177,637	38,627,589	37,541,196
1007		General revenue reimbursements - local sales and use tax	1,874,991	1,869,288	1,836,920	1,361,895	1,194,248
1009		Motor vehicle sales tax	73,944,788	63,299,893	29,084,872	2,974,344	2,870,175
1009	(bb)	Motor vehicle sales tax - Amendment 3	106,679,065	166,565,679	171,801,305	161,889,790	166,257,149
1011	(t)	Conservation sales and use tax	99,069,219	103,332,575	102,945,079	96,571,218	93,854,189
1013	(f)	Proposition C sales and use tax	778,913,723	815,417,913	807,214,841	758,897,169	737,027,830
1015		Sales and use taxes paid under protest	154,942	133,448	679,617	1,321,174	485,684
1016		Suspense holding	-	-	(1)	-	-
1022		Individual income tax	5,360,652,738	5,736,714,734	6,118,983,440	5,949,177,456	5,495,243,112
1024		Individual income taxes paid under protest	27,095	78,291	107,119	89,239	98,582
1026		Corporate income tax	528,814,068	553,946,111	520,955,635	434,036,242	408,935,647
1028		Corporate income taxes paid under protest	27,012	2,311	22,040	2,036	150
1033		County foreign insurance tax	189,702,198	199,210,713	209,554,552	203,798,991	194,396,970
1037		Worker's compensation insurance tax	2,070,359	6,289,512	13,945,412	12,043,776	9,386,753
1039		Worker's compensation insurance tax - second injury	69,529,997	64,288,526	60,287,228	54,647,952	43,216,506
1041		Excess lines of insurance tax	22,028,985	25,158,519	25,699,706	21,920,932	23,053,334
1049		Heavy beer tax	8,368,270	8,380,561	8,436,959	8,466,036	8,270,996
1051		Light beer tax	41,247	31,303	33,457	37,836	15,330
1053		Liquor tax	16,848,358	18,421,990	18,045,107	18,839,100	19,476,179
1055		Wine tax	4,286,145	4,496,356	4,657,885	4,646,495	5,023,673
1057		Cigarette tax	99,873,124	96,959,034	97,150,389	94,799,204	91,151,815
1059		Tobacco product tax	11,448,194	11,917,483	12,214,822	13,065,193	15,011,542
1060		Motor vehicle fuel tax	415,115,603	412,792,165	410,494,152	399,565,091	401,519,109
1060	(g)	Motor vehicle fuel tax	175,587,964	175,375,774	175,543,409	168,061,247	169,008,528
1060	(bb)	Motor vehicle fuel tax - Amendment 3	155,838,142	155,649,820	155,798,599	149,158,016	149,998,750
1062		Special fuel non-gas tax	1,240,891	1,312,257	3,331,931	1,483,582	782,210
1062	(bb)	Special fuel non-gas tax - Amendment 3	106,978	92,863	115,290	104,383	114,205
1064		Aviation fuel tax	353,686	336,589	343,894	254,811	251,472
1070		Corporation franchise tax	77,827,368	77,788,371	92,508,381	94,337,368	93,155,521
1073		Estate tax	15,569,883	5,971,861	3,451,099	3,068,343	263,642
1074	(p)	Bingo tax	2,472,633	2,282,012	2,154,878	2,142,815	2,198,919
1076	(q)	Gaming commission gross receipts tax	286,934,255	286,393,286	293,171,757	316,072,724	334,287,278
1080		Real and personal property tax	22,825,969	23,605,723	25,689,796	26,699,750	26,051,387
1082		Delinquent real and personal property tax	2,281,634	2,791,494	3,280,619	3,332,155	3,486,501
1084		Hazardous waste fees	1,287,666	1,860,180	1,713,325	1,594,056	1,466,805
1085		Managed care organization reimbursement allowance	17,174,996	-	-	-	-
1086		Miscellaneous taxes paid under protest	-	9,537	-	-	-
1088		Nursing facility reimbursement allowance	11,810,655	12,161,891	12,831,315	13,503,123	14,020,417
1089		Pharmacy reimbursement allowance	15,079,728	8,915,898	10,806,129	37,988,202	66,335,897
1090		Federal reimbursement allowance	17,142,839	8,700,416	11,284,451	6,320,261	6,292,537
1093		Athletic events tax	86,504	174,484	120,933	140,907	104,843
1095		Surcharges	8,261,197	14,141,291	396,680	410,904	317,448
1096		Special taxes and assessments	-	-	-	-	31,637
1097		Agency collected sales taxes	374,927	407,964	352,093	352,820	345,639
1099		Other taxes	88,684	76,928	83,118	12,151,473	12,411,499
1100		Professional licenses or permits	26,330,221	23,446,674	21,312,199	25,563,003	24,637,691
1102		Recreational licenses or permits	4,313,421	4,572,038	4,547,798	5,013,650	5,153,559
1104		All-terrain vehicle licenses or permits	1,029	2,044	326	1	2
1106		Motor vehicle licenses or permits	104,739,988	78,597,030	126,655,951	127,213,317	128,852,046
1106	(bb)	Motor vehicle licenses or permits - Amendment 3	81,033,917	81,093,455	55,960,916	52,894,364	54,833,952
1108		Interstate transportation licenses or permits	50,934,127	49,638,906	49,744,434	49,686,448	44,535,890
1108	(bb)	Interstate transportation licenses or permits - Amendment 3	24,600,544	22,381,807	21,632,031	21,591,711	20,092,995

Exhibit B

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenues

Revenue Source Code		Type of Revenue	Year Ended June 30, 2006	2007	2008	2009	2010
1110		Driver's licenses or permits	7,938,652	7,524,695	6,839,329	7,675,442	7,374,159
1110	(bb)	Driver's licenses or permits - Amendment 3	9,609,103	9,467,142	8,718,336	9,438,170	9,101,225
1112		Land reclamation commission permits	567,114	541,457	674,024	645,713	593,636
1114		Salesman licenses or permits	254,160	247,560	186,320	79,340	328,500
1116		Vehicle and boat manufacturer and dealer licenses	992,413	980,078	977,540	920,472	892,228
1118		Liquor licenses or permits	4,118,092	4,180,895	4,764,537	4,740,555	4,889,334
1120		Gaming commission licenses	1,441,184	1,728,790	1,712,730	1,769,544	1,617,970
1122		Beer licenses or permits	6,861	18,545	6,117	345,800	350
1124		Motor carrier licenses	2,292,089	2,073,834	94,593	2,672,893	1,604,642
1126		Hunting and fishing licenses and commission permits	28,285,286	29,535,358	29,390,276	30,505,122	31,059,506
1127		Hunting and fishing special tags	1,186,138	1,161,514	1,154,059	1,243,205	1,188,356
1128		Hazardous waste transporter licenses	164,379	376,836	303,265	315,291	310,352
1130		Water pollution control permits	4,542,878	5,033,755	4,509,288	4,105,784	4,154,272
1132		Overdimension/overweight permits	2,568	3,892	-	-	-
1132	(bb)	Overdimension/overweight permits - Amendment 3	5,615,174	6,620,053	8,155,732	7,836,787	7,304,243
1134		Merchant licenses	1,132,984	1,267,445	1,196,319	1,291,850	1,312,555
1136		Tobacco licenses	25,900	27,000	25,910	27,210	28,600
1138		Temporary licenses	307	125	500	300	600
1140		Duplicate plates	17,836	23,936	26,353	4,861	614,506
1142		Duplicate driver license	-	-	-	-	739,436
1149		Other licenses and permits	3,364,580	3,152,349	3,457,744	3,623,316	3,880,320
1149	(bb)	Other licenses and permits - Amendment 3	1,578,504	1,753,449	2,746,279	1,164,998	1,220,855
1150		Lobbyist registration fees	2,961	13,510	12,190	12,000	10,630
1152		Motorboat fees	6,970,789	10,266,665	9,600,457	8,351,195	8,752,777
1154		Narcotics and dangerous drugs fees	999,794	778,581	714,987	1,018,475	811,160
1156		Occupational boards exam fees - individual exam fees	594,716	616,843	644,623	694,968	699,961
1160	(bb)	Non-motor fuel decal fees - Amendment 3	110,608	83,977	74,587	70,820	75,514
1162		Filing fees	19,517,988	19,269,826	19,875,870	19,086,452	17,575,031
1163		Certifying/authenticating fees	64,251	49,425	43,727	34,797	29,439
1164		Transfer fees	30,365	27,690	26,328	23,188	22,584
1165		Service contract registration fee	-	62,500	73,250	79,300	82,600
1169		Other registration fees	7,343,546	7,832,821	8,610,985	8,463,011	8,249,204
1174		Asbestos fees	286,911	238,255	254,582	240,043	253,980
1178		Milk control fees	63,193	43,058	62,986	75,681	2,737
1180		Home health care license fees	112,800	129,100	115,450	131,350	114,600
1182		Nursing home license fees	164,447	128,726	129,076	148,000	144,875
1184		Title V emissions fees	8,531,692	8,638,247	9,928,734	9,475,409	8,418,337
1185		Emission fees/non Title V facilities	382,437	356,012	414,460	360,787	354,253
1186		Boarding home license fees	718,914	715,186	719,196	706,990	700,607
1188		Public utilities fees	18,355,749	20,190,954	20,929,841	20,573,416	20,969,774
1190		Hospital license fees	85,704	85,398	80,140	85,855	88,588
1192		Grain warehouse license fees	32,246	34,159	35,493	35,662	35,307
1194		Missouri primacy fees	2,560,720	3,558,666	4,430,383	4,769,823	4,733,196
1198		Transport load fees	23,389,711	23,634,784	23,608,574	15,360,359	11,451,506
1200		Storage tank registration fees	259,296	70,850	43,420	218,785	211,800
1202		Tourist cabin permit fees	186,847	183,255	190,413	186,418	190,096
1206		Solid waste disposal fees	11,855,266	12,735,973	12,708,281	12,062,594	10,801,800
1208		New tire fees	953,815	2,104,673	2,193,715	2,075,192	2,126,713
1209		Battery fee	288,524	722,637	770,341	689,178	659,823
1210		Ground water protection fees	666,068	618,151	582,549	553,520	703,057
1211		Radioactive waste transport fee	-	-	-	-	62,375
1214		Insurance regulatory fees, renewals and purchasing groups	2,451,504	1,425,228	2,323,828	2,409,276	2,068,293
1216		Air conservation commission permit fees	349,094	299,163	536,063	319,173	262,253
1218		Bingo license fees	52,570	49,030	48,790	44,755	42,505
1220		Lab fees	4,432,911	4,639,903	4,345,438	4,611,505	5,559,077
1222		Program administration fees	731,723	785,700	958,714	1,126,032	1,084,579
1223		Confined animal feed operation indemnity fees	41,953	29,517	9,176	2,143	3,882
1224		Railroad assessments	499,106	863,313	817,934	1,215,231	251,242
1227		Enhanced vehicle emission inspection fees	1,685,333	1,688,837	1,879,945	1,769,830	1,801,168
1233		Grain warehouse inspection fees	1,529,055	1,508,603	1,868,115	1,608,105	2,061,344

Exhibit B

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenues

Revenue Source Code		Type of Revenue	Year Ended June 30, 2006	2007	2008	2009	2010
1235		Milk inspection fees	1,196,302	1,073,188	1,298,899	1,256,812	1,297,735
1237		Ice cream products inspection fees	31,360	33,060	31,560	30,930	34,400
1239		Mine inspection fees	88,502	72,498	66,054	66,435	54,881
1241		Mobile home and recreational vehicle inspection fees	823,258	848,302	692,098	456,887	408,598
1243		Oil inspection fees	2,543,426	2,527,235	2,529,258	2,421,394	2,405,616
1249		Other inspection fees	1,503,392	1,436,877	1,669,840	1,788,609	1,877,287
1250		Collection fees	21,095,935	22,675,134	23,608,199	23,539,510	22,382,813
1251		Bankruptcy collections	-	-	-	14,045	-
1252		Admission fees	1,108,448	1,326,303	1,163,583	1,083,498	1,206,370
1252	(q)	Admission fees - riverboat gambling	54,679,803	50,902,479	50,443,830	52,232,350	54,445,159
1254		State auditor fees	1,231,909	1,013,252	539,400	118,764	190,808
1260		Grade crossing safety fees	1,491,051	1,548,723	1,252,031	1,409,774	1,269,468
1262		Loan administration fees	4,274,803	5,163,127	5,521,764	5,738,930	6,297,549
1262	(c)	Loan administration fees - Fund 881	1,895	5,537,769	6,725,473	915,043	94,643
1264		Court fees	22,925,711	23,032,841	37,470,842	39,960,611	39,216,151
1266		Financial institutions examination fees	7,924,104	7,911,716	7,909,159	8,669,478	10,226,204
1268		Consumer finance license fees	1,005,300	1,053,225	1,208,234	1,007,100	1,064,775
1270		Transcript fees	143,371	123,751	147,615	136,551	108,464
1274		Marketing development fees	309,413	46,619	33,821	42,539	32,667
1276		Miscellaneous insurance fees	514,125	500,230	223,250	101,120	93,180
1278		Gaming commission administrative income	933	195	42	51	389
1279	(a)	Lottery commission fees	337,854	320,659	310,335	291,569	268,130
1280		Motor vehicle inspection sticker fees	4,466,495	4,569,287	4,528,447	4,518,331	4,165,029
1282		Logo sign advertising fees	4,608,913	5,287,240	5,650,254	5,890,321	6,177,218
1284		Public defender fees	1,771,541	1,732,334	1,838,506	1,675,741	1,656,372
1286		Witness fees	6,162	12,598	7,315	8,961	10,188
1288		County recorders fees	9,501,397	8,941,272	7,956,681	7,153,824	6,794,853
1290		Training or conference fees	96,483	150,108	199,278	238,543	151,682
1294		Electronic monitoring fee	1,626,475	1,299,497	758,683	390,939	212,126
1298		Substance abuse offender program fees	3,946,177	3,966,623	4,044,125	4,506,829	4,512,493
1302		Criminal records check fees	6,733,119	6,958,215	9,092,462	9,544,860	9,298,093
1303		Other fees	11,724,083	23,408,294	25,639,072	24,715,293	23,499,863
1305	(h)	Bond sales proceeds	370,196,052	829,993,881	591,204,336	135,638,581	1,107,698,801
1306		Proceeds from capital leases	-	-	-	-	120
1310		Land sales	5,001,965	3,836,054	4,796,703	6,069,069	4,651,641
1312		Sales of natural resources products	3,836,475	4,418,501	4,104,935	4,096,409	3,366,092
1314		Sales of agriculture products	1,852,115	1,711,914	1,718,766	1,872,632	2,023,963
1316		Manufactured product sales	7,892,157	8,333,588	9,267,484	10,279,039	11,014,608
1318		Information sales	3,283,582	3,273,720	3,108,519	4,147,230	2,409,400
1320		Souvenir sales	595,639	566,016	484,982	516,912	476,837
1322		Surplus property sales - state	1,522,369	3,030,067	1,838,028	1,969,908	2,028,011
1322	(a)	Surplus property sales - state - Fund 657	10,000	-	-	-	-
1322	(z)	Surplus property sales - state - Fund 710	746,426	1,038,204	2,406,296	1,442,420	1,220,352
1324		Surplus property sales - federal	2,903,435	2,761,749	3,227,475	2,741,375	1,959,831
1328		Sales of fixed assets - control	9,052,606	27,501,823	8,610,355	6,314,677	7,797,363
1330		Vital records sales	1,867,182	1,714,728	1,623,663	1,388,392	1,327,953
1332	(a)	Lottery ticket sales	416,691,040	405,909,024	426,619,333	415,724,608	416,039,046
1334		Cafeteria sales	654,178	678,666	810,586	947,866	699,433
1338		Other sales	223,093	161,139	301,386	165,471	243,013
1342		Supply sales	342	-	252	429	450
1401		Land rentals/leases	56,052	802	802	5,020	5,406
1403		State facilities rentals/leases	762,715	764,022	883,696	744,704	834,070
1404		Parking rentals/leases	72,349	67,046	57,527	59,971	61,885
1405		Concessions and recreational rentals/leases	2,292,138	2,265,352	2,118,733	2,312,217	2,552,306
1407		Housing/building rentals/leases	267,281	483,807	490,125	479,543	1,092,018
1409		Other leases and rentals	820,430	1,155,026	859,985	1,178,807	913,786
1414	(e)	Medicare	11,840,541	14,355,763	15,286,228	16,766,843	10,975,222
1418	(e)	Medicaid	104,129,943	94,774,725	91,248,819	103,783,950	85,028,450
1420	(e)	Medicaid - community based	114,403,516	116,805,982	127,076,851	115,281,339	145,309,030
1422		Private payments	7,172,906	6,705,792	6,404,747	7,510,050	5,934,601

Exhibit B

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenues

Revenue Source Code		Type of Revenue	Year Ended June 30, 2006	2007	2008	2009	2010
1424		Insurance payments	2,627,062	2,053,140	1,955,642	1,722,218	1,291,657
1426		Other payments	223,016	6,913	23,242	13,444	120,433
1434		Institutional support fees	73,761	98,527	32,466	-	-
1436		Room and care	25,408,983	26,844,689	28,463,349	28,265,453	27,033,482
1438		Fleet services operations/maintenance	395	-	-	-	-
1442		Mail/freight services	1,798	581	-	-	-
1446		Printing service	156,303	166,681	189,891	200,348	186,357
1448		Computer services	4,279	3,897	3,739	3,412	1,980
1450		Administration services	-	45	-	-	10
1501		Private donations	2,132,328	2,944,164	4,957,335	5,918,919	5,523,556
1502		Other governmental entity donations	35,470	-	232,942,595	1,077,338	50,000
1504		Donated assets-state agencies	-	-	268,140	-	-
1507	(e)	NASAO (airport inspections)	5,500	16,500	29,603	11,000	33,000
1510	(e)	US Department of Agriculture	341,963,232	349,407,388	381,641,506	420,410,665	457,571,495
1512	(e)	US Department of Defense	4,780,027	3,893,101	4,060,015	4,651,803	23,767,533
1513	(e)	US Department of Homeland Security	-	1,252,634	682,977	2,042,282	39,057,825
1514	(e)	US Department of Housing and Urban Development	34,944,621	34,535,980	31,411,897	31,289,602	49,360,455
1516	(e)	US Department of Interior	26,236,848	27,365,634	20,279,925	23,070,474	22,699,053
1518	(e)	US Department of Justice	67,710,357	70,533,811	69,045,688	56,902,635	3,816,756
1520	(e)	US Department of Labor	80,155,791	74,373,262	68,105,755	58,743,547	152,277,061
1522	(e)	US Department of Education	655,561,523	638,057,083	645,983,360	658,786,433	619,202,729
1522	(c)	US Department of Education - Fund 880	7,753,744	7,878,432	8,583,560	9,240,882	9,889,521
1522	(c)	US Department of Education - Fund 881	54,653,829	54,336,871	68,627,016	69,496,551	87,353,849
1524	(e)	US Department of Transportation	827,044,903	894,887,794	966,375,333	907,815,007	929,620,189
1526	(e)	National Foundation for the Arts and Humanities	3,928,489	4,255,569	3,997,117	3,926,131	4,030,270
1528	(e)	US Veterans Administration	28,181,524	30,818,955	33,325,810	39,646,428	54,492,264
1529	(e)	US General Services Administration	7,113	-	-	-	-
1530	(e)	US Environmental Protection Agency	67,603,444	83,034,587	77,554,953	68,660,802	35,838,751
1532	(e)	US Department of Energy	7,526,734	5,956,480	7,199,609	8,153,289	5,594,925
1534	(e)	Federal Emergency Management Agency	8,273,328	56,826,554	100,158,631	93,612,003	139,707,918
1536	(e)	US Department of Health and Human Services	4,905,437,144	4,852,243,251	5,173,517,451	5,962,380,121	6,016,121,798
1538	(e)	National and Community Services	1,115	-	-	-	-
1540	(e)	US Social Security Administration	32,848,371	29,882,066	31,986,280	34,225,980	40,514,268
1542	(e)	National Archives and Records	-	-	2,847	7,883	17,353
1546	(e)	US Department of Treasury	-	7,217	14,131	-	19,625
1549	(e)	Miscellaneous federal revenues	37,287,497	36,183,522	39,257,277	41,423,945	68,127,966
1551		County mental health programs	9,989,505	13,875,319	14,145,722	17,279,085	18,167,071
1557	(e)	American Recovery and Reinvestment Act	-	-	-	218,840,784	2,002,794,267
1558	(e)	American Recovery and Reinvestment Act - other	-	-	-	-	8,023,274
1560	(e)	Federal pass-through grants	47,538,058	34,258,934	25,400,556	29,303,116	25,120,494
1601		Time deposits interest	12,895,202	23,996,538	29,926,290	12,009,416	6,253,940
1601	(f)	Time deposits interest - Fund 688	411,767	612,653	641,067	216,290	163,391
1601	(a)	Time deposits interest - Fund 657	159,048	242,536	273,873	100,337	66,243
1601	(k)	Time deposits interest - Fund 614	186,636	292,342	358,018	140,951	103,734
1601	(l)	Time deposits interest - Fund 613	47,803	75,523	72,808	17,798	14,736
1601	(b)	Time deposits interest - Fund 905	26,020	42,128	48,307	18,420	14,778
1601	(p)	Time deposits interest - Fund 289	20,526	18,977	8,238	3,650	3,395
1601	(q)	Time deposits interest - Fund 285	92,255	136,919	148,375	56,151	47,805
1601	(d)	Time deposits interest - Fund 963	203	328	381	146	1,952
1601	(t)	Time deposits interest - Fund 609	146,264	173,506	249,889	93,732	75,531
1601	(c)	Time deposits interest - Fund 851	692	4	-	-	-
1601	(c)	Time deposits interest - Fund 880	125,596	136,386	254,027	110,497	101,593
1601	(c)	Time deposits interest - Fund 881	94,280	256,202	283,429	123,463	95,229
1603		U.S./agency securities interest	92,567,456	136,046,244	165,547,425	98,431,256	38,510,748
1603	(f)	U.S./agency securities interest - Fund 688	1,873,702	2,360,935	2,378,829	1,292,741	503,800
1603	(a)	U.S./agency securities interest - Fund 657	683,862	790,655	885,649	549,694	235,454
1603	(k)	U.S./agency securities interest - Fund 614	794,963	978,599	1,168,927	770,521	319,530
1603	(l)	U.S./agency securities interest - Fund 613	210,279	270,821	252,923	98,993	42,694
1603	(b)	U.S./agency securities interest - Fund 905	109,873	138,138	156,670	100,277	44,708
1603	(p)	U.S./agency securities interest - Fund 289	85,557	61,420	26,900	20,342	10,444

Exhibit B

Review of Article X, Sections 16 Through 24,
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Revenue Source Code		Type of Revenue	Year Ended June 30, 2006	2007	2008	2009	2010
1603	(q)	U.S./agency securities interest - Fund 285	416,621	491,769	513,853	316,656	136,156
1603	(d)	U.S./agency securities interest - Fund 963	1,827	2,271	2,594	2,330	6,043
1603	(t)	U.S./agency securities interest - Fund 609	625,465	599,606	821,176	515,226	232,165
1603	(c)	U.S./agency securities interest - Fund 851	2,480	13	-	-	-
1603	(c)	U.S./agency securities interest - Fund 880	525,676	444,875	813,773	593,614	294,831
1603	(c)	U.S./agency securities interest - Fund 881	399,813	838,339	908,536	684,046	305,371
1605		Other investment interest	610,000	669,229	611,213	414,850	102,828
1605	(d)	Other investment interest - Fund 963	-	-	-	-	194
1608		Realized gains and losses	-	-	-	-	19
1608	(d)	Realized gains and losses - Fund 963	-	-	-	-	1
1610		Interest on loans	1,020,355	1,343,034	1,105,177	1,237,598	1,453,361
1612		Interest - federal	16,232,810	11,749,631	4,213,149	125	70
1614		Interest on receivables	33,040	59,153	19,012	37,829	17,202
1616		Interest on settlements	57,276	65,220	66,588	108,045	805,015
1618		Other interest	58,582	53,160	157,670	34,041	194,809
1618	(c)	Other interest - Fund 880	122,516	96,985	57,651	-	-
1618	(t)	Other interest - Fund 609	-	-	431	88	-
1620		Safety responsibility	-	-	15	-	-
1621		Penalties	14,246,673	9,424,865	8,484,577	9,334,634	10,405,711
1621	(c)	Penalties - Fund 881	-	826	1,622	22,044	250
1624		Settlements	7,970,583	2,301,820	49,350,712	1,283,220	5,845,579
1626		Court awards	1,732,607	1,704,591	2,106,126	12,331,225	9,368,911
1628		Insufficient funds charges	7,186	4,936	5,600	5,061	6,575
1634		Estates	66	153	756	38,120	1,256
1636		Unclaimed properties	92,367,911	91,118,828	66,694,449	57,078,780	75,944,392
1700	(i)	Salary refunds - federal	614,734	758,548	589,826	614,761	537,615
1701	(i)	Salary refunds - state	48,639	35,771	25,423	18,399	15,712
1702	(i)	Salary refunds - local/other	17,929	20,238	17,151	16,418	24,360
1703	(i)	General relief pension refunds	121,698	70,586	16,784	4,955	5,291
1704	(i)	Blind pension refunds	5,886	11,895	9,433	10,319	4,777
1706	(i)	Dependent children pension refunds	356,838	356,687	290,147	275,511	326,393
1715	(i)	Day care refunds	58,904	183,536	191,875	53,530	35,345
1717	(i)	Medicare - Medicaid refunds	413,909,726	226,517,358	258,377,975	294,632,462	340,610,206
1719	(i)	Cost in criminal cases refunds	565,968	693,320	761,476	863,183	977,526
1720	(i)	American Recovery and Reinvestment Act refunds	-	-	-	-	591,913
1721	(i)	Vendor refunds - federal	1,008,453	1,213,162	1,657,882	777,934	2,629,247
1722	(i)	Vendor refunds - state	603,961	517,589	1,203,020	566,893	1,268,213
1722	(a)	Vendor refunds - state - Fund 657	24,422	3,189	831	5,318	989
1722	(c)	Vendor refunds - state - Fund 880	753	2,672	54,278	2,345	524
1722	(c)	Vendor refunds - state - Fund 881	9,000	-	945,118	-	-
1723	(i)	Vendor refunds - local/other	294,599	276,869	234,455	1,163,024	1,839,205
1723	(c)	Vendor refunds - local/other - Fund 880	-	-	-	-	2,279
1724	(i)	Political subdivision refunds	18,180	20,255	25,023	3,373	9,988
1725	(i)	Excess court payment refunds	795,229	1,900,561	818,399	1,359,396	1,384,433
1727	(i)	School refunds	5,314,240	4,691,784	8,222,948	6,649,921	12,773,166
1728	(i)	Scholarship refunds	349,559	355,827	274,898	240,482	227,907
1729	(i)	Audit findings - federal	120,584	35,091	-	43,331	7,880
1730	(i)	Audit findings - state	-	-	-	40,980	-
1731	(i)	Audit findings - local/other	52,665	175,203	434,776	104,984	349,002
1732	(i)	Utility refunds	13,651	18,141	17,744	32,023	26,130
1733	(i)	Fuel tax refunds	227,324	150,385	151,592	(106,840)	243,111
1733	(a)	Fuel tax refunds - Fund 657	277	-	-	-	-
1733	(c)	Fuel tax refunds - Fund 880	24	-	-	-	-
1737	(i)	Other refunds	3,630,689	4,433,171	5,873,148	4,096,155	6,804,856
1737	(a)	Other refunds - Fund 657	-	47,344	134,433	-	-
1737	(c)	Other refunds - Fund 880	-	25,211	3,503	-	-
1737	(c)	Other refunds - Fund 881	25,710	29	-	10,396	35
1806	(v)	Recovery costs	147,510,945	156,840,026	168,814,932	189,968,684	157,227,270
1806	(a)	Recovery costs - Fund 657	-	-	-	845	-
1808		Deposit of surplus property funds	20,640	-	-	-	921

Exhibit B

Review of Article X, Sections 16 Through 24,
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Revenue Source Code		Type of Revenue	Year Ended June 30, 2006	2007	2008	2009	2010
1811	(y)	Local match	4,235,868	3,010,486	3,367,687	72,096,316	87,931,854
1812	(w)	Cost reimbursements - federal	854,596	859,539	528,325	1,447,120	1,046,340
1813	(w)	Cost reimbursements - state	17,379,683	32,758,124	24,793,321	75,467,210	55,264,763
1813		Cost reimbursements - state (included)	9,299,758	10,036,608	11,640,527	13,832,495	12,832,252
1813	(c)	Cost reimbursements - Fund 880	247	-	465	-	-
1814	(w)	Cost reimbursements - local/other	127,523,055	128,148,184	157,061,744	183,357,141	229,800,753
1814	(c)	Cost reimbursements - local/other - Fund 880	6	-	-	284	-
1816		Bond account	6,375,510	6,305,705	7,677,792	7,110,689	7,513,599
1818	(u)	Employee expense reimbursement - federal	-	405	112	1,414	2,930
1819	(u)	Employee expense reimbursement - state	615	26,116	5,199	671	1,301
1820	(u)	Employee expense reimbursement - local/other	771	583	-	-	27
1821	(u)	Employee personal expense reimbursement	37,578	35,838	94,250	63,910	46,387
1821	(c)	Employee personal expense reimbursement - Fund 880	88	10	3	-	-
1822	(n)	Outlawed checks	6,015,970	7,228,137	5,993,548	5,619,566	8,545,958
1822	(b)	Outlawed checks - Fund 905	3,850	6,102	9,348	5,176	5,302
1824	(x)	Canceled checks	4,218,841	4,042,092	2,562,124	1,779,409	4,390,790
1824	(a)	Canceled checks - Fund 657	32,995	-	-	120	-
1824	(b)	Canceled checks - Fund 905	-	4	2,967	2,318	550
1824	(c)	Canceled checks - Fund 880	-	109	-	-	-
1826	(m)	Redeposit of investments principal	2,820,075	1,167,300	1,304,050	1,801,100	22,021,895
1826	(d)	Redeposit of investments principal - Fund 963	-	-	-	-	721,761
1828	(o)	Redeposit of loan principal	32,786,258	40,736,073	41,337,044	46,089,055	53,273,825
1830		Telephone commissions	2,191,590	1,004,266	819,800	840,814	867,887
1832		Commission on sales	33,051	25,670	28,177	27,522	15,629
1834		Rebates	2,657,841	346,877	927,252	1,924,379	886,600
1834	(a)	Rebates - Fund 657	381	563	978	897	902
1834	(c)	Rebates - Fund 880	26	2,224	7,112	5,029	969
1834	(aa)	Rebates - WIC	36,203,754	38,046,323	39,542,659	43,522,102	44,278,144
1836		Housing and maintenance receipts	61,026	70,788	61,735	47,823	47,394
1838		Loan defaults	280,132	638,617	336,208	573,499	489,467
1840	(s)	Loan proceeds	1,787,376	7,861,815	42,630,952	25,878,784	10,458,915
1842	(o)	Loan repayment	94,639	103,409	109,797	84,983	120,767
1842	(c)	Loan repayment - Fund 881	28,090,069	49,202,530	51,746,648	58,430,783	44,714,602
1843	(o)	Loans receivable contra account	12,156,376	3,227,912	3,035,032	3,457,702	3,074,095
1844		Insurance proceeds	7,089	2,448	500	2,343	100
1846		Capital credits/dividends	47,137	53,045	67,838	56,056	70,718
1846	(d)	Capital credits/dividends - Fund 963	-	-	-	-	62
1848		Recycling receipts	135,281	181,661	301,545	144,022	203,522
1850		Forfeitures	1,989,974	1,960,425	1,803,287	1,699,515	3,012,793
1852		Overpayments	2,337,400	6,004,394	2,654,717	1,286,358	794,761
1856	(e)	Other miscellaneous receipts - federal	5,063,853	4,861,403	7,979,360	8,114,311	5,080,717
1858		Other miscellaneous receipts - state	2,922,024	4,141,635	2,124,232	2,324,164	1,504,015
1858	(a)	Other miscellaneous receipts - state - Fund 657	8,565	6,496	4,902	9,667	4,131
1858	(b)	Other miscellaneous receipts - state - Fund 905	10,698,732	11,005,829	11,136,779	11,956,369	11,444,550
1860		Other miscellaneous receipts - local/other	2,030,010	635,352	3,695,397	35,975,437	6,709,058
1860	(a)	Other miscellaneous receipts - local/other - Fund 657	55	1,024,385	410,501	2,460,146	2,644,908
1862		Fees for copying public records	416,138	394,686	304,600	260,326	276,682
1862	(a)	Fees for copying public records - Fund 657	85	124	6,653	1,340	12
1866		Federal share of grantee sales	326,931	371,362	85,111	197,237	367,625
1870		Receivable overpayment - state	673	4,384	4,936	5,989	6,036
1872		Receivable overpayment - local	-	27	241	452	(61)
6001	(j)	Supply sales	24,426	231	1,240	1,354	275,708
6002	(j)	Open records fees	17,818	8,983	14,607	9,677	11,171
6003	(j)	Fleet services operations/maintenance	1,115,253	1,417,108	1,399,792	1,428,340	1,366,715
6005	(j)	Fleet services replacement	942,733	1,795,574	1,643,902	1,815,707	730,248
6006	(j)	Criminal records check fees	1,955,861	416,590	551,019	548,855	414,162
6007	(j)	Mail/freight services	479,607	1,103,960	4,623,797	5,206,206	8,561,257
6009	(j)	Telephone billing	28,357,604	27,984,063	29,296,050	30,228,498	30,585,852
6011	(j)	Printing service	5,818,290	6,772,408	6,758,675	7,245,959	6,440,656
6013	(j)	Reimbursement/recovery cost	27,763,425	46,816,635	27,588,347	37,796,274	28,796,499

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Revenue Source Code		Type of Revenue	Year Ended June 30, 2006	2007	2008	2009	2010
6013	(c)	Reimbursement/recovery cost - Fund 881	87,391	-	-	-	-
6015	(j)	Leased facility	3,581,126	24,524,831	28,115,044	89,825,994	91,329,415
6017	(j)	Sale of material, supplies, and services	960,872	1,562,826	1,023,568	635,852	659,046
6019	(j)	Training	1,101,498	929,024	1,370,505	1,078,692	588,818
6021	(j)	Computer services	23,672,220	21,535,182	20,108,887	19,477,666	21,864,293
6023	(j)	Administration services	1,208,365	703,313	538,893	618,124	642,348
6025	(j)	Flight operations services	303,007	246,618	306,660	379,838	382,198
6027	(j)	Sale of manufactured products	20,575,593	20,523,336	27,259,106	29,179,527	21,134,511
6029	(j)	Interagency receipts	20,626,666	20,866,582	22,106,993	23,416,792	25,746,374
6029	(c)	Interagency receipts - Fund 881	329,256	390,026	439,461	491,591	474,062
6030	(j)	Sampling &/or analysis	21,999	60,421	19,023	614,983	607,533
6031	(r)	Redeposit of state funds	30,969	81,964	91,307	199,713	2,916,492
6032	(j)	Deposit of unclaimed property	250	99	-	300	-
6033	(j)	Permits	50,518	50,279	46,380	83,427	53,758
6034	(j)	Registration fees	59,786	95,400	85,920	81,635	51,715
6035	(j)	Taxes	1,360,109	939,124	1,028,358	7,671,468	6,462,818
6036	(j)	Transcript fees	5,205	4,807	6,563	8,658	17,296
		Total revenues	20,919,973,902	21,928,919,952	22,939,031,965	22,962,810,345	25,392,293,299
		Fund Exclusions:					
	(a)	Lottery Enterprise - Fund 657	417,948,583	408,344,975	428,647,487	419,144,543	419,259,815
	(b)	Alternative Care Trust Fund - Fund 905	10,838,475	11,192,201	11,354,071	12,082,560	11,509,889
	(c)	Student Loan Funds 626, 851, 880, and 881	92,223,091	119,149,513	139,451,675	140,126,568	143,327,758
	(d)	Pansey-Johnson-Travis Memorial State Gardens Trust - Fund 963	2,030	2,599	2,974	2,476	730,013
		Revenue Source Exclusions:					
	(e)	Federal funds	7,412,473,472	7,458,588,194	7,921,621,979	8,907,850,373	10,944,202,688
	(f)	Proposition C sales and use tax/interest	781,199,192	818,391,501	810,234,737	760,406,201	737,695,022
	(g)	Proposition A gas tax and license fee increases	175,587,964	175,375,774	175,543,409	168,061,247	169,008,528
	(h)	Bond sales	370,196,052	829,993,881	591,204,336	135,638,581	1,107,698,801
	(i)	Refunds	428,129,456	242,435,981	279,193,974	311,461,193	370,692,275
	(j)	Interagency sales and receipts	140,002,232	178,357,392	173,893,330	257,353,826	246,722,388
	(k)	Soil and water sales and use tax/interest	40,614,148	42,605,079	42,704,582	39,539,061	37,964,461
	(l)	Parks sales and use tax/interest	39,886,973	41,680,478	41,502,910	38,744,377	37,598,624
	(m)	Redeposit of investment principal	2,820,075	1,167,300	1,304,050	1,801,100	22,021,895
	(n)	Outlawed checks	6,015,970	7,228,137	5,993,548	5,619,566	8,545,958
	(o)	Redeposit of loan principal	45,037,273	44,067,394	44,481,873	49,631,740	56,468,687
	(p)	Bingo	2,578,717	2,362,408	2,190,015	2,166,806	2,212,759
	(q)	Riverboat gambling	342,122,934	337,924,453	344,277,815	368,677,880	388,916,398
	(r)	Redeposit of state funds	30,969	81,964	91,307	199,713	2,916,492
	(s)	Loan proceeds	1,787,376	7,861,815	42,630,952	25,878,784	10,458,915
	(t)	Conservation sales and use tax/interest	99,840,948	104,105,688	104,016,575	97,180,265	94,161,885
	(u)	State employee expense account reimbursement	38,964	62,942	99,562	65,995	50,645
	(v)	Recovery costs	147,510,945	156,840,026	168,814,932	189,968,684	157,227,270
	(w)	Cost reimbursements	145,757,334	161,765,847	182,383,390	260,271,471	286,111,856
	(x)	Canceled checks	4,218,841	4,042,092	2,562,124	1,779,409	4,390,790
	(y)	Local match	4,235,868	3,010,486	3,367,687	72,096,316	87,931,854
	(z)	Proceeds of surplus property sales - Fund 710	746,426	1,038,204	2,406,296	1,442,420	1,220,352
	(aa)	WIC rebates	36,203,754	38,046,323	39,542,659	43,522,102	44,278,144
	(bb)	Constitutional amendment No.3	385,172,035	443,708,243	425,003,075	404,149,038	408,998,888
		CMIA interest payment to the federal government	1,223,951	2,330,281	2,117,351	1,629,506	215,748
		Agency remitted sales tax	425,485	435,720	415,655	400,123	380,227
		Abandoned funds claim payments	19,462,594	21,635,424	30,642,979	25,133,509	33,675,322
		Federal interest	16,232,810	11,749,631	4,213,149	125	70
		Coding errors	-	1,399	-	-	-
		Total exclusions	11,170,564,938	11,675,583,344	12,021,910,458	12,742,025,558	15,836,594,412
		Total revenues after exclusions	9,749,408,964	10,253,336,608	10,917,121,507	10,220,784,787	9,555,698,887
		Less expenditure refunds (Exhibit C)	(1,185,513,592)	(1,272,907,957)	(1,321,367,348)	(1,504,906,007)	(1,543,126,545)

Exhibit B

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenues

Revenue Source Code	Type of Revenue	Year Ended June 30, 2006	2007	2008	2009	2010
	Add refundable tax credits:					
	Pharmaceutical	1,672	-	-	-	-
	Business Facility	6,026,392	19,478	92,579	13,702	35,878
	Enterprise Zone	14,969,750	52,168	50,111	33,142	38,836
	BUILD	10,204,348	5,011,569	2,570,811	3,252,101	4,998,107
	Missouri Quality Jobs	-	-	37,366	1,877,275	3,116,592
	New Enhanced Enterprise Zone	-	-	126	16,842	1,246,148
	Residential Dwelling Accessibility	-	-	-	11,372	17,984
	Self-employed Health Insurance	-	-	-	451,605	476,471
	Public Safety Officer Surviving Spouse	-	-	-	6,170	18,149
	Total State Revenue	$ 8,595,097,534	8,985,511,866	9,598,505,152	8,721,540,989	8,022,520,507

Exhibit C

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Expenditure Refunds

Object Code	Description	Year Ended June 30, 2006	2007	2008	2009	2010
	SAM II Expenditure Refunds:					
3200	Bond refunds	$ 3,174,790	3,607,162	2,970,993	3,142,134	3,406,613
3206	Deposit and escrow refunds	82,239	100,990	79,807	75,915	53,517
3212	Federal share grantee sales refunds	-	-	-	-	386
3213	Tax credit debt offset	192,267	658,452	227,342	238,494	259,589
3215	Debt offset refunds	7,196,032	9,154,126	9,513,639	9,101,435	9,616,812
3218	Motor vehicle license fee refunds	1,528,907	1,551,837	1,162,009	450,450	458,604
3221	Driver's license fee refunds	76,197	89,678	71,902	69,368	57,742
3227	License and permit fee refunds	187,184	144,244	164,254	145,499	183,361
3230	Registration fee refunds	13,786	21,762	9,653	5,200	9,990
3233	Regulatory fee refunds	16,421	13,154	52,960	12,487	7,714
3236	Inspection fee refunds	46,058	41,017	32,265	51,104	52,865
3239	Miscellaneous fee refunds	386,883	401,386	265,248	468,145	321,503
3242	Sales refunds	36,158	11,076	4,995	19,375	9,829
3245	Lease and rentals refunds	5,226	5,490	4,108	13,281	4,996
3248	Medical services refunds	2,855,085	4,982,151	6,420,842	6,600,044	6,002,089
3251	Contributions refunds	50	-	50	5,857,204	14,488,536
3254	Federal refunds	1,600,014	112,019	375,453	441,708	3,621,387
3255	Financial institutions tax refunds	-	-	60	-	-
3257	Penalty and court award refunds	26,054	15,971	98,591	145,810	48,478
3260	Interagency billing refunds	-	3,294	1,277	-	12,061
3261	Receivable overpayment refunds	46,188	31,237	54,017	32,948	70,421
3266	Missouri consolidated check off refunds	200,356	(48)	-	-	-
3267	Deferred revenue refunds	3,463,708	1,468,220	4,754,448	2,415,893	4,176,769
3269	Other refunds	903,385	5,658,768	600,632	643,992	1,425,466
3272	Sales and use tax protested refunds	156,832	5,255,333	13,101	-	782
3281	County foreign insurance tax refunds	14,468,499	21,577,679	23,577,535	14,220,444	16,943,164
3287	Worker's compensation insurance tax refunds	150,375	78,341	1,447,545	2,118,877	725,543
3293	Cigarette tax refunds	44,675	31,563	39,838	-	-
3296	Tobacco products tax refunds	3,819	631	4,349	-	-
3299	Aviation fuel tax refunds	25,172	25,589	16,155	58,079	4,957
3305	Special fuel (non-gas) tax refunds	29,996,843	32,290,045	28,343,359	24,411,746	23,022,799
3308	Fuel tax refunds	9,522,282	8,885,478	9,336,130	11,297,330	10,599,366
3311	Sales tax refunds	48	1	3,612	262	468
3314	Food tax exemption refunds	-	-	831,966	-	-
3317	General sales and use tax refunds	31,494,255	88,368,480	69,427,541	70,654,335	60,007,381
3326	Motor vehicle sales tax refunds	4,179,140	3,981,005	3,867,997	2,883,786	2,889,341
3329	Motor vehicle use tax refunds	983,801	1,164,938	1,043,711	821,239	837,107
3335	Boat tax refunds	6,720	9,587	4,339	4,610	4,787
3338	Individual tax refunds	773,108,237	808,846,331	900,112,335	1,059,238,817	1,050,281,318
3341	Senior citizens tax refunds	96,090,703	93,118,292	100,165,523	118,574,491	118,595,070
3342	Pharmaceutical tax refunds	1,672	-	-	-	-
3344	Corporation tax refunds	195,549,284	172,190,828	151,204,765	164,028,331	212,907,168
3347	Franchise tax refunds	6,435,586	1,188,431	3,760,724	6,133,165	1,512,990
3350	Inheritance tax refunds	930,022	7,429,565	310,823	38,417	18,345
3356	Other tax refunds	328,639	393,855	991,455	491,591	487,232
	Total SAM II Expenditure Refunds	$ 1,185,513,592	1,272,907,957	1,321,367,348	1,504,906,007	1,543,126,545

Review of Article X, Sections 16 Through 24, Constitution of Missouri Background, Methodology, and Conclusions

The following identifies the various components of the amendment and the application of the amendment to state revenues.

Formula

Article X, Section 18(a), Missouri Constitution, establishes the revenue limit formula as follows:

$$\text{Revenue limit for FY 20XX} = \frac{\text{Total state revenue (TSR) in FY 1981}}{\text{CY 1979 Missouri personal income (MPI)}} \times \text{The greater of MPI in the calendar year (CY) prior to the CY in which appropriations are made for FY 20XX or Average MPI for three CYs preceding FY 20XX.}$$

The formula is composed of two principal parts. The first part of the formula, the base year ratio (BYR), is as follows:

$$\frac{\text{TSR in FY 1981}}{\text{CY 1979 MPI}}$$

The application of this ratio to the second part of the formula (future years' MPI) ensures that no greater portion of a future year's personal income will be used to fund state government than was the case at the time of passage of the amendment. The MPI amounts used in the formula for the base year and subsequent years are reported by the U.S. Department of Commerce (DOC).

The Office of Administration, Division of Budget and Planning (OA-BP) does not adjust the BYR for changes already made or for future changes or adjustments to this amount by the DOC. Article X, Section 17(2) refers to ". . . total income . . . as defined and officially reported by" the DOC. Even though the amendment does not specifically refer to such adjustments, this wording suggests that the BYR should be adjusted whenever CY 1979 MPI is adjusted by the DOC. The use of the initial reporting of MPI does provide an unchanging BYR for future years, which provides at least two benefits. First, the state can more easily plan and make appropriate adjustments to stay under the revenue limit. Second, if the initial MPI is subsequently adjusted, retroactive refunds are a possibility. That is, an adjustment to MPI for any prior year (including the base year) could reduce the revenue limit for a prior year below that year's TSR, providing a refund where one previously was not due. Therefore, we find this approach reasonable so long as it is followed consistently.

As with the BYR, the OA-BP uses the MPI first officially published by the DOC after the close of the CY to calculate the revenue limit for the applicable fiscal year. For the reasons expressed in the preceding paragraph, we find this approach reasonable so long as it also is followed consistently.

The BYR was calculated by the OA-BP as follows (dollar amounts are in billions):

$$\frac{\$2{,}232.204096}{\$\ 39{,}581.0} = .05639584891$$

In its calculations of the revenue limit the OA-BP rounded the BYR to .056395.

Article X, Section 18(b) allows the state to exceed the revenue limit by 1 percent before a refund is due. Therefore, to determine the point at which the refund provision takes effect (the refund threshold) the revenue limit is adjusted upward by 1 percent. However, should TSR exceed the refund threshold, all revenues in excess of the revenue limit are subject to refund.

Adjustments

Article X, Section 18(d) provides that the revenue limit may be adjusted, ". . . if responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment . . . provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such a change."

The OA-BP has adjusted the revenue limit for the transfer of deputy circuit clerks from the county payroll to the state payroll under Section 483.245, RSMo, which was effective on July 1, 1981. In past years, the SAO disagreed with this adjustment because state funding of these salaries was required by statute instead of by consequence of constitutional amendment. In addition, the Judicial Article Amendment was effective on August 3, 1976, which was prior to the time the Hancock Amendment was adopted by the voters on November 4, 1980. However, the Supreme Court ruled in its decision on January 27, 1998, that an adjustment to the revenue limit for the transfer of deputy circuit clerks from the county payroll to the state payroll is appropriate.

Composition of Total State Revenues

An integral part in applying the provisions of the amendment to state revenues is to determine what constitutes TSR. The amendment does not specify the methodology to be used to determine TSR. Consequently, procedures to calculate TSR have been established and certain decisions as to items that would be either included or excluded have been made, except for items ruled on by the Attorney General or the Missouri courts.

TSR includes all revenues recorded in the Statewide Accounting System for Missouri (SAM II) and receipted by the state treasurer, which may only be withdrawn pursuant to an appropriation or which stand appropriated by the Constitution of Missouri. Various funds not in the state treasury are not included in TSR. These funds include university local funds, local sales tax

fund collections made by the Department of Revenue, various funds held in trust for inmates, patients, etc., and various quasi-governmental agencies such as the Board of Public Buildings, the Housing Development Commission, the Higher Education Loan Authority, the Health and Educational Facilities Authority, and the state's retirement systems. The Hancock Amendment states the composition of TSR is, "defined in the budget message of the governor for fiscal year 1980-81." The funds described above were not addressed in the governor's budget message for that year since the funds were not in the state treasury and were not appropriated. Thus, it seems reasonable to conclude that these funds should not be included in TSR.

Excluded Funds

From the revenue amounts obtained from SAM II, certain funds are entirely excluded to arrive at TSR, as defined in Article X, Section 17(1), Missouri Constitution, as follows:

A. Lottery

In November 1984, the voters approved Article III, Section 39(b), Missouri Constitution, which authorized the creation of the Missouri State Lottery. This provision states that revenues produced from the conduct of a state lottery shall not be a part of TSR. Since the voters approved the state lottery, all revenue and expenditure refunds related to the state lottery are excluded.

B. Alternative Care Trust Fund

The Alternative Care Trust Fund was established in 1989 under Section 210.560, RSMo. The Department of Social Services uses this fund to account for funds held in trust for the benefit of children who have been placed in the legal custody of the state. The Department of Corrections, Department of Mental Health, and the Division of Veteran's Affairs hold funds in trust for inmates and patients; however, these funds are not in the state treasury and are not included in TSR. Funds held in trust are not state funds since the funds remain the property of the individual. Since the Alternative Care Trust Fund does not account for state funds, it is excluded.

C. State Guaranty Student Loan Funds

Federal legislation passed in 1997 made changes in the accounting required for federal education loans. Starting in federal fiscal year 1998, the federal government considers all monies in these funds as property of the federal government or guaranty agency. As a result, the state excludes these funds held in trust.

D. Pansey Johnson-Travis Memorial State Gardens Trust Fund

The state received an endowment in 1987 for the purpose of establishing a memorial state garden. The state is to invest the endowment for 100 years before using the funds to establish the memorial garden. Since the funds cannot be appropriated until 2087, the revenue is excluded from TSR.

Excluded Revenues

From the revenue amounts obtained from SAM II, certain types of revenues are excluded to arrive at TSR, as defined in Article X, Section 17(1), Missouri Constitution, as follows:

E. Federal Funds

Article X, Section 17, Missouri Constitution, specifically excludes federal funds.

F. Proposition C Sales and Use Tax/Interest

In November 1982, the voters approved Proposition C, which increased the state sales and use tax by 1 percent. Since Proposition C received direct voter approval as provided in Article X, Section 16, Missouri Constitution, the proceeds from the additional 1 percent sales and use tax, including any interest earned on the investment of such taxes, are excluded.

G. Proposition A Gas Tax and License Fee Increases

In April 1987, the voters approved Proposition A, which increased the motor fuel tax by 4 cents per gallon and increased the annual registration fee for certain motor vehicles, effective July 1, 1987. Since the increase in tax and fees received direct voter approval, these revenues are excluded. Also, see item BB. below.

H. Bond Sales

An attorney general opinion concluded that proceeds of the state's general obligation bonds were not to be included in TSR.

I. Refunds

Refunds received due to the overpayment of obligations by the state, as identified by certain revenue source codes, are excluded.

J. Interagency Sales and Receipts

Since interagency transactions do not generate additional revenue for the state as a whole, interagency sales and receipts, as identified by certain revenue source codes, are excluded.

K. Soil and Water Sales and Use Tax/Interest
and
L. Parks Sales and Use Tax/Interest

In August 1984, the voters approved a one-tenth of 1 percent sales tax for soil and water conservation and state parks. Article IV, Section 47(c), Missouri Constitution, states that the additional revenue provided by the tax shall not be part of TSR. Since the voters approved the sales tax, the sales tax and any interest earned on the investment of the balance in these funds are excluded.

M. Redeposit of Investment Principal

The redeposit of investment principal is excluded.

N. Outlawed Checks

Outlawed checks, which are state checks that were not cashed by the payee within the time allowed, are redeposited in the state treasury and are excluded.

O. Redeposit of Loan Principal

Redeposits of loan principal are excluded.

P. Bingo

The August 1992 amendment to Article III, Section 39(d), Missouri Constitution, related to gaming activities also applies to bingo games, in that all state revenues derived from the conduct of gaming activities shall be appropriated beginning July 1, 1993, solely for public education and shall not be included in TSR. Section 313.007, RSMo, requires the bingo tax to be deposited in the Bingo Proceeds for Education Fund. The bingo tax, certain fees, and the interest earned on the investment of the fund are excluded from TSR.

Q. Riverboat Gambling

In August 1992, the voters approved an amendment to Article III, Section 39(d), Missouri Constitution. This constitutional amendment requires that all state gaming revenues must be appropriated for public education and excludes these revenues from TSR.

In 1993, the Missouri General Assembly enacted Senate Bills 10 and 11. This comprehensive gaming legislation established riverboat gaming in the state. This law repealed House Bill 149 related to riverboat gaming which had been enacted by voters as Proposition A in November 1992.

Under Senate Bills 10 and 11, the legislature imposed a 20 percent tax on adjusted gross receipts from gambling games. In November 2008, the voters approved increasing the tax to 21 percent. The state treats 90 percent of this revenue as state gaming revenues under Article III, Section 39(d), Missouri Constitution, and earmarks the revenues to the Gaming Proceeds for Education Fund. The remaining 10 percent of this revenue is allocated to the home dock city or county. Under Article III, Section 39(d), Missouri Constitution, the 90 percent portion of the adjusted gross receipts tax is exempted from TSR. The remaining 10 percent portion of the adjusted gross receipts tax is also excluded from TSR because these funds are distributed by the Department of Revenue without deposit in the state treasury and without appropriation.

Under Senate Bills 10 and 11, the legislature also established a Gaming Commission Fund in the state treasury and authorized gaming commission license fees, penalties, administrative fees, reimbursements, and admission fees to be deposited in this fund and expended pursuant to state appropriation for various purposes.

On November 24, 1998, the Missouri Court of Appeals, Western District entered its final decision in Kelly v. Hanson, et. al., 984 S.W. 2d 540 (Mo. 1998). The Missouri Court of Appeals, Western District ruled that revenue from the one dollar portion of the state imposed two dollar admission fee payable to the state is not included in TSR, while the revenue from the payments to the state to recoup public safety and regulatory enforcement costs is included in TSR. The remaining one dollar portion of the two dollar admission fee is also excluded from TSR because these funds are distributed

by the Department of Revenue without deposit in the state treasury and without appropriation.

R. Redeposit of State Funds	The redeposit of state funds for which a state expenditure was originally incurred, such as from closing a petty cash fund and returning the funds to the state treasury, is excluded.
S. Loan Proceeds	The state receives loans or advancements from the federal government, local governments, or private sources, to finance the acceleration of state projects. Since the loans must be repaid in the future, they are excluded.
T. Conservation Sales and Use Tax/Interest	Pursuant to the Supreme Court decision in Conservation Federation of Missouri, et. al., v. Richard Hanson, et. al., 994 S.W. 2d 27 (Mo. Banc. 1999), the revenue derived from the one-eighth of one percent conservation sales tax, and any interest earned on the investment of these funds, are excluded.
U. State Employee Expense Reimbursement	The state receives reimbursement from private individuals, firms, partnerships, corporations, etc., for state employee expenses incurred in providing testimony in a court of law, for which the employee has already been reimbursed by a state expense account. These reimbursements are excluded.
V. Recovery Costs	Monies received from others for costs incurred by the state or to be incurred by the state are excluded. Also, see item W. below.
W. Cost Reimbursements	Monies received from other governments for reimbursements of costs incurred by the state are excluded. Regarding items V. and W., the state has excluded from TSR receipts for cost reimbursements since fiscal year 1982 and receipts for recovery costs since fiscal year 1988. Although the constitution does not specifically mention cost reimbursements and recovery costs and they have not been the subject of a court decision, we have agreed with such exclusions because from an accounting standpoint, they would not be considered revenue.
X. Canceled Checks	Receipts derived from the redeposit of state checks that have been canceled are excluded.
Y. Local Match	Local governments provided funds to the state to use as a local match to qualify for federal or state funding. Since these local match funds are not state funds, they are excluded.
Z. Proceeds of Surplus Property Sales	The proceeds from some sales of surplus property are initially deposited into the Proceeds of Surplus Property Sales Fund then disbursed from this fund to the state fund that owned the property. To avoid counting the same

receipts in TSR twice, the state excludes amounts disbursed from the Proceeds of Surplus Property Sales Fund to other state funds.

AA. WIC Rebates

The Department of Health and Senior Services (DHSS) issues food instruments for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to program participants who use them to obtain formula at participating grocery stores and pharmacies. The participating grocery stores and pharmacies then redeem the food instruments. The food instruments are processed through the Federal Reserve System and the WIC program is charged for the food instruments presented. The DHSS records the redeemed food instruments and sends a monthly invoice to the contracted infant formula manufacturer who then rebates a portion of the sales proceeds to the state.

BB. Amendment 3 Revenue Derived From Highway Users

In November 2004, the voters approved an amendment to Article IV, Sections 29 and 30(a) through 30(c) and added Section 30(d), Missouri Constitution, effective July 1, 2005.

Section 30(a) provides for the apportionment and distribution of net proceeds of motor fuel tax. This section further provides that, ". . . The net proceeds of fuel taxes apportioned, distributed and deposited under this section to the state road fund, counties, cities, towns and villages shall not be included within the definition of "total state revenues". . . ."

Section 30(b) provides for the use and distribution of revenue derived from highway users as an incident to their use or right to use the highways of the state (including all state license fees and taxes on motor vehicles, trailers and motor vehicle fuels and excepting sales tax on motor vehicles and trailers which are not distributed to the state road fund). This section further provides that, ". . . The moneys apportioned or distributed under this section to the state road fund, the state transportation fund, the state road bond fund, counties, cities, towns or villages shall not be included within the definition of "total state revenues". . . ."

As a result, motor vehicle sales tax and special fuel non-gas tax, and fees from motor vehicle licenses or permits, interstate transportation licenses or permits, driver's licenses or permits, overdimension/overweight permits, other licenses and permits, and non-motor fuel decals credited to the State Road Fund, State Road Bond Fund, and/or State Transportation Fund are excluded from TSR.

The increase in interstate transportation license or permits for certain motor vehicles excluded under this section were previously excluded and, as a result, have no impact on TSR. (See item G. above.)

Sections 29, 30(c), and 30(d) have no apparent Hancock implications.

Other Exclusions and Limits

Other exclusions and limits have been considered to arrive at TSR, as follows:

Cash Management Improvement Act

The state has to enter into an agreement with the federal government which governs the timing of when the state can obtain federal grant monies. If the state holds federal funds longer than needed, the state has to reimburse the federal government for interest earnings. Since the interest was earned on federal funds and has to be returned to the federal government, it is excluded from TSR.

Agency Remitted Sales Tax

Some state agencies sell goods or services to the public and collect sales tax. To avoid counting the same receipts in TSR twice, the sales tax remitted by state agencies to the Department of Revenue is excluded from TSR.

Abandoned Funds Claim Payments

Under Section 447.543, RSMo, the state receives abandoned funds from various sources (banks, businesses, insurance companies, etc.). These funds are placed in the state Abandoned Fund Account. The rightful owner may receive these funds if properly claimed. The state includes the receipts in TSR. Starting in fiscal year 1998, the state excludes from TSR amounts paid to the rightful owner.

Expenditure Refunds

According to Article X, Section 17(1), Missouri Constitution, total state revenue shall exclude the amount of any credits based on actual tax liabilities. Refunds disbursed due to the excess collection by the state of liabilities owed the state, largely tax refunds, as identified by certain expenditure object codes are excluded. The method used to determine expenditure refunds is not specified in the amendment. Although the OA-BP initially used the appropriation basis to determine expenditures refunds, during fiscal year 1984, the OA-BP changed to the cash basis. The SAO had consistently used the appropriation basis to measure refunds. As a result, a difference existed. However, in its decision of January 27, 1998, the Supreme Court indicated that a cash basis of accounting should be used to determine compliance with the Hancock Amendment. As a result, the SAO changed its calculation of expenditure refunds to the cash basis.

Tobacco Master Settlement Agreement Proceeds

The OA-BP has excluded $140,318,927 received from tobacco companies during fiscal year 2010. The Master Settlement Agreement was entered into effective November 23, 1998, between the major cigarette manufacturers and the states' Attorney Generals. Missouri received its first payments under the settlement agreement during fiscal year 2001 and future payments from tobacco companies extend in perpetuity. The payment received in 2001 included amounts under the settlement agreement for 1998, 2000, and 2001. The settlement agreement did not require a payment for 1999. Payments for fiscal years 2001 through 2009 were as follows:

Fiscal Year	Amount
2001	$ 338,230,653
2002	172,679,543
2003	166,895,179
2004	142,829,966
2005	144,964,644
2006	133,078,222
2007	139,292,616
2008	153,277,453
2009	168,066,958

The amounts received were coded in the state's accounting system to revenue source code 1806 - recovery costs, which is excluded from TSR. Recovery costs are defined under revenue source code 1806 as, "*all money recovered from others for costs incurred by the state or to be incurred by the state."* The OA-BP believes these receipts should be excluded from TSR because the amounts represent a recovery of health care costs previously incurred or to be incurred by the state attributable to smoking.

Public information was not readily available to determine if the amounts recovered from the tobacco companies under the master settlement agreement were more or less than the health care costs incurred. In our audit for 2001, we reviewed three extensive research projects conducted by experts. We limited our analysis to Medicaid costs incurred in fiscal years 1998 through 2001. We did not consider Medicaid costs from past years prior to 1998. In addition, we did not consider other costs incurred by the state, such as employee health care costs attributable to smoking. These three research projects showed that Medicaid costs attributable to smoking were higher than the amount the state received from the tobacco companies under the settlement agreement. As a result, in our 2001 report we concluded it was proper for the OA-BP to exclude the amounts received from the tobacco companies as a recovery cost.

A study, "Tobacco Damages to the State of Missouri" by Glenn W. Harrison, was commissioned by the Missouri Attorney General's Office for use in a lawsuit against tobacco companies filed May 12, 1997. This lawsuit was dropped because Missouri joined a consortium of states in December 1998, in the Master Settlement Agreement with the tobacco companies. As a result, the Harrison study was not fully completed. However, the draft report provided an estimate of Medicaid costs attributable to smoking for 1970 through 2007 and an estimate of state employee health care costs attributable to smoking for 1970 through 1997. This study estimates that state costs attributable to smoking were higher than the amount the state received. OA officials could not locate any current studies but believe continued exclusion is reasonable.

Federal Reimbursement Allowance and Nursing Facility Reimbursement Allowance

The Federal Reimbursement Allowance and the Nursing Facility Reimbursement Allowance tax imposed by the state to pay the state's share of the costs of the Medicaid program is collected by an offset against Medicaid claims and is not directly deposited in the state treasury. As a result, this revenue is not included in TSR.

Local use tax

The local use tax imposed by the state under Section 144.748, RSMo, until repealed on May 21, 1996, and distributed to local governments is not deposited in the state treasury and is not appropriated. As a result, this revenue is not included in TSR.

Compliance

On November 4, 1980, the voters of Missouri passed Constitutional Amendment No. 5 which added Article X, Sections 16 through 24 to the Constitution of Missouri. The amendment, commonly referred to as the Hancock Amendment, requires that no greater portion of Missourians' personal income (MPI) be used in any future year to fund state government than was the case in fiscal year 1981, except as authorized by a vote of the people.

Exhibit A presents a summary of the calculations of limited total state revenue (TSR) for the years ended June 30, 2010, 2009, 2008, 2007, and 2006. The results of our review determined that for the year ended June 30, 2010, TSR was approximately $4.4 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2010.

Article X, Section 18(e), Missouri Constitution, imposes an additional revenue limit, which states the general assembly shall not increase taxes or fees in any fiscal year without voter approval that in total produce new annual revenues greater than $50 million adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or 1 percent of total state revenues for the second fiscal year prior to the general assembly's action, whichever is less. For fiscal year 2010, the OA-BP calculated these limits at $97.3 million for the Missouri Personal Income amount and $96 million for the 1 percent of total state revenues amount.

For fiscal year 2010, the OA-BP has determined that as a result of legislative actions net taxes and fees increased by a total of $1.9 million. As a result, it appears the state complied with Article X, Section 18(e).

Article X, Sections 16 through 24, Constitution of Missouri (Adopted November 4, 1980, Amended April 2, 1996*)

TAXATION

Section 16. Taxes and state spending to be limited--state to support certain local activities--emergency spending and bond payments to be authorized. Property taxes and other local taxes and state taxation and spending may not be increased above the limitations specified herein without direct voter approval as provided by this constitution. The state is prohibited from requiring any new or expanded activities by counties and other political subdivisions without full state financing, or from shifting the tax burden to counties and other political subdivisions. A provision for emergency conditions is established and the repayment of voter approved bonded indebtedness is guaranteed. Implementation of this section is specified in sections 17 through 24, inclusive of this article.

Section 17. Definitions. As used in sections 16 through 24 of Article X:

(1) **"Total state revenues"** includes all general and special revenues, license and fees, excluding federal funds, as defined in the budget message of the governor for fiscal year 1980-1981. Total state revenues shall exclude the amount of any credits based on actual tax liabilities or the imputed tax components of rental payments, but shall include the amount of any credits not related to actual tax liabilities.

(2) **"Personal income of Missouri"** is the total income received by persons in Missouri from all sources, as defined and officially reported by the United States Department of Commerce or its successor agency.

(3) **"General price level"** means the Consumer Price Index for All Urban Consumers for the United States, or its successor publications, as defined and officially reported by the United States Department of Labor, or its successor agency.

Section 18. Limitation on taxes which may be imposed by general assembly--exclusions--refund of excess revenue--adjustments authorized.
(a). There is hereby established a limit on the total amount of taxes which may be imposed by the general assembly in any fiscal year on the taxpayers of this state. Effective with fiscal year 1981-1982, and for each fiscal year thereafter, the general assembly shall not impose taxes of any kind which, together with all other revenues of the state, federal funds excluded, exceed the revenue limit established in this section. The revenue limit shall be calculated for each fiscal year and shall be equal to the product of the ratio of total state revenues in fiscal year 1980-1981 divided by the personal income of Missouri in calendar year 1979 multiplied by the personal income of Missouri in either the calendar year prior to the calendar year in which appropriations for the fiscal year for which the calculation is being made, or

the average of personal income of Missouri in the previous three calendar years, whichever is greater.

(b). For any fiscal year in the event that total state revenues exceed the revenue limit established in this section by one percent or more, the excess revenues shall be refunded pro rata based on the liability reported on the Missouri state income tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than one percent, this excess shall be transferred to the general revenue fund.

(c). The revenue limitation established in this section shall not apply to taxes imposed for the payment of principal and interest on bonds, approved by the voters and authorized under the provisions of this constitution.

(d). If responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment, the state revenue and spending limits may be adjusted to accommodate such change, provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such change.

(e). **Voter approval required for taxes or fees, when, exceptions--compliance procedure.**

1. In addition to the revenue limit imposed by section 18 of this article, the general assembly in any fiscal year shall not increase taxes or fees without voter approval that in total produce new annual revenues greater than either fifty million dollars adjusted annually by the percentage change in the personal income of Missouri for the second previous fiscal year, or one percent of total state revenues for the second fiscal year prior to the general assembly's action, whichever is less. In the event that an individual or series of tax or fee increases exceed the ceiling established in this subsection, the taxes or fees shall be submitted by the general assembly to a public vote starting with the largest increase in the given year, and including all increases in descending order, until the aggregate of the remaining increases and decreases is less than the ceiling provided in this subsection.

2. The term "new annual revenues" means the net increase in annual revenues produced by the total of all tax or fee increases enacted by the general assembly in a fiscal year, less applicable refunds and less all contemporaneously occurring tax or fee reductions in that same fiscal year, and shall not include interest earnings on the proceeds of the tax or fee increase. For purposes of this calculation, "enacted by the general assembly" shall include any and all bills that are truly agreed to and finally passed within that fiscal year, except bills vetoed by the governor and not overridden by the general assembly. Each individual tax or fee increase

shall be measured by the estimated new annual revenues collected during the first fiscal year that it is fully effective. The term "increase taxes or fees" means any law or laws passed by the general assembly after May 2, 1996, that increase the rate of an existing tax or fee, impose a new tax or fee, or broaden the scope of a tax or fee to include additional class of property, activity, or income, but shall not include the extension of an existing tax or fee which was set to expire.

3. In the event of an emergency, the general assembly may increase taxes, licenses or fees for one year beyond the limit in this subsection under the same procedure specified in section 19 of this article.

4. Compliance with the limit in this section shall be measured by calculating the aggregate actual new annual revenues produced in the first fiscal year that each individual tax or fee change is fully effective.

5. Any taxpayer or statewide elected official may bring an action under the provisions of section 23 of this article to enforce compliance with the provisions of this section. The Missouri supreme court shall have original jurisdiction to hear any challenge brought by any statewide elected official to enforce this section. In such enforcement actions, the court shall invalidate the taxes and fees which should have received a public vote as defined in subsection 1 of this section. The court shall order remedies of the amount of revenue collected in excess of the limit in this subsection as the court finds appropriate in order to allow such excess amounts to be refunded or to reduce taxes and/or fees in the future to offset the excess monies collected.

Section 19. Limits may be exceeded, when, how. The revenue limit of section 18 of this article may be exceeded only if all of the following conditions are met: (1) The governor requests the general assembly to declare an emergency; (2) the request is specific as to the nature of the emergency, the dollar amount of the emergency, and the method by which the emergency will be funded; and (3) the general assembly thereafter declares an emergency in accordance with the specifics of the governor's request by a majority vote for fiscal year 1981-1982, thereafter a two-thirds vote of the members elected to and serving in each house. The emergency must be declared in accordance with this section prior to incurring any of the expenses which constitute the emergency request. The revenue limit may be exceeded only during the fiscal year for which the emergency is declared. In no event shall any part of the amount representing a refund under section 18 of this article be the subject of an emergency request.

Section 20. Limitation on state expenses. No expenses of state government shall be incurred in any fiscal year which exceed the sum of the

revenue limit established in sections 18 and 19 of this article plus federal funds and any surplus from a previous fiscal year.

Section 21. State support to local governments not to be reduced, additional activities and services not to be imposed without full state funding. The state is hereby prohibited from reducing the state financed proportion of the costs of any existing activity or service required of counties and other political subdivisions. A new activity or service or an increase in the level of any activity or service beyond that required by existing law shall not be required by the general assembly or any state agency of counties or other political subdivision, unless a state appropriation is made and disbursed to pay the county or other political subdivision for any increased costs.

Section 22. Political subdivisions to receive voter approval for increases in taxes and fees--rollbacks may be required--limitation not applicable to taxes for bonds.
(a). Counties and other political subdivisions are hereby prohibited from levying any tax, license or fees, not authorized by law, charter or self-enforcing provisions of the constitution when this section is adopted or from increasing the current levy of an existing tax, license or fees, above that current levy authorized by law or charter when this section is adopted without the approval of the required majority of the qualified voters of that county or other political subdivision voting thereon. If the definition of the base of an existing tax, license or fees, is broadened, the maximum authorized current levy of taxation on the new base in each county or other political subdivision shall be reduced to yield the same estimated gross revenue as on the prior base. If the assessed valuation of property as finally equalized, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the general price level from the previous year, the maximum authorized current levy applied thereto in each county or other political subdivision shall be reduced to yield the same gross revenue from existing property, adjusted for changes in the general price level, as could have been collected at the existing authorized levy on the prior assessed value.

(b). The limitations of this section shall not apply to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments on contract obligations in anticipation of which bonds are issued which were authorized prior to the effective date of this section.

Section 23. Taxpayers may bring actions for interpretations of limitations. Notwithstanding other provisions of this constitution or other law, any taxpayer of the state, county or other political subdivision shall have standing to bring suit in a circuit court of proper venue and

additionally, when the state is involved, in the Missouri supreme court, to enforce the provisions of sections 16 through 22, inclusive, of this article and, if the suit is sustained, shall receive from the applicable unit of government his costs, including reasonable attorneys' fees incurred in maintaining such suit.

Section 24. Voter approval requirements not exclusive--self-enforceability.

(a). The provisions for voter approval contained in sections 16 through 23, inclusive, of this article do not abrogate and are in addition to other provisions of the constitution requiring voter approval to incur bonded indebtedness and to authorize certain taxes.

(b). The provisions contained in sections 16 through 23, inclusive, of this article are self-enforcing; provided, however, that the general assembly may enact laws implementing such provisions which are not inconsistent with the purposes of said sections.

* The 1996 amendment added Section 18(e).

Thomas A. Schweich

Missouri State Auditor

City of University City

April 2011

Report No. 2011-14

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the city of University City

Trash Service Billing and Collection	Although the city has made a concerted effort to improve collections, 3,373 citizen accounts for trash service were delinquent as of June 2010, totaling $1.6 million. Without collection enforcement, customers have less incentive to pay their accounts, which may reduce city revenues and increase the rates charged to paying customers.
Employment Contract	The city paid $97,400 in severance pay to its former City Manager and included the same severance package clause in the new City Manager's employment agreement. If the former City Manager's termination date had been just 8 days later, the city would have saved $28,600.
Cost Allocations and Administrative Transfers	The city allocated over $900,000 in costs to various departments based upon estimates and without adequate supporting documentation. This makes it difficult to determine if the individual department or program is charged the right amount for the benefit it is receiving.
Legal Services	The city paid outside law firms over $230,000 in fiscal year 2010 (FY10), including $43,000 for City Attorney services, but it has not done an analysis to determine if outsourcing legal services makes fiscal sense. The city did not solicit proposals for legal services to make sure it gets the best value and does not have written agreements with its legal services providers. The city retained the City Attorney on a contingency fee basis to represent it in a class-action lawsuit, but there is no documentation the City Council formally approved the retainer agreement or had it reviewed by an independent attorney until 5 years after it was signed. To avoid conflict of interest concerns, an independent attorney should review any contracts between the city and City Attorney. The city paid $146,000, including legal fees, to settle a discrimination case, instead of only paying the $15,000 deductible, because it failed to notify its insurance company promptly.
Parking Garage Operations	The city does not adequately supervise the operations of the parking facility. Monthly reports of receipts and disbursements do not contain detailed supporting documentation, making it difficult to determine if all receipts are accounted for and all disbursements are necessary. The city has not conducted an analysis to determine whether outsourcing management of the parking facility makes fiscal sense and has not rebid the contract since 1997.
Accounting Controls	The city needs to improve its accounting controls in order to ensure transactions are accounted for properly. When the Collector's Office collects monies from other departments, the amounts are not immediately verified and entered into the system, and receipt slips are not given to the departments. The Community Development Department does not adequately segregate duties, and some departments do not account for the numerical sequence of receipt slips. Bank reconciliations are not performed timely. Services are provided to local businesses without first ensuring there are adequate funds in the businesses' escrow accounts.

City Budget and Financial Reports	The Finance Director increased the fiscal year 2011 budgeted expenditures by $276,000, after the budget had been approved by the City Council. The City Council only receives quarterly financial reports, which impairs its ability to make effective management decisions.
Minutes, Meetings and Public Records	The City Council did not document the reasons or the votes regarding meeting closures, as required by state law. The city should maintain a public request log to document its compliance with the Sunshine Law and should ensure copies of meeting minutes of affiliated boards, committees, and commissions are maintained by the City Clerk.
Personnel	The city salary survey did not use cities of comparable size, so it is unclear if salaries are in line with salaries in similar cities. The city did not comply with its regulations regarding vacation and sick leave accumulation limits.
Emergency Plan	The city does not have an approved formal emergency contingency plan for its computer systems. The city relies heavily on technology and needs to plan for a rapid recovery from disasters or other extraordinary situations.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act 2009 (ARRA or Federal Stimulus)	The city was awarded over $3.4 million in ARRA funds in four grants: • Assistance to Firefighters Fire Station Construction Grant-$2,612,197 for construction of a fire station. In FY10, $4,117 was received and $17,711 was expended. • Community Oriented Policing Services Hiring Recovery Program-$559,785 to pay 100 percent of three police officer salaries for 3 years for positions that would have been eliminated. The city must maintain the positions for at least 1 year after the grant period ends. In FY10, $49,682 was received and $96,796 was expended. • Recovery Act: Edward Byrne Memorial Justice Assistance Grant Program Local Solicitation-$122,673 for police equipment. In FY10, $122,673 was received, but no funds were expended. • Energy Efficiency and Conservation Block Grant-$149,600 for energy savings. In FY10, $16,253 was received and $17,998 was expended toward a greenhouse gas inventory and street lighting evaluation. An energy audit will also be funded through this grant.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of University City
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THOMAS A. SCHWEICH
Missouri State Auditor

To the Honorable Mayor
and
Members of the City Council
City of University City, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of University City. We have audited certain operations of the city in fulfillment of our duties. The city engaged Hochschild, Bloom & Company LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the years ended June 30, 2010 and 2009. To minimize duplication of effort, we reviewed the audit report and substantiating working papers of the CPA firm for the year ended June 30, 2009, since the year ended June 30, 2010, audit had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2010. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.

2. Evaluate the city's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of University City.

An additional report, No. 2010-53, *Twenty-First Judicial Circuit, City of University City, Municipal Division*, was issued in May 2010.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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1. Trash Service Billing and Collection

While significant progress has been made in reducing the delinquent trash service balance, the city needs to continue these efforts to ensure all users are paying for the services provided. The city trash collection service had approximately $1.6 million in delinquent citizen accounts as of June 2010, which is an improvement from the $2 million delinquent balance during 2007.

The city provides trash service to its citizens and bills for this service twice a year, with the majority of the bills ranging between $68 and $96 every 6 months. The city has taken steps over the last several years to reduce the delinquent trash accounts receivable balance. Most of these efforts have been concentrated on the more significant delinquent accounts (those with three or more outstanding bills). As of June 2010, 1,058 (or 31 percent) of the 3,373 delinquent accounts have three or more outstanding bills.

As established by city ordinance, there are several steps the city can take in an effort to collect a delinquent account. After a bill is 60 days overdue, the city can discontinue service to the account. When an account is 90 days delinquent, the city can put a lien on the property. In addition, the city can remove trash containers from properties after service is discontinued. In February 2008, the city updated the city municipal code to include specific procedures for removing trash containers from the properties after discontinuation of service and to require trash to be hauled by the citizen. The citizen can either purchase trash bags at city hall, which are accepted at the city transfer station, or take the trash to a landfill and obtain a receipt slip providing proof of the transaction. In either case, the citizen must keep the related documentation, which can be audited by the city in an effort to confirm the citizens are taking trash to a landfill or the city transfer station. The city attorney can bring legal proceedings against the property 150 days after service is discontinued. The city works with residents to place them on payment plans whenever possible. In addition, in February 2008, the City Council passed an ordinance significantly increasing delinquent penalties.

The city has used these procedures to reduce delinquent accounts. As of July 2010, the city had discontinued service to approximately 500 accounts, placed approximately 140 accounts on payment plans, and started approximately 380 audits of accounts with discontinued service. Our review of the largest 100 delinquent accounts noted that for all of these accounts service had been discontinued, the account had been placed on a payment plan or paid in full, or a lien had been placed on the property. Seventy-two of these accounts had two of these actions taken against the property. In addition, in March 2008, the city did a one-time partial forgiveness program and waived half of the interest owed on delinquent accounts for residents who paid the entire outstanding principal plus the remaining half of the interest owed. Also, starting in April 2008, the city began offering a low-income program which waives interest and penalties for those who meet the

requirements. A monthly payment plan is established for the remaining principal amount owed.

Allowing customers to receive service without payment reduces the incentive to make payments, results in loss of city revenue, and could impact the trash rates for other paying customers.

Recommendation

The City Council should continue these efforts to ensure all users are paying for services provided.

Auditee's Response

The City Council provided the following written response:

City Council will continue its efforts to ensure that all users are paying for the services provided. The City will also examine the possibility of either selling the debt to another entity or utilizing the services of a collection agency to collect outstanding payments for trash service.

2. Employment Contract

The employment contract with the former city manager contained a significant severance payout clause, and she was paid $97,400 in severance pay in 2010. In addition, the current city manager's contract includes a similar severance payout clause.

In March 2006, the city entered into an employment contract with the former City Manager. The contract provided for 2 years of salary as severance pay if the employee was terminated by the city within the first 18 months of employment. If the employee was terminated with 18 to 48 months of employment, the severance pay would be 9 months of salary. Termination after 48 months of employment resulted in severance pay equal to 6 months of salary. In addition, the severance provision included 6 months of health insurance benefits and a contribution to the employee's 401(a) retirement plan.

In April 2010, the former City Manager and City Council agreed to a resolution for termination of employment. The effective termination date was only 8 days before the former City Manager's completion of 48 months of employment. If the City Council had waited to agree to this resolution, the former City Manager would have been entitled to only 6 months of severance instead of 9 months. As a result, the city paid a severance amount to the former City Manager of approximately $97,400, instead of approximately $68,800.

In July 2010, a new City Manager was hired and his employment contract contains the same severance package. The employment contract does not provide for a probationary period which would allow the City Council to terminate employment without paying a severance package.

State law does not expressly prohibit severance package provisions in contracts for top administrative employees; however, should the City Council wish to terminate the contract, buyout terms can prove costly. As a result, the City Council needs to reevaluate its practice of providing large severance packages.

Recommendation

The City Council should ensure the employment contract for its city manager is in the best interest of the city, and limit the city's potential liability for termination pay.

Auditee's Response

The City Council provided the following written response:

The employment contract with the current City Manager has been approved by the City Council and entered into with the new City Manager. Further consideration will be given to reviewing the severance provisions in future contracts.

3. Cost Allocations and Administrative Transfers

While some central service department costs (such as accounting, payroll, and the city garage) are allocated to various departments of the city based on full time equivalent positions or other documented methods, other costs including salaries and benefits are allocated based only on estimates. Allocations without appropriate supporting documentation totaled over $900,000.

Timesheets do not indicate hours worked by activity for each employee nor has the city performed a time study to serve as a basis for allocating salary and fringe benefits to the appropriate funds. Administrative transfers from the Solid Waste Fund and the Sewer Lateral Fund to the General Fund totaled approximately $177,000 and $47,000, respectively, during the year ended June 30, 2010.

Other expenses are also allocated to functions based on estimates without documentation of how the allocation was determined. The cost of the city's annual audit, approximately $43,000 during 2010, was allocated to various city funds. In addition, the city allocated $40,000 from the Economic Development Sales Tax Fund and $4,000 from the Library Fund to the General Fund for administration costs. There were also allocations of administrative costs from the Commission for Access and Local Original Programming Fund to the General Fund of approximately $9,000. Financial system maintenance fees of approximately $2,800 are charged to the Library Fund without any supporting documentation. Further, contributions to the Non-Uniformed Pension Fund, totaling approximately $593,000, were allocated to various city funds and departments based on estimates from several years ago.

To ensure restricted funds are spent appropriately and expenditures are allocated to various funds in proportion to the benefits received, the city should ensure the allocation of costs is supported by adequate documentation.

Recommendation

The City Council ensure all expenditures are properly allocated to the various funds and all transfers between funds are adequately documented.

Auditee's Response

The City Council provided the following written response:

The City concurs with this recommendation and will implement this procedure with the fiscal year 2011-2012 budget.

4. Legal Services

Legal services are procured without a competitive process, the city does not have written contracts for legal services provided, and the city has not performed a cost analysis to determine if outsourcing legal services is cost beneficial. In addition, an agreement with the City Attorney was not reviewed by an independent attorney prior to execution, and the city incurred unnecessary legal and settlement costs due to not filing an insurance claim timely. The city employs a City Prosecutor on a full time basis at a salary of approximately $35,000 per year. This person also serves as City Attorney on a fee for service basis and was paid approximately $43,000 for City Attorney services during the year ended June 30, 2010. The city paid for additional legal services, totaling approximately $189,000, during the year.

4.1 Proposals for legal services

The city has not obtained proposals for legal services. The city hires various law firms based on the type of specialized services needed. In addition, the City Attorney is also considered a contracted position and is paid at an hourly rate. However, the city does not solicit proposals for legal services and has used the same individual as City Attorney since 1994 without periodically soliciting proposals for this position.

While professional services, such as attorneys, may not be subject to standard bidding procedures, the city should solicit proposals for legal services to the extent practical. Soliciting proposals and subjecting such services to a competitive selection process does not preclude the city from selecting the vendor or individual best suited to provide the service required. Such practices help provide a range of possible choices and allow the city to make a better-informed decision to ensure necessary services are obtained from the best-qualified vendor at the lowest and best cost.

4.2 Retainer Agreement

The city did not have an independent attorney review a retainer agreement with the City Attorney until 5 years after the agreement was signed. The agreement related to a class-action lawsuit including several cities against various telephone companies and provided a contingency fee of 25 percent

of any such recovery, based on various criteria provided in the agreement, be paid to the two lead special counsel (one of whom was the City Attorney) and an associate special counsel. Because the settlement fees are not paid directly by the city, the city did not have the records documenting the total attorney fees. The net amount received by the city from this litigation through June 30, 2010, was approximately $2.9 million. In addition, there is no documentation in the meeting minutes to indicate this retainer agreement was formally approved by the City Council.

Considering the City Attorney's advisory relationship with the City Council and to avoid the appearance of a conflict of interest, an independent attorney should be retained to review any potential contracts with the City Attorney which provide for legal services in addition to normal City Attorney duties. Additionally, all legal services contracts should be formally approved by the City Council.

4.3 Contracts for legal services

The city has not entered into written contracts with the various law firms providing legal services to the city. While there is some documentation of the fee amounts charged by these firms, there are no formal contracts specifying the terms of service and related compensation. For example, the only documentation of the city attorney's hourly rate is an email dated July 2006 from the City Manager indicating the City Council approved a rate of $135 per hour.

Section 432.070, RSMo, requires contracts of political subdivisions be in writing. A written contract, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to provide protection to both parties.

4.4 Cost analysis

The city has not performed a cost analysis to determine if legal services should be performed in-house or continue to be outsourced. All legal services are outsourced including general services provided by the City Attorney. Without a cost analysis, the city cannot ensure the services are obtained in the most economical way.

4.5 Litigation procedures

Due to the failure to inform its insurance company of a claim in a timely manner, the city incurred approximately $146,000 in legal and settlement fees. A city employee filed a discrimination lawsuit against the city in May 2009. The city was required to notify the insurance company of possible litigation within 30 days after the end of a policy period. The policy period expired on June 30, 2009, but a claim was not filed by the city with the insurance company until September 2009. As a result, the costs of the litigation and settlement were not covered under the insurance policy. The insurance policy would have limited the costs of the litigation and settlement to a $15,000 deductible.

To reduce the city's exposure to unnecessary legal expenses, the city should ensure all insurance claims are filed timely.

Recommendations

The City Council:

4.1 Periodically solicit proposals for legal services and maintain all related documentation, including reasons for the city's decisions.

4.2 In the future, retain an independent attorney to review potential contracts which could result in a conflict of interest for the City Attorney and ensure approval of all legal service contracts are formally documented.

4.3 Enter into written agreements for all services.

4.4 Perform a cost analysis to determine the most cost effective method of obtaining legal services.

4.5 Improve procedures to ensure insurance claims are filed in a timely manner.

Auditee's Response

The City Council provided the following written responses:

4.1 The City concurs with this recommendation and plans to solicit proposals for legal services and document the City's decisions during 2011.

4.2 The City agrees with this recommendation. Whenever an issue arises regarding legal work outside the City Attorney's normal duties or where a potential conflict of interest might exist with the City Attorney, the City Council will be advised of the situation and will authorize hiring an independent attorney to review the issue. This authorization will be documented in meeting records.

4.3 All future legal services contracts will be handled through written agreements.

4.4 The City agrees to perform a cost analysis to determine whether in-house or outsourced services are most cost effective for the City by September 2011.

4.5 The City has implemented improved procedures to assure the timely filing of insurance claims.

5. Parking Garage Operations

A review of the city parking facility identified weaknesses in oversight of the parking facility management contract. In addition, the management contract has not been rebid since 1997, and the city has not performed a cost benefit analysis to determine if the city should manage the parking garage in-house or if the management should continue to be outsourced. According to city records, for the year ended June 30, 2010, revenues and expenses for parking facility operations totaled approximately $222,000 and $148,000, respectively.

The city entered into an agreement with a company to manage the day-to-day operations of the parking facility. The management company collects receipts from monthly permits and daily users, and the city collects receipts from the parking facility for parking meters, retail rental, etc. The management company is entitled to operational expenses plus a management fee and sends the city a check for receipts in excess of expenses.

5.1 Contract oversight

The city has not adequately monitored the operations of the parking contractor. In addition, monthly reports showing receipt and operating expense information submitted by the company contain only general information and do not contain detailed supporting documentation, such as invoices. The contract does not currently require detailed supporting documentation be submitted with the monthly reports; however, without this documentation, the city cannot be assured the related operating expenses are necessary and reasonable for the parking garage operations.

The agreement with the parking facility contractor provides the city the right to examine the accounting records of the management company at any time; however, the city has not performed a review of these accounting records, or of parking cash collections and receipt transmittal procedures. If monthly revenues of the parking garage exceed expenses and the management fee, the difference is remitted to the city along with the monthly report. However, if the monthly revenues are insufficient to cover the monthly operating expenses and the management fee, the city pays the contractor the difference. Operating expenses and management fees for the year ended June 30, 2010, totaled $142,000, and $6,000, respectively.

By not conducting a review of the management company's receipt procedures and accounting records, the city cannot ensure the amount of revenues and operating expenses are accurate. A periodic review of the accounting records would help ensure the city is receiving the proper amounts. In addition, adding language to the contract to require the submission of supporting documentation with monthly reports would help ensure only actual and necessary operating expenses of the parking contractor are incurred.

5.2 Rebidding

The city has been using the same management company to run the day-to-day operations of the parking facility since 1997, and has not periodically rebid this service. According to the contract, the company receives $500 per month unless gross revenues exceed $150,000 per year, in which case the rate increases to $650 per month. Periodically rebidding ongoing services helps ensure the city receives these services at the lowest and best price.

5.3 Cost benefit analysis

City management has not performed a cost analysis to determine if parking facility management should be performed by city employees or continue to be outsourced. In addition, a formal analysis of the parking facility's profit or loss is not prepared and presented to the City Council. Without a cost analysis which could be presented to the City Council for review, the city cannot ensure the services are provided in the most economical way.

Recommendations

The City Council:

5.1 Ensure a periodic review is conducted of the parking facility management company's records and cash collection and transmittal procedures, as allowed by the contract. In addition, the City Council should update the contract to require reimbursement requests include adequate supporting documentation.

5.2 Ensure bids are periodically obtained for management services provided to the city.

5.3 Perform a cost analysis to determine the most cost effective method of managing the parking garage.

Auditee's Response

The City Council provided the following written responses:

5.1 The City will begin performing reviews of the current contractor's procedures and records by April 2011 and will immediately work to update the contract to include requiring supporting documentation on reimbursement requests from the management company.

5.2 The City concurs with this recommendation and plans to solicit proposals for a parking management contract during 2011.

5.3 The City agrees to perform a cost analysis to determine whether in-house or outsourced parking management services are the most cost effective by August 2011.

6. Accounting Controls

Concerns were noted with various accounting issues including transmittals, receipt slips, segregation of duties, bank reconciliations, and escrow accounts.

6.1 Collector's Office

Controls over receipts in the Collector's Office are not sufficient. The Collector's Office, which is part of the Finance Department, is the central collection point in the city for trash bills, permits, licenses, etc. In addition, the Collector's Office receives transmittals of monies collected by other city departments such as Community Development and Parks, Recreation, and Forestry. All monies received are entered into the computer accounting system which generates a receipt number. For the year ended June 30, 2010, the Collector's Office collected approximately $12.2 million.

- The Collector's Office does not print and return the computer generated receipt slip to other city departments for transmittals of monies. As a result, there is no assurance the amounts transmitted to the Collector's Office from the various city departments are properly recorded into the accounting system and deposited.

  Transmittals are dropped off at the Collector's Office by the various departments, but are counted and entered into the accounting system by the Collector's Office employees at a later time. The transmittal forms are stamped as received by the Collector's Office and are sent back to the respective city departments the next day without a receipt slip. Therefore, the departments cannot perform a reconciliation between the transmittals submitted to the Collector's Office and the receipt slips generated from the Collector's Office accounting system.

- The numerical sequence of receipt slips in the Collector's Office is not accounted for properly. Personnel indicated that since the computer system issues the receipt slip numbers and the daily reports show the receipts issued for the day, they did not think a review of the sequence was necessary. However, our review noted some receipt slip numbers missing from the daily reports.

To provide assurance that all monies have been transmitted and deposited, transmittals should be counted immediately by the Collector's Office and a receipt slip should be issued to the city departments for each transmittal of monies, with the total reconciled to receipts collected by the departments. In addition, to ensure all monies received are properly recorded and deposited, the numerical sequence of receipt slips should be accounted for properly.

6.2 Segregation of duties

Cash custody and accounting duties have not been adequately segregated in the Community Development Department. There are several clerks in the department with responsibilities for collecting monies; however, the Executive Secretary also records transactions, approves voids, and prepares transmittals to the Collector's Office in addition to collecting monies. There is no documented supervisory review or comparison of the monies received

by the Executive Secretary to amounts transmitted to and received by the Collector's Office.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, an effective supervisory review should be performed and documented.

6.3 Numerical sequence of receipt slips

Various concerns were noted related to the numerical sequence of receipt slips.

The Parks, Recreation, and Forestry and the Community Development Departments do not account for the numerical sequence of receipt slip numbers. The Parks, Recreation, and Forestry Department collects monies at both the golf course and the recreation center. These two separate locations share the numerical sequence of receipt slips through a computer system. As each location issues a receipt slip, it is given the next number in the sequence. There is no procedure at the recreation center to account for the numerical sequence of receipt slips issued. The golf course manager stated he conducts random checks of cash register drawer monies and receipts, but does not document his review. For the year ended June 30, 2010, the Parks, Recreation and Forestry Department collected approximately $1.7 million in fees and the Community Development Department collected approximately $627,000 for permits, inspections, etc.

Personnel in each department told us all receipt numbers are issued in numerical sequence by the computer system and are included in the system-generated daily reports reviewed by management; therefore, they did not think a review of the numerical sequences was necessary. However, we noted the daily reports do not always include all transactions, and therefore, the reports reviewed by management are not always accurate and cannot be relied upon to ensure all transactions are reviewed.

To ensure all monies received are properly recorded and deposited, the numerical sequence of receipt numbers should be accounted for properly.

6.4 Bank reconciliations

Bank reconciliations have not been performed on a timely basis for the General Fund bank account. The Finance Director indicated as of July 2010, the General Fund account was reconciled through August 31, 2009, but reconciliations had not been performed on the account since then. The city was behind in performing the reconciliations due to needing to post various journal entries, as well as changes in personnel who were performing the work in the Finance Department.

Monthly bank reconciliations are necessary to ensure the accounting records are in agreement with bank records and to help detect errors on a timely basis.

6.5 Escrow accounts

The Community Development Department does not have access to view escrow account balances in the Finance Department accounting system; therefore, Community Development personnel cannot verify monies held in trust for various local businesses are sufficient to cover the services requested by these businesses.

The Community Development Department receives monies from local businesses which are deposited with the city in an escrow account. The businesses then access services through the Community Development Department such as obtaining inspections, permits, etc. The fees for these services are deducted from the applicable business account with the city. However, the Community Development Department does not have access to view these accounts in the city's computerized general ledger account, and must authorize these services without knowing if the business has an adequate balance in its account to cover the related fees.

The Community Development Department provides the Finance Department with daily reports of authorized services for which the Finance Department reduces the applicable account balances. As of June 30, 2010, the overall escrow account had a balance of approximately $33,000 covering 13 accounts with local businesses. Our review of the 13 accounts noted 6 had negative balances totaling approximately $8,100. If the Community Development Department had access to the computer general ledger accounts, personnel could verify the accounts had positive balances before authorizing services, thereby ensuring the city is receiving proper compensation for all services rendered.

To ensure proper accounting and reporting of escrow account transactions, the Community Development Department should have access to view the escrow account balances maintained in the Finance Department accounting system. Without this access, the city is at risk of providing services without proper payment.

Recommendations

The City Council:

6.1 Require the Collector's Office to immediately issue receipt slips for all monies transmitted from other city departments, and ensure these receipt slips are reconciled to amounts transmitted by the city departments. In addition, the City Council should ensure the numerical sequence of receipt numbers are accounted for properly.

6.2 Segregate the accounting duties of the Community Development Department to the extent possible. If proper segregation of duties cannot be achieved, timely supervision or independent review of the work performed and investigation into unusual items and variances is necessary.

6.3 Ensure the numerical sequence of receipt numbers are accounted for properly.

6.4 Ensure bank reconciliations are prepared monthly and retained for all accounts.

6.5 Ensure the Community Development Department is granted access to view escrow balance data from the Finance Department accounting system.

Auditee's Response

The City Council provided the following written responses:

6.1 This recommendation will be implemented by April 2011.

6.2 This recommendation has been implemented.

6.3 The City will perform a monthly analysis of receipt numbers and permits by April 2011 to assure proper accounting.

6.4 All reconciliations have been completed for the period under the audit. This recommendation is under implementation currently and will be complete by June 2011.

6.5 This recommendation has been implemented.

7. City Budget and Financial Reports

Concerns were noted with the approval of the city budget and submission of financial reports to the City Council.

7.1 City budget

Due to an oversight in budget preparation, the Finance Director made changes to the city budget without approval by the City Council. As a result, the fiscal year 2011 city budget did not agree with the budget resolution approved by the City Council on June 21, 2010. The resolution approved total budgeted expenditures for all funds of $43,107,340; however, the budget used by city employees and presented on the city website had total budgeted expenditures for all funds of $43,383,340, or a difference of $276,000. This difference is due to a streetscape project in the Economic Development Sales Tax Fund, which was added by the Finance Director after the City Council approved the budget. City Charter, Article 6, Section

35 provides the City Council will adopt the city budget which will be in effect for the fiscal year.

A thorough review process should be implemented to ensure budget documents are accurate and complete prior to approval. If changes need to be made to the budget after initial approval, a budget amendment should be formally approved by the City Council.

7.2 Financial reports

The City Council does not receive financial reports in a timely manner. A budget-to-actual financial report, summarizing revenues and expenditures by fund, is prepared quarterly by the Finance Director for review by the City Council and City Manager; however, a quarterly review of financial reports is not often enough for the City Council to make proper management decisions.

Financial reports showing revenue sources and expenditures should be prepared for each fund on a monthly basis and used for comparison to budgeted amounts and overall review of city operations. These reports are necessary to provide accurate and timely financial information to city officials upon which effective management decisions may be made.

Recommendations

The City Council:

7.1 Ensure proper compilation and review procedures are in place and the entire budget is properly approved.

7.2 Ensure financial reports are presented and approved by the City Council on a timely basis.

Auditee's Response

The City Council provided the following written responses:

7.1 The City concurs with the Auditor recommendation and will assure future budget documents are accurate.

7.2 The City will begin distributing monthly reports to the City Council in February 2011.

8. Minutes, Meetings, and Public Records

Concerns were noted with procedures regarding closed City Council meetings, the failure to maintain a log of public records requests, and the retention of auxiliary minutes.

8.1 Closed meetings

From July 2009 through October 2010, the city did not document the reasons or the votes regarding meeting closure for six closed meetings of the City Council. The Council went directly into closed meetings without first starting in open session and holding a vote to close the meeting, as required by law. As a result of these issues, the public may not be aware of the

discussions and votes held in these closed meetings. In addition, documented public notices were only retained for one of the meetings.

Section 610.022, RSMo, requires that before any meeting may be closed, the question of holding the closed meeting and the reason for the closed meeting shall be voted on at an open session. In addition, Section 610.020, RSMo, requires public notice of all meetings to assure public awareness of the meetings.

8.2 Sunshine request log

Although city personnel indicated public requests are handled in a timely manner, the city does not maintain a log of public requests to ensure all requests are handled in compliance with the Sunshine Law.

Section 610.023, RSMo, provides each request for access to public records shall be acted upon as soon as possible, but in no event later than the end of the third business day following the date the request was received by the custodian of records of a public governmental body. If access to the public record is not granted immediately, the custodian shall give a detailed explanation of the cause for further delay and the place and earliest time and date that the record will be available for inspection.

To ensure compliance with state law, the city should document adequate information in a log to determine if requests are completed timely and all requests are adequately filled. Necessary information includes, but is not limited to, the date of request, a brief description of the request, the date the request is completed or reason why the request cannot be completed, and any associated costs of filling the request.

8.3 Custody of minutes

The minutes and records of meetings of city affiliated boards, committees, and commissions were not always maintained by the City Clerk, the official custodian of records.

Complete and accurate minutes provide an official record of board, committee, and commission actions. In addition, Section 610.020, RSMo, requires minutes be taken and include the date, time, place, members present, members absent, and a record of votes taken.

Recommendations

The City Council:

8.1 Ensure votes to close a session are documented in open meeting minutes, along with the reason for closing the session.

8.2 Maintain a public request log to help ensure the city is complying with state law.

8.3 Ensure copies of meeting minutes of city affiliated boards, committees, and commissions are maintained by the City Clerk.

Auditee's Response

The City Council provided the following written responses:

8.1 This recommendation has been implemented.

8.2 This recommendation has been implemented.

8.3 This recommendation will be implemented by May 2011.

9. Personnel

Concerns were noted with personnel issues including the city salary survey and leave balances.

9.1 Salary survey

The salary survey conducted by the city in the spring of 2008 did not use cities of comparable size. As a result, it is unclear if the salaries of higher level city employees are in line with the same positions in similar cities. According to city personnel, the city's goal is to pay employees in the top 20 percent of surveyed cities. The city used a website service which compiled average salary information of various similar positions (as applicable) in 42 other cities in the St. Louis Metropolitan area. However, city personnel could not demonstrate the survey results were comparable to University City since many of the cities used as the basis for the average salaries were much larger or much smaller than University City. Our review of 12 positions included in the survey indicated the city's salaries ranked in the top 3 for 10 of these positions compared to other cities with similar positions. The city was ranked number one for four of these positions.

A salary survey should only include cities which are similar in size and organization. The results would better reflect the salaries paid in the region and allow the city to make a more informed decision regarding salary levels of employees.

9.2 Leave balances

Accumulated vacation and sick leave balances for some employees exceeded maximums allowed by the city. Administrative Regulation number 9 states vacation time will not be permitted to accrue beyond the amount granted annually. The maximum amount of vacation which can be earned in a year for employees with 20 years of service is 24 days or 192 hours. The leave balance report for June 14, 2010, showed five individuals with vacation balances exceeding this maximum, ranging from 277 to 376 hours. City personnel indicated the normal practice is to enforce the vacation maximum only on a cut-off date of December 31 each year. Employees are allowed to accumulate above the maximum during the year until the cut-off date. However, the city regulation does not specifically discuss or allow this practice. In addition, city regulations do not clearly indicate how much vacation time will be paid out to a terminated employee if accrued vacation leave is above the maximum allowed.

In addition, Administrative Regulation number 8 indicates unused sick leave may be accumulated to a total not to exceed 720 hours for full-time

employees. However, the leave balance report for June 14, 2010, showed a sick balance of 736 hours for several employees. City personnel indicated this was a computer error which occurred with the conversion to a new payroll accounting system in January 2010; however, as of July 2010, this error had not been corrected.

To ensure all employees are treated consistently, the city should comply with its administrative regulations. City regulations should be updated to reflect practices of the city regarding the maximum vacation cut-off date and how much vacation will be paid out if an employee is terminated. In addition, by allowing accumulation of leave balances in excess of the maximum hours provided by city regulations, the city risks incurring unnecessary leave liability expense.

Recommendations

The City Council:

9.1 Ensure cities included in future salary surveys are similar in size and perform additional analysis regarding salaries.

9.2 Ensure city administrative regulations are followed regarding maximum vacation and sick leave balances. In addition, regulations should be updated to reflect city practices regarding cut-off dates for maximum vacation accruals and how much vacation will be paid out to employees upon termination.

Auditee's Response

The City Council provided the following written responses:

9.1 The City concurs with this recommendation and during 2011 will choose comparable cities with which to use in future salary analysis.

9.2 The City concurs with this recommendation and will address this policy by June 2011.

10. Emergency Plan

The city does not have an approved formal emergency contingency plan for its computer systems. The city has been in the process of developing a plan for several years, but a plan had not been finalized as of December 2010. Contingency plans should include consideration for a variety of situations, such as short- and long-term plans for backup hardware, software, facilities, personnel, and power use. Involvement of users in contingency planning is important since users will likely be responsible for maintaining at least a portion of the backup under various contingencies. The major benefit of a thorough disaster recovery plan is the ability of the city to recover rapidly from disaster or extraordinary situations that might cause considerable loss or disruption to the city. Because of the city's degree of reliance on technology, the need for contingency planning is evident.

Recommendation

The City Council develop a formal contingency plan for the various computer systems.

Auditee's Response

The City Council provided the following written response:

The City concurs with this recommendation and will complete a formal disaster contingency plan during 2011.

City of University City
Organization and Statistical Information

The City of University City is located in St. Louis County. The city was incorporated in 1906 and is currently a constitutional charter city. The city employed 263 full-time employees and 143 part-time employees on June 30, 2010.

City operations include fire services, law enforcement services, trash collection, street maintenance, permits and inspections, recreational facilities, and community and economic development activities.

Mayor and City Council

The city government consists of a mayor and six-member city council. The city has a council-city manager government. The city manager is appointed by the city council for an indefinite term, and, among other things, is responsible for the day to day operations of the city, ensures the municipal code is implemented, prepares an annual budget to be submitted to the city council, and supervises department heads and other city employees. The acting City Manager at June 30, 2010, was Janet Watson.

The members of the city council are elected for 4-year terms. The mayor is elected for a 4-year term, presides over the city council, and votes on all matters. The Mayor and City Council at the year ended June 30, 2010, are identified below. The Mayor is paid $400 per month and the City Council members $200 per month. The compensation of these officials is established by the city charter.

Shelley Welsch, Mayor
Stephen Kraft, Councilmember
Terry Crow, Councilmember
L. Michael Glickert, Councilmember
Lynn Ricci, Councilmember
Arthur Sharpe, Jr., Councilmember
Byron Price, Councilmember

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

According to city personnel, the city was awarded the following American Recovery and Reinvestment Act of 2009 funding:

A $2,612,197 Assistance to Firefighters Fire Station Construction Grant was awarded by the U.S. Department of Homeland Security for construction of a replacement fire station. During the year ended June 30, 2010, $17,711 was expended for architectural design work and $4,117 was received by the city related to this grant.

A $559,785 Community Oriented Policing Services (COPS) Hiring Recovery Program (CHRP) grant was awarded by the U.S. Department of Justice to pay 100 percent of three police officer salaries and benefits for 3 years beginning December 2009. This grant funds one position that had previously been eliminated and maintains two other positions previously

planned for elimination. The grant requires these positions be maintained for at least a year after the end of the grant period. During the year ended June 30, 2010, $96,796 was expended and $49,682 was received by the city related to this grant.

A $122,673 Recovery Act: Edward Byrne Memorial Justice Assistance Grant Program Local Solicitation grant was awarded by the U.S. Department of Justice for the purchase of police equipment. During the year ended June 30, 2010, no funds were expended and $122,673 was received by the city related to this grant.

A $149,600 Energy Efficiency and Conservation Block Grant was awarded by the U.S. Department of Energy for energy savings. The city is performing a green house gas inventory, evaluating street lighting, and contracting for an energy audit. During the year ended June 30, 2010, $17,998 was expended to purchase a GPS device and pay the salary of an intern to map city street lights and perform data entry for a green house gas inventory. A total of $16,253 was received by the city related to this grant.

Thomas A. Schweich

Missouri State Auditor

Transportation Development Districts

March 2011

Report No. 2011-13

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Transportation Development Districts as of December 31, 2008

Background	As of December 31, 2008, 154 Transportation Development Districts (TDDs) had been established, with reported total estimated transportation project costs of over $1.5 billion and reported total anticipated revenues of over $1.8 billion. The 2008 TDD audit report provides information regarding the 154 TDDs and presents audit results for 16 specific TDDs: Lee's Summit Missouri New Longview; Branson Regional Airport; BaratHaven; College Station; Briarcliff Parkway and Highway 9; Fulton South Business 54; Crackerneck Creek; Arnold Triangle; Broadway Hotel; University Place; U.S. Highway 50/63 and City View; Cornerstone Pointe; Town and Country Crossing; Belton/Raymore Interchange; 1200 Main/South Loop; and Gans Road and U.S. 63.
Construction Contracts and Expenditures	TDDs need to improve their procurement practices. Some TDDs did not solicit proposals for construction management, choosing instead a related party of the developer or a service provider the owner/developer used before. State law requires competitive bidding for certain TDD construction contracts, and competitive bidding helps ensure the district is getting the best value and gives all parties an equal chance to participate in district business.
Engineering Services	Four TDDs failed to document the evaluation and selection of engineering services.
Budgetary Matters	Several TDDs exhibited problems with their budgets, including mathematical errors, deficits, or overspending. One TDD did not prepare a budget at all, while other budgets were incomplete or untimely.
Financial Reporting	The following 11 TDDs failed to file the required financial report for 2008: Truman Road; Country Club Plaza of Kansas City, Missouri; CenterState; 71 Highway & 150 Highway; Southtown; St. Charles Riverfront; Northwoods; 1717 Market Place; Tuscany Village; Harrisonville Market Place A; and Harrisonville Market Place B. Another five filed their 2008 financial reports after the deadline, and an additional five failed to file their 2007 financial reports.
Related Party Transactions	One TDD selected a subsidiary of the developer as its construction manager. Such related party transactions can create conflicts of interest and lead to questions regarding whether the TDD is receiving the best value for its dollars.

Financial Condition	One TDD may not be able to meet its financial obligations and fully reimburse the developer for transportation-related costs unless it improves its revenue streams.
Compliance with Prevailing Wage Laws	One TDD was unable to document that contractors complied with prevailing wage laws because it did not retain the affidavits of compliance it received from the contractors.
Additional Comments	The Crackerneck Creek TDD did not maintain and was unable to obtain documentation to verify project costs, bidding of contracts, or debt service obligations, which impaired the audit staff's ability to conduct a thorough audit. On a positive note, audits of the following TDDs noted no matters which required reporting: Branson Regional Airport; College Station; University Place; U.S. Highway 50/63 and City View; and 1200 Main/South Loop.

Because of the compound nature of this audit report, no overall rating is provided.

American Recovery and Reinvestment Act (Federal Stimulus)	The TDDs did not receive any federal stimulus monies during the audited time period.

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STATE AUDITOR'S REPORT

THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly

We have audited transportation development districts (TDDs) established in the state of Missouri. The audit was conducted relative to our responsibilities pursuant to Section 238.272, RSMo. The scope of our audit included, but was not necessarily limited to, TDDs established since the inception of the Transportation Development District Act in 1990 through December 31, 2008. The objectives of our audit were to:

1. Report selected information regarding the various TDDs.

2. Determine and report the TDDs' estimated transportation project costs, as well as the total revenues those entities expect to collect, as reported by the individual TDDs.

3. Provide an update on the status of public awareness/involvement, accountability, and compliance issues which were reported in our initial audit of TDDs (Report No. 2006-12, *Transportation Development Districts*, issued in March 2006).

4. Perform and report on audit work related to 16 selected TDDs that were established in 2006 or prior, involving a more in-depth review of the districts' transportation projects, financial activity, procurement practices, and statutory compliance.

Our methodology included reviewing financial reports or audits filed with the State Auditor's office and information maintained by the Missouri Department of Transportation (MoDOT); reviewing minutes and financial records and other information maintained by or received from various TDD officials/representatives and municipal officials; testing selected transactions; and interviewing various TDD officials/representatives and municipal officials. Some of the selected TDDs had engaged independent auditors to audit their financial statements for the years under review. To minimize duplication of effort, we reviewed the reports and substantiating working papers of the applicable independent auditors.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the

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United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Scope and Methodology and Observations and Results sections present our comments, observations, and results regarding our audit of the transportation development districts.

Thomas A. Schweich
State Auditor

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SCOPE AND METHODOLOGY

TRANSPORTATION DEVELOPMENT DISTRICTS
SCOPE AND METHODOLOGY

Sections 238.200 to 238.280, RSMo, allow for the formation of transportation development districts (TDDs). These entities are separate political subdivisions established and organized for the construction of roads, bridges, interchanges, or other transportation-related projects. The construction of these transportation-related projects may include the acquisition of property (generally right-of-way and/or easements). The projects are generally financed through the issuance of notes, bonds, or other debt securities for a period not to exceed 40 years. Therefore, most TDDs generally will not exist for more than 40 years. A TDD is governed by a board of directors of not less than 5 nor more than 15 members. The boards have the authority (after qualified voter approval[1]) to impose sales taxes or tolls, or levy property taxes or special assessments within the boundaries of the TDD to pay the expenditures of the entity, including the liquidation of debt incurred to fund the transportation-related projects. The revenues of a TDD, the majority of which are sales taxes, can only be used for transportation-related projects.

The process of establishing a TDD is initiated by the filing of a petition in the circuit court of the county where the proposed district is located. Such a petition can be filed by: (1) not less than 50 registered voters within the proposed TDD; (2) by all the owners of real property located within its proposed boundaries, if there are no eligible registered voters residing within the proposed district; (3) a local transportation authority; or (4) two or more local transportation authorities. A local transportation authority includes a county, city, special road district, or any other local public authority having jurisdiction over transportation projects and services.

For those TDDs established as of December 31, 2008, most of the petitions initiating their establishment were filed by the owners of the property located within the proposed district. See Appendix A for a complete list of all TDDs established as of December 31, 2008, and information regarding their establishment.

State law requires a copy of the petition filed to establish a TDD be provided to the Missouri Highways and Transportation Commission (highway commission) and each affected local transportation authority. Those entities are then allowed to file an answer stating agreement with or opposition to the creation of the TDD. In addition, any resident, taxpayer, or any other entity within the proposed TDD may join in or file a petition supporting or answer opposing the creation of the district. The circuit court subsequently hears the case, if necessary, and makes a decision whether to authorize the establishment of the TDD.

Many TDDs are located within a tax increment financing redevelopment (TIF) area. Tax increment financing is authorized pursuant to Sections 99.800 to 99.865, RSMo, and these statutes allow a municipality (a city or county) to approve TIF plans and use new tax revenues generated by development to reimburse certain costs related to that development. See Appendix A for information regarding whether a particular TDD is located within a TIF area.

[1] Section 238.202, RSMo, currently defines qualified voters as any persons residing within the proposed or established TDD who have registered to vote pursuant to Chapter 115, RSMo, and the owners of real property, who shall receive one vote per acre, provided that any registered voter who also owns property must elect whether to vote as an owner or a registered voter.

Section 67.010, RSMo, requires each TDD to prepare an annual budget which represents a complete financial plan for the ensuing fiscal year. In addition, Section 105.145, RSMo, requires each TDD to file an annual financial report with the State Auditor's office (SAO).

Although there is no statutory annual audit requirement, many TDDs have issued bonds and are required to obtain annual audits by the bond covenants or bond underwriter. In addition, Section 238.272, RSMo, provides the SAO shall audit each TDD once every 3 years, and may audit more frequently if deemed appropriate.

Section 238.275, RSMo, provides for the abolishment of a TDD once its projects are completed, ownership of the projects has been transferred to the highway commission or the local transportation authority, and the district has no outstanding liabilities. In addition, a TDD can be abolished if the board of directors determines the projects cannot be completed due to lack of funding or for any other reason. Prior to a TDD submitting the question to abolish the district to the applicable voters, the SAO must audit the TDD to determine its financial status, and whether it can be abolished.

As noted in our previous reports, in April 2007, the SAO was advised of plans to abolish the Eureka South I-44 TDD, in St. Louis County. Because no taxes had been imposed by this TDD nor had any other financial activity occurred, no final audit was required and the TDD was formally abolished in June 2008. In addition, in March 2008, the SAO was advised of plans to abolish the Troy/Lincoln County TDD. The SAO subsequently performed an audit of this TDD (Report No. 2008-71, *Troy/Lincoln County Transportation Development District*, issued in October 2008), and this TDD was formally abolished in January 2009.

Scope

The scope of this audit included, but was not necessarily limited to, those TDDs established since the inception of the Transportation Development District Act in 1990 through December 31, 2008. At December 31, 2008, 154 TDDs had been established in the state of Missouri. Fifty-five of these TDDs were established in 2006 or prior, had existed for portions of at least 3 fiscal years, and had not previously been considered or selected for review by the SAO for at least 3 fiscal years.

Information used to complete this report included:

- TDD annual financial reports or audit reports and related information submitted to and maintained by the SAO.

- The provisions of the Transportation Development District Act, which include Sections 238.200 through 238.280, RSMo.

- A TDD database, petitions, court orders, and related information maintained by the Missouri Department of Transportation (MoDOT).

- Completed questionnaires, received from officials or representatives of the TDDs, which requested information including, but not limited to, estimated project costs, financing obligations, anticipated revenues, and expected life of the respective TDD.

- Communications with, and information received from, various TDD officials/representatives and municipal officials.

- TDD records, including but not limited to agendas and minutes, bank statements, financial records, invoices, budgets, contracts, bid documentation, and/or debt service agreements. These records were maintained by the TDDs or their records custodian.

Methodology

During our audit, we used annual financial reports or audit reports filed by the various TDDs with the SAO as well as an internal database established by the SAO, to identify those TDDs established in 2008 and prior and to account for the various financial reports/audits received.

We gathered additional information regarding the TDDs established in 2008 through discussions with various MoDOT officials and files maintained by that agency. Information obtained included TDD name, location, applicable county/municipality, date established; identity of the individual(s)/entity who filed the petition; the type of funding (i.e., sales taxes, property taxes, etc.); and the funding rate (e.g., 1 percent). Some of this information is presented in Appendix A.

Survey questionnaires were sent to each TDD established in 2008 requesting information including, but not limited to, the geographic location of the TDD, estimated total project costs, how project costs were financed and the amount of that financing, estimated total revenues to be collected and over what period of time, when the collection of revenue and incurrence of expenses started, who was responsible for collection of the revenues and the administering of the funds, whether financial audits have been conducted by an independent auditor, the name of the development and type of businesses in the district, and whether or not the TDD is located in a TIF redevelopment area. Some of the survey information received from the TDDs is presented in Appendix A.

Relative to our audit responsibilities pursuant to Section 238.272, RSMo, we selected and conducted audit work related to various TDDs (the selected districts) based on the significance of their financial activity and/or because their transportation projects had been substantially completed by the end of fiscal year 2008. Those TDDs not selected for review did not have as significant a level of financial activity and/or their transportation projects were not substantially completed by the end of fiscal year 2008.

The selected TDDs included 4 of 26 TDDs that were audited by an independent auditor and 12 of 29 TDDs that were unaudited. The audited TDDs were selected because of the significance of their financial activity, with all of them having recorded project cost expenses in excess of $5 million during the 3 fiscal years ended 2008. The 12 unaudited TDDs were selected because their transportation projects had been substantially completed and significant financial activity

had been incurred by either the district or developer through the end of fiscal year 2008 (these TDDs were established in 2006 or prior). The reported disbursements of the 17 unaudited TDDs that were not selected totaled approximately $9.3 million during the 3 fiscal years ended 2008.

The following table includes the 55 TDDs considered for review during our current audit, including the 16 TDDs selected for review. The TDDs established prior to 2006 were considered for review during a previous audit.

			F/S Audits Performed	Unaudited
TDD Name	Date Established	Fiscal Year-End	Selected for Review by SAO	Selected for Review by SAO
Meramec Station Road and Highway 141	09/07/00	12/31		
370/Missouri Bottom Road/Taussig Road	11/01/00	12/31		
Mark Twain Mall	02/20/01	12/31		
St. John's Church Road	04/17/01	12/31		
Big Bend Crossing	06/25/01	12/31		
Stardust-Munger-Diamond	10/16/01	12/31		
Interstate Plaza/North Town Village	11/06/01	12/31		
Thirty-Ninth Street	04/25/02	06/30		
St. John Crossings	06/25/02	12/31		
Douglas Station (1)	06/27/02	12/31		
CenterState	08/05/02	12/31		
Raintree North	08/19/02	12/31		
Shoppes at Cross Keys	09/18/02	12/31		
Station Plaza	12/04/02	12/31		
Hanley/Eager Road (1)	12/16/02	12/31		
US Highway 65 and Truman Dam Access	03/12/03	12/31		
Lake of the Woods	03/24/03	12/31		
I-70 and Adams Dairy Parkway	03/25/03	12/31		
Ozark Centre	04/25/03	06/30		
Crestwood Point	05/15/03	12/31		
M 150 and 135th Street	05/15/03	12/31		
Boscherts Landing	05/16/03	12/31		
Salt Lick Road	05/16/03	12/31		
Parkville Commons	06/09/03	12/31		
Pershall Road	07/30/03	12/31		
Lee's Summit Missouri New Longview	07/31/03	12/31		X
Prewitt Point	08/22/03	12/31		
WingHaven	09/11/03	12/31		
Merchant's Laclede	10/08/03	12/31		
Belton Town Centre	11/17/03	12/31		
71 Highway and 150 Highway	11/20/03	12/31		
Branson Regional Airport (1)	12/17/03	12/31	X	
Koch Plaza	01/19/06	12/31		
BaratHaven	01/26/06	12/31		X
Blue Ridge Town Centre (2)	02/04/06	12/31		
Tower	02/15/06	12/31		
Heer's Tower	03/16/06	06/30		

College Station	03/16/06	06/30		X
Horseshoe Bend	04/13/06	12/31		
Briarcliff Parkway and Highway 9	05/17/06	12/31		X
Fulton South Business 54	06/12/06	12/31		X
Crackerneck Creek (3)	07/26/06	06/30	X	
Columbia Mall	08/04/06	12/31		
Arnold Triangle	08/13/06	08/31		X
Broadway Hotel	09/06/06	12/31		X
University Place	09/06/06	12/31	X	
620 Market	09/06/06	12/31		
US Highway 50/63 and City View	09/25/06	12/31		X
Cornerstone Pointe	10/10/06	12/31		X
Town and Country Crossing (2)	10/20/06	12/31	X	
Belton/Raymore Interchange	10/30/06	10/31		X
Wentzville Three (3)	12/04/06	12/31		
Indian Ridge Resort	12/07/06	12/31		
1200 Main/South Loop	12/11/06	12/31		X
Gans Road and U.S. 63	12/12/06	12/31		X

(1) Independently audited for fiscal years 2007 and 2008 only.
(2) Independently audited for fiscal year 2007 only.
(3) Independently audited for fiscal year 2008 only.

For the selected TDDs, we obtained requested information through communications with various TDD officials or representatives and municipal officials who have been involved with TDD activities. In addition, we reviewed such information and performed audit work, if determined necessary, on TDD records at TDD/representatives' offices.

This additional review of the selected TDDs was performed to (1) determine and report information including, but not limited to: the establishment of the applicable TDD and taxes imposed, the transportation projects and related costs, how the transportation projects were financed, whether periodic financial audits are conducted, and the extent of any independent financial oversight; (2) report the results of audit work on the selected TDDs in the following areas, including, but not limited to: internal controls, cash, receipts, disbursements, the bidding of construction work and related contracts, and the solicitation of proposals for professional services; (3) determine compliance with certain statutory requirements; and (4) review and report financial data of the selected TDDs. If independent audits were performed of a selected TDD, the supporting working papers were reviewed, and any additional audit procedures were performed as considered necessary.

A Schedule of Receipts, Disbursements, and Cash Balances for the 16 selected TDDs is presented in Appendix C. The financial information presented on this appendix reflects the financial activity and balances of the selected TDDs during the applicable years; however, it does not reflect any project-related costs incurred by the developers that had not yet been reimbursed by the applicable TDDs. In some cases, those unreimbursed developer-incurred costs are substantial. A summary of audit findings reported by the various independent auditors (of the applicable four selected TDDs) is presented in Appendix D.

The 16 selected TDDs did not receive any federal stimulus monies (pursuant to the American Recovery and Reinvestment Act) during the 3 fiscal years ended 2008. However, one instance (Briarcliff Parkway and Highway 9 TDD) was noted during the review of the 16 selected TDDs where MoDOT will fund a related transportation project costing $2.5 million with federal stimulus monies.

Limitations

Some data presented in Appendixes A and C was compiled from survey information submitted by officials/representatives of the various TDDs and the annual financial or audit reports submitted by those districts. This information was not verified for accuracy by us. If any information presented in Appendix A of the prior report was found to have changed since the previous audit, that information was updated on the current appendix. The financial data presented in Appendix C is presented as classified by the TDDs or the independent auditors, if applicable; therefore, some disbursements may be classified in an inconsistent manner. The comments included in Appendix D were extracted from the independent auditors' reports (i.e. non-compliance required to be reported under generally accepted government auditing standards (GAGAS)) or management letters (i.e. internal control weaknesses not required to be reported under GAGAS). These comments were not verified by us through additional audit procedures for accuracy, validity, or completeness.

OBSERVATIONS AND RESULTS

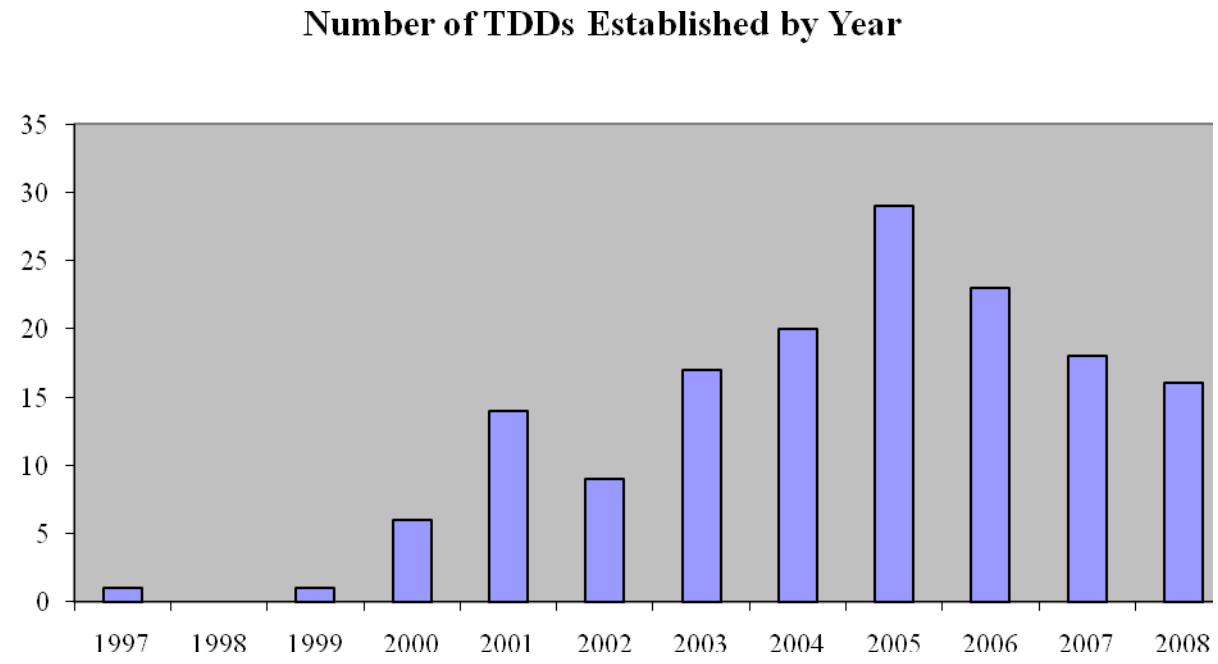
TRANSPORTATION DEVELOPMENT DISTRICTS
OBSERVATIONS AND RESULTS

Background

As of December 31, 2008, 154 transportation development districts (TDDs) had been established in Missouri, including 16 TDDs established in 2008. Over 68 percent of the TDDs have been established in the state's two biggest metropolitan areas, with 71 and 34 of the TDDs being located in the St. Louis and Kansas City metropolitan areas,[1] respectively.

As noted in our previous reports, even though the Transportation Development District Act was enacted in 1990, the first TDD was not established until 1997, apparently the result of statutory changes the General Assembly made that year. In those legislative changes, the General Assembly established another means of creating a TDD, allowing the owners of the real property located within the proposed district to petition for its creation, if there were no registered voters residing within the TDD. Previously, a petition to establish a TDD could only be filed by not less than 50 registered voters residing within the proposed district or by a local transportation authority.

This statutory change resulted in a dramatic increase in the number of TDDs established, with the rate of growth peaking in 2005 and declining since that time, as shown in the following graph.



[1] The St. Louis metropolitan area is defined here as the geographic area that includes the City of St. Louis, St. Louis County, St. Charles County, Jefferson County, and Franklin County. The Kansas City metropolitan area is defined here as the geographic area that includes Jackson County, Platte County, Clay County, and Cass County.

The rate of decline in the number of newly-established TDDs that began in 2006 continued in 2008, with only 16 additional TDDs established during that year. Of the 154 TDDs established as of December 31, 2008, 146 (or 95 percent) were initiated by a petition filed by the property owners.

In a survey of the 154 TDDs established as of December 31, 2008, officials/representatives of the TDDs reported total estimated transportation project costs of over $1.5 billion. In addition, those officials/representatives reported total estimated revenues of over $1.8 billion would be collected over the duration of the respective TDDs. Estimated project costs and anticipated revenue information was not reported for a few of the TDDs because the information had not been determined or could not be located. In one instance, the TDD was determined no longer to be feasible at the present time. Two other TDDs (Harrisonville Market Place A and Harrisonville Market Place B) did not respond to our survey.

The total estimated project costs and anticipated revenue amounts provided by the various TDDs are presented in Appendix A. It appears interest costs on debt and administrative expenses of various TDDs account for the difference when total anticipated revenues exceed total estimated project costs. In other instances where total estimated project costs exceed total anticipated revenues, TDD sales tax revenues are most likely used to pay only a portion of the total project costs, with the remaining project costs funded from other revenue sources (i.e. private financing, other government or TIF funding, etc.).

The table below breaks down the total estimated project costs and anticipated revenues of the 154 TDDs into various dollar ranges.

	Number of TDDs	
Dollar Range	Estimated Transportation Project Costs	Expected Revenues
$0 to $1million	20	14
$1 million to $5 million	61	42
$5 million to $10 million	23	31
$10 million to $15 million	18	12
$15 million to $35 million	21	25
More than $35 million	7	12
Not reported	4	18

In our survey, TDD officials/representatives reported the number of years their respective districts expected to collect revenue (i.e. sales taxes, etc.), which should correlate with the expected duration of the TDDs. Based on this information, the expected duration of the 154 TDDs ranges from 5 to 40 years. Based on information provided, all but six of the TDDs established as of December 31, 2008, have imposed a sales tax, with rates ranging from 1/8-cent (0.125 percent) to 1-cent (1 percent) on retail items sold within TDD boundaries (two TDDs had not yet imposed a sales tax and four have not provided us information regarding whether a sales tax has been imposed or the rate). As a result, all retail establishments located within a TDD that has imposed a sales tax charge a higher total sales tax than retail establishments that lie outside

TDD boundaries. Also, based on information provided by the TDDs, 13 of the 154 TDDs receive revenue from a source in addition to/or in lieu of a sales tax (i.e. special assessment, property tax, parking fee, airport fee, or other related fee).

The boundaries of 63 (41 percent) TDDs, established as of December 31, 2008, were located either completely or partially in a tax increment financing redevelopment (TIF) area. Pursuant to Section 99.845, RSMo, 50 percent of the additional tax revenues generated in such areas are to be used for the purposes of that particular TIF area. After the TIF portion of the TDD revenues are disbursed to the applicable city for deposit into a TIF account, the remaining portion is to be used by the TDD to fund its transportation project(s). However, as noted in previous audits, in some instances the applicable city has allowed the TDD to apply most, if not all, of its sales tax revenue to its own transportation project costs.

Previously Reported Public Awareness/Involvement, Accountability, and Compliance Issues

In our initial audit of TDDs (Report No. 2006-12, *Transportation Development Districts*, issued in March 2006), we reported various issues regarding TDDs in the areas of public awareness/involvement, accountability, and compliance. As reported in our previous audit of TDDs (Report No. 2010-22, *Transportation Development Districts*, issued in February 2010), legislation was passed during the 2009 legislative session, and subsequently signed into law which addressed some of the most significant issues/concerns previously reported. However, one of the issues reported which has not been corrected by legislative action relates to notifying the SAO when a TDD is established.

Section 238.272, RSMo, requires the SAO to audit each TDD at least every 3 years, and more frequently if deemed necessary, and Section 238.275.3, RSMo, requires the SAO to audit a TDD prior to a vote regarding its abolishment. Also, Section 105.145, RSMo, requires all political subdivisions in the state to file an annual financial report with the SAO. Despite these statutory responsibilities given the SAO regarding TDDs, there is no statutory provision which requires the SAO to be notified when a TDD is established.

Although the SAO is contacted by some TDD representatives when a district is established, the SAO has generally had to consult with MoDOT officials to identify newly established TDDs. While these communications with MoDOT have allowed us to identify and track most of the TDDs, there have been a few instances where we later became aware of the existence of a TDD.

The General Assembly should consider further legislation to require the SAO to be notified by TDD officials when a TDD is established.

Current Audit Results

Our current audit disclosed various issues regarding the 16 selected TDDs in the areas of construction contracts, professional services, budgetary matters, financial reporting, and other matters as presented below. This section summarizes the results of the audit work performed

related to those selected TDDs. Some of the problems reported were similarly noted in previous audits.

1. Construction Contracts and Expenditures

Concerns were noted related to the competitive procurement of construction-related contracts and supporting expenditure documentation.

For one TDD, appropriate bidding procedures could not be verified because this information was not maintained by the TDD nor was it provided by the city which had overseen the construction contracts. In addition, adequate documentation to support construction expenditures reimbursed by the TDD were not provided by the TDD or the city. As a result of this situation, the appropriateness of the project costs incurred and reimbursed by the TDD could not be verified.

In addition, for three TDDs, proposals were not solicited for construction management services. In one of these instances, the construction manager was a subsidiary or related party of the developer. In the other two instances, the construction manager was chosen based on the property owner/developer's prior experience with the service provider. Soliciting proposals for such services helps provide a range of possible choices and allows the TDD to make a better-informed decision to ensure necessary services are obtained from the best qualified provider at the lowest and best cost.

Section 238.252, RSMo, requires all construction contracts in excess of $5,000 involving a TDD and a private contractor be competitively bid and awarded to the lowest and best bidder. Formal bidding procedures for major purchases provide a framework for economical management of resources and help ensure the TDDs receive fair value by contracting with the lowest and best bidders. Competitive bidding also helps ensure all parties are given equal opportunity to participate in the TDD's business. Complete documentation should be maintained of all bids received and reasons noted why a bid was selected. In addition, expenditure documentation should be maintained and made available to provide an audit trail.

2. Engineering Services

The evaluation and selection of engineering services was not documented for four TDDs. It is a common practice for substantial costs to be incurred prior to the formal establishment of the TDD, particularly costs related to professional services provided by engineers, architects, and surveyors. Sections 8.285 to 8.291, RSMo, provide guidance on the selection of engineering, architectural, and surveying services.

3. Budgetary Matters

Various problems were noted related to the annual budgets of seven TDDs, and some districts had multiple problems.

- Budgets were incomplete, with actual revenues and expenditures for the preceding 2 years and beginning and ending balances not included (four TDDs).

- The budget was overspent (two TDDs).

- Budgets were not prepared (one TDD).

- Budgets were not approved in a timely manner (two TDDs).

- A budgeted deficit was reflected (one TDD).

- The budget contained mathematical errors (one TDD).

Sections 67.010 to 67.040, RSMo, include provisions regarding annual budgets. These sections require each political subdivision of the state to prepare annual budgets with specific information. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific cost expectations for each area.

In addition, Section 67.080, RSMo, provides that no expenditure of public monies shall be made unless it is authorized in the budget. The budget process provides a means to allocate financial resources in advance. Failure to adhere to the expenditure limits imposed by the budgets reduces the effectiveness of this process. To be of maximum benefit, budgets should be adopted prior to the beginning of the fiscal year.

4. Financial Reporting

As of December 31, 2009, we identified 21 of 154 TDDs (14 percent) that had not filed one or more annual financial reports with the SAO, as statutorily required. Section 105.145, RSMo, requires all political subdivisions file an annual financial report with the SAO, and 15 CSR 40-3.030 provides if a political subdivision is audited by an independent auditor, a copy of the audit report can be filed in lieu of a separate financial report. The annual financial report is to be filed within 4 months of the entity's fiscal year end, while an audit report can be filed within 6 months of the entity's fiscal year end.

The following table presents the 21 TDDs that had financial activity, but did not file a financial report[2] with the SAO by December 31, 2009, for fiscal years 2008 and/or 2007.

TDD Name	Fiscal Year End	FY 08	FY 07
Truman Road	12/31	X	X
Country Club Plaza of Kansas City, Missouri	12/31	X	X
CenterState	12/31	X	X
Boscherts Landing	12/31	X	
Lee's Summit, Missouri New Longview	12/31	X	X
Belton Town Centre	12/31	X	X
71 Highway & 150 Highway	12/31	X	X
Southtown	12/31	X	X
North Main/Malone	12/31		X
St. Charles Riverfront	12/31	X	
Wentzville II	12/31		X
US 36/I-72	06/30	X	
Osage Station	12/31	X	
Northwoods	12/31	X	
Hanley Station	12/31		X
1717 Market Place	12/31	X	X
Harrisonville Towne Center	12/31		X
Tuscany Village	12/31	X	
CB 5421/5975	12/31		X
Harrisonville Market Place A	12/31	X	X
Harrisonville Market Place B	12/31	X	X

[2] An X indicates a financial report was not filed for that fiscal year.

As of November 30, 2010, only five of the TDDs noted in the table above had provided 2008 and/or 2007 financial reports to the SAO. The TDDs should make every effort to ensure the required annual financial reports/audits are filed by the time frames specified in 15 CSR 40-3.030. There were also five other TDDs that had not filed a report(s) through fiscal year 2008 because no financial activity had occurred. In such situations, a TDD should notify the SAO that it had no financial activity.

The state regulation also provides an audit report submitted to satisfy the financial reporting requirements of Section 105.145, RSMo, should be prepared in conformity with generally accepted government auditing standards (GAGAS). Of the 55 TDDs included in the scope of our 2008 review, 27 districts received independent financial audits. Eight TDDs had audits conducted in accordance with generally accepted auditing standards (GAAS) rather than GAGAS. To fully comply with 15 CSR 40-3.030 reporting requirements, financial audits submitted in lieu of annual financial reports should be conducted in accordance with GAGAS.

5. Other Matters

Related Party Transaction As previously noted, the project construction manager was a subsidiary or related party of the developer in one instance.

Such transactions could represent actual or the appearance of conflicts, could compromise the financial interests of the TDDs, and should be avoided. If these situations cannot be avoided, discussions and decisions concerning situations where potential conflicts exist should be completely documented so the public has assurance that no TDD official has benefited improperly.

Financial Condition In one TDD, the revenues of the district may not be sufficient to meet the financial obligations of the district and fully reimburse the developer for transportation-related costs incurred. The TDD should continue to seek additional and/or improved revenue streams.

Compliance with Prevailing Wage Laws One TDD did not have documentation to indicate contractors complied with prevailing wage laws related to TDD projects. Affidavits of compliance with prevailing wage laws received from contractors were not retained. Sections 290.210 to 290.340, RSMo, include provisions regarding prevailing wages.

Audits of Selected TDDs

The following section reports information related to the 16 individual TDDs selected for review. The selected TDDs include (1) one TDD established in 2003 that had not previously been selected for audit by the SAO, (2) 14 TDDs established in 2006 that had not previously been audited by the SAO, and (3) one TDD selected for audit in a previous report (Report No. 2007-28, *Transportation Development Districts,* issued in July 2007) that had significant construction activity during the current audit period. The selected TDDs are presented in the order of date established. This information was shared with each applicable selected TDD and includes a response from the TDD if provided. A Schedule of Receipts, Disbursements, and Cash Balances for the selected TDDs is located at Appendix C.

- **Lee's Summit Missouri New Longview TDD**

  The Lee's Summit Missouri New Longview TDD was organized in July 2003 by petition of the owner/developer of the property within the proposed TDD. The Board of Directors and officers include associates and employees of the owner/developer.

  The qualified voter of the TDD, in this case the property owner, approved the imposition of a 1-cent (1 percent) sales tax on all transactions which are taxable within the boundaries of the TDD, effective January 2006. The sales tax is currently expected to remain in effect for 20 years, unless terminated sooner. The retail establishments collect the sales tax and forward the collections to the TDD collection agent, the City of Lee's Summit.

The TDD is located in the City of Lee's Summit, in Jackson County, near Missouri Highway 291 and 3rd Street. The New Longview development includes mixed retail, office space, and apartments. The TDD has a fiscal year end of December 31. The TDD has elected not to have separate financial audits conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The TDD was formed for the purpose of acquiring property (right-of-way and/or easements) and constructing transportation projects, with a total cost of approximately $10.7 million. The City of Lee's Summit is the public entity with jurisdiction over these projects and accepted dedication of the completed projects.

The TDD is located within a TIF area, therefore, the City of Lee's Summit could claim 50 percent of the sales tax collected for purposes of the TIF. However, the city has agreed the TIF portion of the TDD sales tax will be remitted to the TDD bond trustee and applied to the TDD debt service costs. In addition, the city appropriated monies totaling $5.9 million from its excise tax and capital improvement sales tax funds in fiscal years 2004 through 2008 which were applied to TDD debt service costs related to the construction of Longview Boulevard.

The TDD issued $5.44 million in revenue bonds in 2003 to partially finance the construction of TDD projects. This financing was available as a result of the annual appropriations approved by the City of Lee's Summit. Project costs are paid by the developer and then a reimbursement is requested from the bond funds held by the TDD bond trustee. The developer has signed a reimbursement agreement with the TDD for repayment of the remaining project costs advanced over and above the original bond issue. This was approximately $4.2 million as of December 31, 2008.

The City of Lee's Summit was responsible for overseeing project construction. The city was also responsible for reviewing and approving invoices from the developer for project costs incurred. The TDD funds have been administered by the trustee.

During our audit work related to this TDD, we noted the following:

- The TDD may not generate sufficient revenues over its life to fully reimburse the developer for the project costs previously paid. As of December 31, 2008, the developer had incurred approximately $4.2 million in unreimbursed project costs. During 2008, the TDD had five retail/service establishments in operation which generated about $11,000 in total sales tax revenues. According to a district official, the TDD is considering extending the life of its sales tax to 40 years.

- TDD annual budgets for 2006, 2007, and 2008 did not include some required information, including actual revenues and expenditures for the 2 previous years. In addition, the annual budgets for all 3 years reflected budget deficits, with estimated expenditures exceeding projected revenues and beginning fund balances by substantial amounts.

Sections 67.010 to 67.040, RSMo, include provisions regarding annual budgets.

- The TDD did not submit its 2006, 2007, or 2008 annual financial reports to the SAO in a timely manner. The TDD submitted, at our request, all three reports, as well as the 2009 report, in March 2010.

  Section 105.145, RSMo, requires political subdivisions to file an annual financial report with the SAO and 15 CSR 40-3.030 provides that if a political subdivision is audited by an independent auditor, a copy of the audit report can be filed in lieu of a separate financial report. The annual financial report is to be filed within 4 months of an entity's fiscal year end, but an audit report can be filed within 6 months of an entity's fiscal year end.

Lee's Summit Missouri New Longview TDD did not provide a formal response.

- **Branson Regional Airport TDD**

  The Branson Regional Airport TDD was organized in December 2003 by petition of the owner of property within the proposed TDD (a private for-profit corporation). The Board of Directors and officers include employees of the corporation and its investors.

  A sales tax has not been imposed on transactions within the boundaries of this TDD. Instead, revenues relate to airport operations including contributions from the City of Branson and fees from private hanger rental, fueling, airline agreements, rental car agreements, and other collateral services. These revenues are collected by the corporation, which in turn leases the airport from the TDD. Rental payments are equal to TDD debt service requirements.

  The TDD is located in Taney County, south of the City of Branson between U.S. Highway 65 and Missouri Highway JJ. The Branson Regional Airport development includes the airport and its facilities. The TDD has a fiscal year end of December 31. Financial audits of the TDD were conducted by an independent auditor for fiscal years 2008 and 2007. The TDD had no financial activity for fiscal year 2006.

  The TDD was formed for the purpose of acquiring property and constructing a transportation project with a total cost of approximately $150 million. Taney County is the public entity with jurisdiction over this project and accepted dedication of the completed project.

  Prior to the issuance of TDD bonds, the private corporation financed some of the costs of the projects with monies from investors. The TDD subsequently issued a total of $114 million Airport Project revenue bonds in 2007 to finance most project costs. Any remaining project costs were funded with monies from additional investors who acquired an equity interest in the private corporation.

The private corporation was responsible for overseeing project construction. This corporation was also responsible for reviewing and approving payments from investor monies for initial costs. The construction manager, engineer, corporation, and bond trustee were responsible for reviewing and approving all other expenses.

During our audit work related to this TDD, we noted no matters which needed to be reported.

- **BaratHaven TDD**

The BaratHaven TDD was organized in January 2006 by petition of the owners of property within the proposed TDD. The Board of Directors and officers include representatives of the property owners and city officials.

The qualified voters of the TDD, in this case the property owners, approved the imposition of a 1-cent (1.0 percent) sales tax on all transactions which are taxable within the boundaries of the district, effective May 2006. However, no sales tax had been collected through 2008 because no retail businesses have been established. The sales tax is currently expected to remain in effect for 20 years, unless terminated sooner. The retail establishments will collect the sales tax and forward the collections to an administrator, the TDD collection agent.

The TDD is located in the city of Dardenne Prairie, in St. Charles County, between U.S. Highway 40/61 and Henning Road. It is planned the BaratHaven development will include hotel, restaurant, and retail establishments. The TDD has a fiscal year end of December 31. The TDD has elected not to have separate financial audits conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The TDD was formed for the purpose of acquiring property (right-of-way and/or easements) and constructing transportation projects with a total estimated cost of approximately $4.2 million. In June 2007, the TDD authorized an additional project with an estimated cost of approximately $1.6 million. MoDOT and the City of Dardenne Prairie are the public entities with jurisdiction over these projects and will accept dedication of the completed projects.

The developer of the original transportation projects funded the project costs and has not yet been reimbursed for the costs incurred. In May 2006, the TDD authorized the issuance of special revenue notes not to exceed $4,215,000. At December 31, 2008, approximately $2.57 million was owed to the developer related to unreimbursed costs.

A second developer involved with the additional transportation project funded the related project costs and has not yet been reimbursed for the costs incurred. In December 2008, the TDD authorized the issuance of subordinate special revenue notes not to exceed $1,592,942 to pay these additional transportation project costs. At December 31, 2008, approximately $959,000 was owed to that developer related to unreimbursed costs.

MoDOT and the City of Dardenne Prairie are responsible for overseeing project construction. The TDD is responsible for reviewing and approving reimbursement requests from the developers for project costs incurred. The administrator reviews and approves all other expenses.

During our audit work related to this TDD, we noted the following:

- The TDD did not document its selection of engineering services for the related transportation projects. The provider of engineering and surveying services was chosen based on the fact the same engineer was used for the private portion of the project. Approximately $117,000 was expended for engineering and surveying services through December 2008.

  Sections 8.285 to 8.291, RSMo, provide guidance on the selection of engineering, architectural, and surveying services.

- The TDD did not have documentation to indicate contractors complied with prevailing wage laws related to district projects. Affidavits of compliance with prevailing wage laws received from contractors were not retained and attempts to obtain evidence of prevailing wage compliance from the developers were unsuccessful. Sections 290.210 to 290.340, RSMo, include provisions regarding the payment of prevailing wages on a public works project.

BaratHaven TDD did not provide a formal response.

- **College Station TDD**

The College Station TDD was organized in March 2006 by petition of the City of Springfield and owners of property within the proposed TDD. The Board of Directors and officers include three employees of the city and two members elected by voters of the TDD.

The qualified voters of the TDD, in this case the property owners and the City of Springfield, approved the imposition of a 1-cent (1 percent) sales tax on all transactions which are taxable within the boundaries of the district, effective September 2006. The sales tax is currently expected to remain in effect for 25 years, unless terminated sooner. The retail establishments collect the sales tax and forward the collections to the TDD collection agent, the City of Springfield.

The TDD is located in the City of Springfield, in Greene County, in the downtown area. The College Station development currently includes one business establishment, a movie theater. The TDD has a fiscal year end of June 30. The TDD has elected not to have separate financial audits conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The TDD was formed for the purpose of constructing a multi-level parking structure, to be located south of College Street, with a total estimated cost of approximately $8.6 million. The City of Springfield is the public entity with jurisdiction over this project and accepted dedication of the completed project.

The city issued approximately $10.93 million in special obligation bonds in May 2007 to finance the costs of the project. The repayment of these bonds will be provided through the following funding sources:

- TDD sales tax
- Community Improvement District sales tax
- Parking deck participation payment
- Incremental increase in the city's general sales taxes collected within the redevelopment area
- One-half of Greene County's incremental increase in general sales taxes collected within the redevelopment area
- Parking fees generated from the operation of the parking structure

In addition, the parking structure is part of an approved Missouri Downtown Revitalization Preservation Program District. Therefore, the city may elect to use revenues from half of the incremental increase in the state general sales tax for the approved reimbursable projects.

The City of Springfield was responsible for overseeing project construction. The city verified reimbursement requests from the developer for project costs incurred before submitting the reimbursement requests to the Board of Directors to approve for payment. The Board of Directors reviews and approves all other expenses.

During our audit work related to this TDD, we noted no matters which needed to be reported.

- **Briarcliff Parkway and Highway 9 TDD**

The Briarcliff Parkway and Highway 9 TDD was organized in May 2006 by petition of the owner of property within the proposed TDD. The Board of Directors and officers are employees of the developer.

The qualified voter of the TDD, in this case the property owner, approved the imposition of a 1/2-cent (0.5 percent) sales tax on all transactions which are taxable within the boundaries of the district, effective January 2007. The sales tax is currently expected to remain in effect for 20 years, unless terminated sooner. The retail establishments, restaurants, and grocery stores collect the sales tax and forward the collections to the TDD collection agent, a private administrator.

The TDD is located in the City of Kansas City, in Clay County, at Missouri Highway 9 and Briarcliff Parkway. The Briarcliff Village development includes restaurants, grocery

stores, and retail establishments. The TDD has a fiscal year end of December 31. The TDD has elected not to have separate financial audits conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The TDD was formed for the purpose of constructing transportation projects with a total estimated cost of approximately $7 million. In February 2008, the property owners approved an additional transportation project with a total cost of approximately $2.5 million. MoDOT and the City of Kansas City are the public entities with jurisdiction over these projects and will accept dedication of the completed projects.

Because the TDD is located within a TIF area, 50 percent of the sales tax collected has been paid to the City of Kansas City for deposit into the accounts relating to the TIF projects.

The developer funded the TDD portion of the costs of the original project. The developer has not yet been reimbursed for costs incurred, but signed a reimbursement agreement with the TDD for reimbursement of the project costs plus accrued interest. Under the agreement, project costs not reimbursed may accrue compounded interest at the prime lending rate to be adjusted monthly. At December 31, 2008, approximately $2.3 million was owed to the developer related to unreimbursed costs, including approximately $105,000 in accrued interest.

In addition to developer-funded costs, MoDOT provided 50 percent of the original project costs estimated to total approximately $3.5 million. MoDOT will fund the costs of the additional project totaling $2.5 million entirely with federal stimulus monies. The TDD is subsequently responsible for any cost overruns.

MoDOT and the City of Kansas City are responsible for overseeing project construction. The administrator is also responsible for reviewing and approving reimbursement requests from the developer for project costs incurred.

During our audit work related to this TDD, we noted the following:

- The TDD construction manager was not solicited through a competitive bidding process and it was determined the construction manager was a subsidiary and related party to the developer. An official of the developer estimated the total costs for construction management services related to the TDD projects would be less than $59,000, with approximately $39,000 paid to the construction manager through December 31, 2008. A TDD official indicated the hourly rate charged by the construction manager was below the fee charged for a related project and therefore cost effective.

  Transactions with related parties could represent conflicts or the appearance of conflicts, could compromise the financial interests of the TDD, and should be avoided. If these situations cannot be avoided, discussions and decisions

concerning situations where potential conflicts exist should be completely documented.

In addition, Section 238.252, RSMo, requires all construction contracts in excess of $5,000 between a TDD and a private contractor to be competitively bid and awarded to the lowest and best bidder.

Briarcliff Parkway and Highway 9 TDD provided the following written response:

While it is true that the district's construction manager was not solicited through a competitive bidding process, we interpret the Section 238.252, RSMo bidding requirement to apply to hard construction costs, as the term "construction" is not defined in chapter 238, RSMo. Furthermore, it should be noted that the district was reimbursed for the cost of the construction manager by Briarcliff Development Company. Our budget officer can confirm that the TDD was reimbursed for all of Underground Services' costs. That entry was dated 11/30/2009 and the district was audited only through 2008.

- **Fulton South Business 54 TDD**

The Fulton South Business 54 TDD was organized in June 2006 by petition of the City of Fulton and owners of property within the proposed TDD. The Board of Directors and officers include officials of the developer and officials of the city.

The qualified voters of the TDD, in this case the property owners, approved the imposition of a 1/2-cent (0.5 percent) sales tax on all transactions which are taxable within the boundaries of the district, effective August 2006. The sales tax is currently expected to remain in effect for 30 years, unless terminated sooner. The retail establishments collect the sales tax and forward the collections to the TDD collection agent, a private administrator.

The TDD is located in the City of Fulton, in Callaway County, on U.S. Business Loop 54, between Collier Street and Tennyson Road. The Fulton Commons development includes grocery, retail, and service establishments. The TDD has a fiscal year end of December 31. The TDD has elected not to have separate financial audits of the TDD conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The TDD was formed for the purpose of acquiring property (right-of-way and/or easements) and constructing transportation projects with a total cost of approximately $1.4 million. MoDOT and the City of Fulton were the public entities with jurisdiction over these projects and accepted dedication of the completed projects.

Because the TDD is located within a TIF area, 50 percent of the sales tax collected has been paid to the City of Fulton for deposit into the accounts relating to the TIF projects. Pursuant to a formal agreement with the city, the TDD has agreed to disburse the TDD

portion of the sales tax revenues less administrative and collection costs, to the city to pay debt service on the TDD portion of the TIF bonds until they are retired.

The City of Fulton issued $8.77 million in TIF/TDD revenue bonds in November 2006. The TDD is responsible for paying no more than approximately $3.97 million in principal and interest on this debt. The remainder of the bonds will be paid by TIF revenues and city sales tax revenues. As of December 31, 2008, the TDD had repaid approximately $45,000 on the TDD portion of the TIF bonds.

MoDOT and the City of Fulton were responsible for overseeing project construction. The City of Fulton was also responsible for reviewing and approving reimbursement requests from the developer for project costs incurred. The Board of Directors reviews and approves all other expenses.

During our audit work related to this TDD, we noted the following:

- The TDD 2008 and 2007 budgets did not include some necessary information, including beginning available resources and estimated ending fund balance. In addition, the 2006 budget was not mathematically accurate.

  Sections 67.010 to 67.040, RSMo, include provisions regarding the annual budgets.

Fulton South Business 54 TDD did not provide a formal response.

- **Crackerneck Creek TDD**

The Crackerneck Creek TDD was organized in July 2006 by petition of the owners of property within the proposed TDD. The Board of Directors and officers include three employees of the City of Independence and two representatives of the owner/developer.

The qualified voter**s** of the TDD, in this case the property owners, approved the imposition of a 1-cent (1 percent) sales tax on all transactions which are taxable within the boundaries of the district, effective September 2006. The sales tax is currently expected to remain in effect for 30 years, unless terminated sooner. The retail establishments collect the sales tax and forward the collections to the TDD collection agent, the City of Independence.

The TDD is located in the City of Independence, in Jackson County, at Interstate 70 and Interstate 470. The Falls at Crackerneck development includes two major retail establishments. The TDD has a fiscal year end of June 30. A financial audit of the TDD was conducted by an independent auditor for fiscal year 2008.

The TDD was formed for the purpose of acquiring property (right-of-way and/or easements) and constructing transportation projects with a total cost of approximately

$15.2 million. MoDOT and the City of Independence were the public entities with jurisdiction over these projects and accepted dedication of the completed projects.

Because the TDD is located within a TIF area, 50 percent of the sales tax collected has been paid to the City of Independence for deposit into the accounts relating to the TIF projects. Pursuant to a formal agreement with the city, the TDD has agreed to disburse its portion of the TDD sales tax revenues, less administrative and collection costs, to the city to pay transportation project costs financed by the city.

As of June 30, 2008, the Missouri Development Finance Board had separately issued several Infrastructure Facilities Revenue Bonds totaling approximately $84.9 million in order to provide loans to the City of Independence to fund the Crackerneck Creek TIF projects. A portion of the proceeds from these bond issuances were used to finance TDD eligible costs.

MoDOT and the City of Independence were responsible for overseeing project construction. The City of Independence was also responsible for reviewing and approving transportation project costs incurred. The TDD Board of Directors reviews and approves the payments to the city and all other expenses.

During our audit work related to this TDD, we noted the following:

- Documentation was not provided to verify TDD eligible transportation project costs, bidding of contracts, or TDD debt service obligations. According to district legal counsel, the TDD was formed solely as a funding mechanism and did not maintain this documentation.

  Subsequently, the TDD and the SAO made several attempts to obtain applicable documentation directly from the City of Independence; however, the requested information was not provided. As a result, the appropriateness of the project costs incurred and reimbursable by the TDD, bidding and contracting for project construction, and the debt service obligations could not be verified.

Crackerneck Creek TDD provided a response which included information to clarify the make-up of the board, budgeting practices, and information related to matters after the audit period. However, the response did not comment on the matter discussed in the bullet point above.

- **Arnold Triangle TDD**

The Arnold Triangle TDD was organized in August 2006 by petition of the City of Arnold, the owner of property within the proposed TDD. During fiscal 2008 and prior, the Board of Directors and officers included various elected officials or employees of the city and developer. Subsequent changes to the composition of the board resulted in it being made up of only city officials and employees.

The qualified voter of the TDD, in this case the property owner, approved the imposition of a 1-cent (1 percent) sales tax on all transactions which are taxable within the boundaries of the district, effective October 2006. The retail establishments collect the sales tax and forward the collections to the TDD collection agent, the City of Arnold.

The TDD is located in the City of Arnold, in Jefferson County, and within an area bordered by Missouri Highway 141, Church Road, and Big Bill Road. The Arnold Triangle development includes grocery, retail, and commercial establishments. The TDD has a fiscal year end of August 31. The TDD has elected not to have separate financial audits conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The TDD was formed for the purpose of acquiring property (right-of-way and/or easements) and constructing transportation projects with a total cost of approximately $7 million. MoDOT and the City of Arnold were the public entities with jurisdiction over these projects and accepted dedication of the completed projects.

Because the TDD is located within a TIF area, 50 percent of the sales tax collected was paid to the City of Arnold for deposit into the accounts relating to the TIF projects.

The developer paid the initial costs of the projects and the TDD issued $3 million in 2007A Sales Tax Revenue Notes in May 2007. At that time, the district note/bond trustee was given responsibility for collecting the revenues and paying the costs of the district. In September 2007, the TDD approved a resolution to establish a new joint TDD with the City of Arnold that would provide for the construction of additional transportation projects beyond the original scope of district projects. The Arnold Retail Corridor (ARC) TDD was subsequently established in March 2008, encompassing the boundaries of the district. The ARC TDD is overseen by a board consisting of the chief officer of the city and the Arnold Triangle TDD as well as one additional representative appointed by each entity. Therefore, ongoing existence of the Arnold Triangle TDD is required to properly constitute the board of the ARC TDD.

As a result of the ARC TDD establishment, the Arnold Triangle TDD sales tax was repealed and replaced by an ARC TDD sales tax. In addition, the ARC TDD authorized issuance of $7 million in 2008A Sales Tax Revenue Notes to refinance existing Arnold Triangle TDD revenue notes and reimburse the developer for the remaining costs of the projects. The ARC TDD has also subsequently issued notes and/or bonds to refinance other transportation-related projects.

In April 2008, the City of Arnold began collecting this new sales tax on the behalf of the ARC TDD. The sales tax revenues collected on behalf of the ARC TDD, within the boundaries of the Arnold Triangle TDD, are to be used first to pay any remaining operating costs of the Arnold Triangle TDD. The remaining revenues are then used to pay ARC TDD debt service.

MoDOT and the City of Arnold were responsible for overseeing project construction. The City of Arnold and Arnold Triangle TDD legal counsel were also responsible for reviewing and approving reimbursement requests from the developer for project costs incurred. The trustee reviewed and approved all other expenses.

During our audit work related to the Arnold Triangle TDD, we noted the following:

- The Arnold Triangle TDD did not solicit bids for its construction manager. The construction manager was chosen based on the developer's prior experience with the construction management company and its services. The construction manager provided these services for both the TDD and non-TDD-related portions of the entire project. Approximately $124,300 was expended for the TDD portion of the construction management services through December 2008.

  Section 238.252, RSMo, requires all construction contracts in excess of $5,000 between a TDD and a private contractor to be competitively bid and awarded to the lowest and best bidder.

- The Arnold Triangle TDD did not document its selection of engineering and surveying services for the related transportation projects. The engineers and surveyor were chosen based on the developer's prior experience with the service providers. These service providers also provided their respective services for both the TDD and non-TDD related portions of the entire project. Approximately $209,900 and $66,100 was expended for the TDD portion of engineering and surveying services through December 2008, respectively.

  Sections 8.285 to 8.291, RSMo, provide guidance on the selection of engineering, architectural, and surveying services.

Arnold Triangle TDD provided the following written response:

<u>Construction Manager</u> The district's project is part of a larger redevelopment project, for which the construction manager was also involved. The amount paid to the construction manager ($124,300) represents approximately 1.78% of the total district project cost and the district believes that had it solicited proposals for a construction manager, no other responsible bidder could have provided the same level of quality service for a lesser fee.

<u>Engineering and surveying services</u> As stated above, the district's project is part of a larger redevelopment project for which the engineering and surveying firms were previously engaged by the developer. The district is confident that, given each firm's previous work on the redevelopment project, no other firm could reasonably provide (a) the specialized experience, past record of performance and familiarity with the area and the redevelopment project necessary to integrate the district's project into the redevelopment project and (b) the capacity and capability to perform the work within the time limitations of the redevelopment project.

- **Broadway Hotel TDD**

  The Broadway Hotel TDD was organized in September 2006 by petition of the owner of property and improvements within the proposed TDD. The Board of Directors and officers include representatives of the owner.

  The qualified voter of the TDD, in this case the owner, approved the imposition of a 1-cent (1 percent) sales tax on all transactions which are taxable within the boundaries of the district, effective January 2007. The sales tax is currently expected to remain in effect for 25 years, unless terminated sooner. The retail establishments collect the sales tax and forward the collections to an administrator, the TDD collection agent.

  The TDD is located in the City of St. Louis at 1 South Broadway. The Broadway Hotel development includes a major service establishment. The TDD has a fiscal year end of December 31. The TDD has elected not to have separate financial audits conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

  The TDD was formed for the purpose of acquiring a leasehold interest in a parking garage of approximately 170 parking spaces and an alleyway containing approximately 20 parking spaces. The TDD issued approximately $3.69 million in revenue notes to finance the acquisition.

  The City of St. Louis was responsible for overseeing the acquisition. The TDD approved the acquisition and the issuance of the revenue notes to finance the cost. The TDD treasurer and administrator review and approve all other expenses.

  During our audit work related to this TDD, we noted the following:

  - The TDD annual budgets for 2007 and 2008 did not include some necessary information, including beginning and ending cash balances. In addition, actual revenues and expenditures for the preceding year (2007) were not presented in the 2008 budget. Part of the reason for the missing information was that the budgets were prepared in a written paragraph, narrative format instead of a tabular format.

    In addition, the TDD 2007 and 2008 budgets were not approved in a timely manner. The TDD Board of Directors did not approve its 2007 or 2008 budgets until its annual meetings in May 2007 and May 2008, respectively, approximately 5 months after the beginning of the fiscal year. The TDD should ensure its annual budget is approved at the beginning of the fiscal year.

    Sections 67.010 to 67.040, RSMo, include provisions regarding the annual budgets.

  Broadway Hotel TDD did not provide a formal response.

- **University Place TDD**

  The University Place TDD was organized in September 2006 by petition of the owner of property within the proposed TDD. The Board of Directors and officers include officials of the developer, a contractor official, a representative of the University of Missouri-St. Louis, and a representative from St. Louis County.

  In August 2006, the qualified voter of the TDD, in this case the property owner, approved the imposition of a 1-cent (1 percent) sales tax on all transactions which are taxable within the boundaries of the district. The sales tax is currently expected to remain in effect for 25 years, unless terminated sooner. However, according to a district representative, there are no plans for retailers to be established in the TDD as most of the district is occupied by the business offices of a corporation. As a result, in September 2006, the TDD established a special assessment on real property within the district. These payments began in fiscal year 2006 and are expected to remain in effect for 25 years.

  The TDD is located in the an unincorporated area of St. Louis County, between Interstate 70 and the Village of Bellerive. The TDD has a fiscal year end of December 31. Financial audits of the TDD were conducted by an independent auditor for fiscal years 2008, 2007, and 2006.

  The TDD was formed for the purpose of acquiring property (right-of-way and/or easements) and constructing transportation projects with a total estimated cost of approximately $15.4 million. St. Louis County is the public entity with jurisdiction over these projects and will accept dedication of the completed projects.

  The developer funded some of the initial project costs of the development prior to October 2006, when the TDD issued $13,415,000 in Transportation Sales Tax and Special Assessment Revenue Bonds. The TDD may also issue Subordinate Transportation Sales Tax and Special Assessment Revenue Notes, not to exceed $2 million, to fund any additional project costs. As of December 31, 2008, these notes have not been issued.

  St. Louis County is responsible for overseeing project construction. The Chairman of the Board of Directors, developer, project manager, and TDD legal counsel are responsible for reviewing and approving project costs incurred by the contractors. The Chairman of the Board of Directors reviews and approves all other expenses.

  During our audit work related to this TDD, we noted no matters which needed to be reported.

- **U.S. Highway 50/63 and City View TDD**

  The U.S. Highway 50/63 and City View TDD was organized in September 2006 by petition of the owner/developer of property within the proposed TDD. The Board of

Directors and officers include various employees of the owner/developer and a city official.

The qualified voter of the TDD, in this case the property owner, approved the imposition of a 1-cent (1 percent) sales tax on all transactions which are taxable within the boundaries of the district, effective July 2009. The sales tax is currently expected to remain in effect for 20 years, unless terminated sooner. The retail establishment collects the sales tax and forwards the collections to the TDD collection agent.

The TDD is located in the City of Jefferson City, in Cole County, at the intersection of City View Drive and U.S. Highway 50/63. The U.S. Highway 50/63 and City View development includes a large retailer. The TDD has a fiscal year end of December 31. The TDD has elected not to have separate financial audits conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The TDD was formed for the purpose of acquiring property (right-of-way and/or easements) and constructing transportation projects with a total cost of approximately $11.7 million. MoDOT, the City of Jefferson City, and Cole County are the public entities with jurisdiction over these projects and will accept dedication of the completed projects.

The owner/developer initially funded a portion of the cost of the projects, which totaled approximately $5.3 million. In addition, MoDOT contributed approximately $5.6 million, Cole County contributed $300,000, and the City of Jefferson City contributed $600,000 towards the completion of the projects. The owner/developer costs will be reimbursed by TDD sales tax revenues; however, no reimbursements for costs had been paid as of December 31, 2008.

MoDOT, the City of Jefferson City, and Cole County are responsible for overseeing project construction. The Board of Directors is responsible for reviewing and approving reimbursement requests from the developer for project costs incurred. The Board of Directors also reviews and approves all other expenses.

During our audit work related to this TDD, we noted no matters which needed to be reported.

- **Cornerstone Pointe TDD**

The Cornerstone Pointe TDD was organized in October 2006 by petition of the owner/developer of property within the proposed TDD. The Board of Directors and officers include various employees of the developer.

The qualified voter of the TDD, in this case the property owner, approved the imposition of a 1-cent (1 percent) sales tax on all transactions which are taxable within the boundaries of the district, effective November 2006. The sales tax is currently expected to remain in effect for 25 years, unless terminated sooner. The retail establishments will

collect the sales tax and forward the collections to the TDD collection agent, the City of Belton.

The TDD is located in the City of Belton, in Cass County, at Missouri Highway Y and U.S. Highway 71. The Cornerstone Pointe development (located within the Belton Business Park) does not currently have any retailers. The TDD has a fiscal year end of December 31. The TDD has elected not to have separate financial audits conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The TDD was formed for the purpose of acquiring property (right-of-way and/or easements) and constructing transportation projects with a total cost of approximately $2 million. The City of Belton and MoDOT were the public entities with jurisdiction over these projects and accepted dedication of the completed projects.

The developer funded the costs of the local transportation project. The developer has not yet been reimbursed for all costs incurred, but signed a reimbursement agreement with the TDD for reimbursement of the project costs plus accrued interest. Under the agreement, project costs not reimbursed may accrue compounded interest at a rate equal to 7 percent per year from the date paid by the developer. In addition to the reimbursement agreement, the TDD issued a promissory note to the developer in October 2006 for in the amount of $750,000. Once sales tax revenues are generated, the TDD will begin reimbursing the developer for transportation project costs.

The state transportation project was funded by MoDOT and the City of Belton (including $1.25 million paid by the city on behalf of the TDD).

The City of Belton and MoDOT were responsible for overseeing project construction. The Board of Directors was also responsible for reviewing and approving reimbursement requests from the developer for project costs incurred. The Board of Directors also reviews and approves all other expenses.

During our audit work related to this TDD, we noted the following:

- The TDD did not solicit bids for the construction manager on the local project. The construction manager was selected based on knowledge and experience with similar types of projects and long-standing business relationships with the property owner/developer. Through December 2008, approximately $20,800 was expended for construction management services.

  Section 238.252, RSMo, requires all construction contracts in excess of $5,000 between a TDD and a private contractor to be competitively bid and awarded to the lowest and best bidder.

- The TDD did not document its selection of engineering services for the related transportation projects. This service provider was also selected based on knowledge and experience with similar types of projects and long-standing

business relationship with the property owner/developer. Through December 2008, approximately $39,000 was expended for engineering services.

Sections 8.285 to 8.291, RSMo, provide guidance on the selection of engineering, architectural, and surveying services.

- The TDD 2007, 2008, and 2009 budgets were not approved in a timely manner. The 2007 budget was not approved until June 2007, halfway through the fiscal year. In addition, the 2008 and 2009 budgets were not approved until June 2009, after the 2008 fiscal year and halfway through the 2009 fiscal year. The annual budgets should be approved at the beginning of the fiscal year. Sections 67.010 to 67.040, RSMo, include provisions regarding annual budgets.

Cornerstone Pointe TDD did not provide a formal response.

- **Town and Country Crossing TDD**

The Town and Country Crossing TDD was organized in October 2006 by petition of the owner/developer of property within the proposed TDD. The Board of Directors and officers include representatives of the property owners and the developer, and a member designated by the City of Town and Country.

The qualified voter of the TDD, in this case the property owner, approved the imposition of a 1/2-cent (0.5 percent) sales tax on all transactions which are taxable within the boundaries of the district, effective April 2007. The sales tax is currently expected to remain in effect for 40 years, unless terminated sooner. The retail establishments collect the sales tax and forward the collections to the TDD collection agent, the City of Town and Country.

The TDD is located in the City of Town and Country, in St. Louis County, at Clayton Road and Missouri Highway 141. The Town and Country Crossing development includes major retail establishments. The TDD has a fiscal year end of December 31. A financial audit of the TDD was conducted by an independent auditor for fiscal year 2007.

The TDD was formed for the purpose of acquiring property (right-of-way and/or easements) and constructing transportation projects with a total cost of approximately $10.6 million. While the development is located entirely within the City of Town and Country, the TDD also signed intergovernmental cooperation agreements with MODOT and the City of Ballwin as part of the transportation improvements were within their respective jurisdictions, and these three public entities accepted dedication of the completed projects.

The developer initially funded the costs of the projects prior to the TDD issuing approximately $12.7 million in revenue bonds in September 2008. Prior to the issuance

of the bonds, the TDD issued notes to the developer. When the TDD revenue bonds were issued, these notes were paid and the developer was reimbursed.

MoDOT, the Cities of Town and Country and Ballwin, and St. Louis County were responsible for overseeing project construction. The City of Town and County and the Board of Directors were also responsible for reviewing and approving reimbursement requests from the developer for project costs incurred. The developer reviews and approves all other expenses.

During our audit work related to this TDD, we noted the following:

- The TDD did not document its selection of engineering services for the related transportation projects. This service provider was selected by the developer prior to the establishment of the TDD. We were informed this provider was chosen based on experience and expertise. Through December 2008, approximately $526,000 was expended for engineering services.

  Sections 8.285 to 8.291, RSMo, provide guidance on the selection of engineering, architectural, and surveying services.

- The TDD overspent its 2008 budget by approximately $4.9 million. The overspending was the result of the failure to adequately budget for the payment of notes held by the developer. A formal budget amendment was not approved authorizing these additional expenditures.

  In addition, the TDD annual budget for 2009 and 2008 did not include some necessary information, including actual revenues and expenditures for the 2 previous years in the 2009 budget or for the preceding year in the 2008 budget (there was no financial activity prior to fiscal year 2007), as required.

  Sections 67.010 to 67.040, RSMo, include provisions regarding annual budgets.

Town and Country Crossing TDD provided the following written response:

<u>Engineering services</u> The engineer engaged by the district had been intimately involved in the underlying development project for approximately four years prior to the establishment of the district, and its engagement by the district was continued based upon such engineer's specialized expertise, technical competence, capacity, capability, past record of performance and familiarity with the project. The developer initially reviewed the qualifications of at least two engineering firms and selected the engineering firm based upon its demonstrated competence and qualifications for the type of services required and at fair and reasonable prices. The district has complied with the policy set forth in Section 8.285, Revised Statutes of Missouri, regarding contracts for engineering services.

<u>Budgets</u> It is true that the district did not amend the 2008 budget. The district will review and revise future budgets when necessary.

The 2009 and 2008 budgets did not include comparisons for prior years. All budgets since 2009 have included the required comparisons.

- **Belton/Raymore Interchange TDD**

The Belton/Raymore Interchange TDD was organized in October 2006 by petition of the Cities of Belton and Raymore and owners of property within the proposed TDD. The Board of Directors and officers include the mayors of both cities, two individuals selected by the governing bodies of the two respective cities, and three non-voting members.

The qualified voters of the TDD, in this case the property owners, approved the imposition of a sales tax of up to 1-cent (1 percent) on all transactions which are taxable within the boundaries of the district. The Board of Directors subsequently passed a resolution that set the sales tax rate at 1/2-cent (0.5 percent) for 3 years, effective after the TDD revenue bonds were issued in 2008. After that initial 3-year period, the sales tax rate will be adjusted by the board to be sufficient for the sales tax revenues collected in each year to be approximately 125 percent of the principal and interest due on all bonds for each respective year. The sales tax is currently expected to remain in effect for 30 years, unless terminated sooner. Through fiscal year 2008 there were no retail businesses operating within the TDD, therefore, no sales tax revenues had been collected.

The TDD is located in the Cities of Belton and Raymore, in Cass County, at U.S. Highway 71 and Missouri Alternate Highway 58. The TDD has a fiscal year end of October 31. The TDD has elected not to have separate financial audits conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The TDD was formed for the purpose of acquiring property (right-of-way and/or easements) and constructing transportation projects with a total cost of approximately $13 million. MoDOT and the Cities of Belton and Raymore are the public entities with jurisdiction over these projects and will accept dedication of the completed projects.

The TDD issued $3.3 million in transportation sales tax revenue bonds in 2008 to finance its portion of the related project costs. Additional funding was to be provided by MoDOT, the Cities of Belton and Raymore, and/or Cass County. As of December 31, 2008, TDD expenditures for project costs totaled approximately $2.1 million.

MoDOT and the Cities of Belton and Raymore are responsible for overseeing project construction. The two cities are also responsible for reviewing reimbursement requests from the developer for project costs incurred before forwarding the requests to the Board of Directors to approve for payment. The Board of Directors reviews and approves all other expenses.

During our audit work related to this TDD, we noted the following:

- The TDD received and disbursed proceeds from revenue bonds issued in fiscal year 2008; however, the district did not prepare and adopt an annual budget for that fiscal year. Sections 67.010 to 67.040, RSMo, include provisions regarding the annual budgets.

Belton/Raymore Interchange TDD provided the following written response:

Budgets During the period from district formation through issuance of the district's sales tax revenue bonds, the district had no revenues and no expenses. During that period, the district did not prepare a budget. In accordance with Article VI, Section 9 of the District Bylaws, the budget thus deemed adopted provides for application of District revenues in accordance with the prior year's budget. Upon issuance of the revenue bonds, the only moneys available to the district were the proceeds of the bonds which were immediately paid or deposited with the Missouri Department of Transportation in accordance with agreements with the Missouri Department of Transportation and approved by the Board to fund its share of the transportation project, or were deposited with the bond trustee in escrow to fund a reserve fund and provide contingency funds in case cost overruns were encountered for the transportation project. The district has prepared and adopted a budget for all fiscal years subsequent to issuance of its sales tax revenue bonds. The district's revenue bonds were issued pursuant to a bond trust indenture, a tax compliance agreement, a continuing disclosure agreement, a cooperative agreement, and a bond purchase agreement. These bond documents, approved pursuant to district resolution, set forth in detail the sources and uses of the bond proceeds and describe the budgetary categories to which such expenses pertain.

- **1200 Main/South Loop TDD**

The 1200 Main/South Loop TDD was organized in December 2006 by petition of the owners of property within the proposed TDD and the City of Kansas City. The Board of Directors and officers include employees of the property owners and city officials.

The qualified voters of the TDD, in this case the property owners and the City of Kansas City, approved the imposition of a 1-cent (1 percent) sales tax on all transactions which are taxable within the boundaries of the district, effective March 2008**.** The sales tax is currently expected to remain in effect for 25 years, unless terminated sooner. The retail, dining, and entertainment establishments collect the sales tax and forward the collections to the TDD bank for deposit.

The TDD is located in the City of Kansas City, in Jackson County, in the downtown area. The 1200 Main/South Loop development includes dining, retail, and entertainment establishments. The TDD has a fiscal year end of December 31. The TDD has elected not to have separate financial audits conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The TDD was formed for the purpose of acquiring property (right-of-way and/or easements) and constructing transportation projects with a total cost of approximately $40.6 million. The City of Kansas City was the public entity with jurisdiction over these projects and accepted dedication of the completed projects.

Because the TDD is located within a TIF area, 50 percent of the sales tax collected has been paid to the City of Kansas City for deposit into the accounts relating to the TIF projects. Pursuant to a formal agreement with the city, the TDD has agreed to disburse the TDD portion of the sales tax revenues, less administrative and collection costs, to the city to pay debt service on the TDD portion of the TIF bonds until they are retired.

The City of Kansas City issued $45.5 million in revenue bonds in 2006 to finance the costs of the projects. As of December 31, 2008, approximately $29.8 million in bond proceeds had been used to pay for costs related to the transportation projects. Sales tax revenues generated by the TDD have been used to repay the debt service on the bond issuance. As of December 31, 2008, approximately $419,000 in sales tax revenues had been collected by the TDD. The amount of any debt service not paid by TDD sales tax collections will ultimately be paid by the city.

The City of Kansas City was responsible for overseeing project construction. The City of Kansas City was also responsible for reviewing and approving reimbursement requests from the developer for project costs and other expenses incurred.

During our audit work related to this TDD, we noted no matters which needed to be reported.

- **Gans Road and U.S. 63 TDD**

The Gans Road and U.S. 63 TDD was organized in December 2006 by petition of the owners/developer of property within the proposed TDD. Shortly after the TDD was established, the property owners/developer sold the property to the current developer. The Board of Directors and officers include various employees of the current property owner/developer and relatives of the former property owner/developer.

The qualified voters of the TDD, in this case the property owners, have not yet approved the imposition of a sales tax on all transactions which are taxable within the boundaries of the district. The imposition of a sales tax will be determined when retail businesses are established in the TDD.

The TDD is located in the City of Columbia, in Boone County, near the intersection of Discovery Parkway (Gans Road) and U.S. Highway 63. The Discovery development does not currently have any retail establishments. The TDD has a fiscal year of December 31. The TDD has elected not to have separate financial audits of the TDD conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The TDD was formed for the purpose of acquiring property (right-of-way and/or easements) and constructing transportation projects with a total estimated cost of approximately $29 million. MoDOT and the City of Columbia were the public entities with jurisdiction over the state and local projects, respectively, and accepted dedication of the completed projects.

The developer advanced the cost of the TDD share of the completed transportation projects. These costs included engineering services provided on the state project as well as the costs of the completed local project. The developer has not yet been reimbursed for any costs incurred, but the TDD signed promissory notes totaling approximately $4.1 million for repayment of project costs plus accrued interest. MoDOT and the City of Columbia were responsible for the remaining costs of the completed projects (total costs of the completed projects were approximately $10.7 million).

MoDOT and the City of Columbia were responsible for overseeing project construction. The Board of Directors was also responsible for reviewing and approving reimbursement requests from the developer for project costs incurred. The property owner reviews and approves all other expenses.

During our audit work related to this TDD, we noted the following:

- The TDD overspent its 2008 and 2007 budgets by approximately $59,000 and $4.2 million, respectively. The overspending was the result of the failure to budget for construction expenses. Formal budget amendments were not approved authorizing the additional expenditures. In addition, the TDD annual budget for 2009 did not include some necessary information, including actual revenues and expenditures for the 2 prior years. The TDD 2009 budget only included the actual revenues and expenditures for the preceding year (2008). Sections 67.010 to 67.040, RSMo, include provisions regarding the annual budgets.

Gans Road and U.S. Highway 63 TDD did not provide a formal response.

APPENDIXES

APPENDIX A

TRANSPORTATION DEVELOPMENT DISTRICTS

INFORMATION REGARDING ESTABLISHMENT, ESTIMATED PROJECT COSTS, AND ANTICIPATED REVENUES OF TDDs (IN ORDER OF DATE ESTABLISHED)

District Name		Date Established	County	Municipality	Petition To Establish Was Filed By:	Number of Property Owners	Estimated Project Costs	TDD Estimated Duration	Total Anticipated Revenues ****		Sales Tax Rate *****		TDD Within a TIF district?
210 Highway		09/23/97	Clay	Kansas City	Property Owners	1	$ 8,587,389	11 Years	$ 5,972,759	1	1.000%	A	No
Gravois Bluffs	*	12/07/99	St. Louis	Fenton	Property Owners & City of Fenton	2	25,300,000	24 Years	30,211,614		1.000%		Yes
Strother Interchange	*	01/21/00	Jackson	Lee's Summit	Property Owners	1	25,846,800	35 Years	4,231,781	1	0.500%		Yes
Fenton Crossing	*	02/08/00	St. Louis	Fenton	Property Owners	1	4,574,762	20 Years	8,000,000		1.000%		Yes
Kenilworth	*	08/15/00	St. Louis	Brentwood	Property Owners	1	1,500,000	14.5 Years	3,859,150		0.250%		Yes
Meramec Station Road and Highway 141		09/07/00	St. Louis	N/A	Property Owners	2	6,720,000	40 Years	15,700,000		1.000%	B	Yes
Douglas Square		09/21/00	Jackson	Lee's Summit	Property Owners	4	450,000	20 Years	4,320,746	2	1.000%		No
370/Missouri Bottom Road/Taussig Road		11/01/00	St. Louis	Bridgeton/Hazelwood	Property Owners	2	34,010,000	17 Years	54,596,724		1.000%	B	Yes
Boonville Riverfront		02/09/01	Cooper	Boonville	Property Owners & City of Boonville	1	3,908,420	40 Years	4,000,000		1.000%		No
Mark Twain Mall		02/20/01	St. Charles	St. Charles	Property Owners	1	1,500,000	30 Years	5,000,000		1.000%		Yes
I-470 and I-350		03/17/01	Jackson	Lee's Summit	Property Owners	1	17,080,627	40 Years	134,326,373	3	1.000%		Yes
St. John's Church Road		04/17/01	St. Louis	N/A	Property Owners	9	12,000,000	40 Years	27,000,000		1.000%		No
Ballwin Town Center	*	04/26/01	St. Louis	Ballwin	Property Owners	1	1,300,000	21 Years	5,751,400		0.250%		Yes
Brentwood Pointe		05/16/01	St. Louis	Brentwood	Property Owners	2	5,101,697	20 Years	13,503,100		1.000%		Yes
Platte County Missouri South I	*	06/19/01	Platte	Kansas City	Property Owners	3	24,000,000	30 Years	52,000,000	4	1.000%		No
Big Bend Crossing		06/25/01	St. Louis	Crestwood	Property Owners & City of Crestwood	1	1,487,415	20 Years	2,500,000		1.000%		No
Truman Road		06/25/01	Jackson	Independence	Property Owners	1	232,700	21 Years	483,363		1.000%		Yes
Country Club Plaza of Kansas City, Missouri		07/12/01	Jackson	Kansas City	Property Owners & TIF Commission of KC	3	11,149,363	20 Years	30,163,825		0.500%		Yes
Stardust-Munger-Diamond		10/16/01	Marion	Hannibal	Property Owners & City of Hannibal	1	4,704,000	19 Years	11,678,000		0.625%		Yes
Interstate Plaza/North Town Village	*	11/06/01	Pulaski	St. Robert	Property Owners & City of St. Robert	27	3,980,000	20 Years	6,500,000		0.500%		Yes
Wentzville	*	11/16/01	St. Charles	Wentzville	Property Owners	5	3,150,000	15 Years	5,921,700		0.250%		No
Shoppes at Old Webster		11/29/01	St. Louis	Webster Groves	Property Owners	3	520,000	20 Years	865,000		1.000%		No
Platte County Missouri South II		04/12/02	Platte	Kansas City	Property Owners	1	-	-	-	4	1.000%		No
Thirty-Ninth Street		04/25/02	Jackson	Independence	City of Independence	**	15,075,640	23 Years	23,614,406		0.125%		Yes
St. John Crossings		06/25/02	St. Louis	St. John	Property Owners & City of St. John	1	901,630	22 Years	2,354,600		0.250%		Yes
Douglas Station		06/27/02	Jackson	Lee's Summit	Property Owners	1	1,742,852	20 Years	3,461,671		1.000%		No
CenterState		08/05/02	Boone	Columbia	Property Owners	1	7,542,000	21 Years	8,000,000		1.000%		No
Raintree North	*	08/19/02	Jackson	Lee's Summit	Property Owners	1	1,700,000	14 Years	1,700,000		1.000%		No
Shoppes at Cross Keys		09/18/02	St. Louis	Florissant	Property Owners	1	4,900,000	23 Years	12,000,000		1.000%		Yes
Station Plaza	*	12/04/02	St. Louis	Kirkwood	Property Owners & City of Kirkwood	1	1,550,000	25 Years	3,461,395		1.000%		No
Hanley/Eager Road		12/16/02	St. Louis	Brentwood	Property Owners	6	12,000,000	30 Years	22,924,051		1.000%		Yes
US Highway 65 and Truman Dam Access		03/12/03	Benton	Warsaw	Property Owners	1	2,000,000	25 Years	4,250,000		0.500%		No
Lake of the Woods	*	03/24/03	Boone	Columbia	Property Owners	2	2,700,000	30 Years	Unknown	5	0.500%		No
I-70 and Adams Dairy Parkway	*	03/25/03	Jackson	Blue Springs	Property Owners	1	1,950,000	10 Years	1,883,723		0.500%		No
Ozark Centre		04/25/03	Christian	Ozark	Property Owners	1	3,408,293	20 Years	6,000,000		0.250%		No
Crestwood Point		05/15/03	St. Louis	Crestwood	Property Owners & City of Crestwood	2	2,986,000	40 Years	4,827,000		1.000%		Yes
M 150 and 135th Street		05/15/03	Jackson	Kansas City	Property Owners	1	12,000,000	20 Years	18,817,000		0.500%		No
Boscherts Landing		05/16/03	St. Charles	St. Peters	Property Owners	2	553,342	40 Years	Unknown	5	1.000%		No
Salt Lick Road		05/16/03	St. Charles	St. Peters	Property Owners	1	1,406,281	30 Years	Unknown	5	1.000%		No
Parkville Commons		06/09/03	Platte	Parkville	Property Owners	1	8,000,000	22 Years	12,000,000		1.000%		Yes
Pershall Road		07/30/03	St. Louis	Ferguson	Property Owners & City of Ferguson	1	620,000	25 Years	993,000		1.000%		No
Lee's Summit Missouri New Longview		07/31/03	Jackson	Lee's Summit	Property Owners	1	5,900,000	20 Years	10,500,000		1.000%		Yes
Prewitt Point		08/22/03	Miller	Osage Beach	Property Owners	2	4,750,000	25 Years	16,152,000		0.500%		Yes
WingHaven		09/11/03	St. Charles	O'Fallon	Property Owners	12	3,048,098	20 Years	8,178,263	6	0.625%		No
Merchant's Laclede		10/08/03	N/A	St. Louis	Property Owners	2	6,510,000	30 Years	10,080,000		1.000%	D	No
Belton Town Centre	*	11/17/03	Cass	Belton	Property Owners	10	19,000,000	23 Years	5,480,360	1	0.250%		Yes

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TRANSPORTATION DEVELOPMENT DISTRICTS

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District Name		Date Established	County	Municipality	Petition To Establish Was Filed By:	Number of Property Owners	Estimated Project Costs	TDD Estimated Duration	Total Anticipated Revenues ****		Sales Tax Rate *****		TDD Within a TIF district?
71 Highway & 150 Highway		11/20/03	Jackson	Grandview	Property Owners	2	450,000	23 Years	763,850		1.000%		Yes
Branson Regional Airport	*	12/17/03	Taney	Branson	Property Owners	1	150,000,000	30 Years	Unknown	5	N/A	C	No
Brentwood/Strassner Road	*	05/06/04	St. Louis	Brentwood	City of Brentwood and St. Louis County	**	8,365,000	11 Years	8,550,000		0.500%		Yes
Hutchings Farm Plaza	*	03/04/04	St. Charles	O'Fallon	Property Owners	1	600,000	8 Years	816,000		1.000%		No
Mexico Road	*	04/08/04	St. Charles	O'Fallon	Property Owners	1	2,600,000	40 Years	3,000,000		1.000%		No
Southtown	*	04/12/04	N/A	St. Louis	Property Owners	1	1,231,292	23 Years	4,204,762		1.000%		Yes
Francis Place		04/13/04	St. Louis	Richmond Heights	Property Owners	1	4,400,000	23 Years	10,000,000	3	1.000%		Yes
Poplar Bluff Conference Center	*	05/04/04	Butler	Poplar Bluff	Property Owners	1	2,400,000	40 Years	2,000,000	1	1.000%		No
Eureka Commercial Park		05/10/04	St. Louis	Eureka	Property Owners	4	1,430,000	40 Years	Unknown	5	0.875%	A	No
Hanley Road and North of Folk Avenue		05/19/04	St. Louis	Maplewood	Property Owners	1	16,300,000	25 Years	30,900,000		1.000%		No
Megan Shoppes	*	06/07/04	St. Charles	O'Fallon	Property Owners	2	1,145,834	40 Years	5,520,000		1.000%		No
Folk Avenue South		07/14/04	St. Louis	Maplewood	Property Owners	2	6,958,609	26 Years	19,500,000		1.000%		Yes
St. Joseph Gateway	*	07/20/04	Buchanan	St. Joseph	Property Owners	1	4,000,000	23 Years	1,821,212	1	1.000%		Yes
Park Hills	*	07/28/04	St. Francois	Park Hills	Property Owners	2	750,000	20 years	200,000	1	0.500%		Yes
Hawk Ridge		09/02/04	St. Charles	Lake St. Louis	Property Owners & City of Lake St. Louis	3	19,400,000	25 Years	38,700,000		0.750%		No
Olive Boulevard	*	09/09/04	St. Louis	Creve Coeur	Property Owners & City of Creve Coeur	2	6,590,000	20 Years	8,811,735	3	0.500%	B	Yes
Shoppes at Stadium		09/27/04	Boone	Columbia	Property Owners	1	2,500,000	15 Years	4,000,000		1.000%		No
Stadium Corridor		10/04/04	Boone	Columbia	Property Owners	4	13,819,603	25 Years	16,120,457		1.000%		No
Troy/Lincoln County***	*	10/05/04	Lincoln	Troy	City of Troy & Lincoln County	**	900,000	5 Years	900,000	7	1.000%		No
Chesterfield Commons		10/12/04	St. Louis	Chesterfield	Property Owners	1	12,000,000	30 Years	Unknown	5	1.000%		Yes
Eureka Old Town		10/12/04	St. Louis	Eureka	Property Owners & City of Eureka	4	1,367,500	30 Years	1,260,000	8	1.000%		No
North Main/Malone	*	11/19/04	Scott	Sikeston	Property Owners	1	8,600,000	23 Years	1,398,084	1	1.000%		Yes
Grindstone Plaza		01/31/05	Boone	Columbia	Property Owners	3	9,400,000	30 Years	24,000,000		0.500%		No
Residence Inn Downtown St. Louis		02/14/05	N/A	St. Louis	Property Owners	1	500,000	20 Years	1,500,000		1.000%		No
Mid Rivers/N		02/17/05	St. Charles	St. Peters	Property Owners	1	2,206,225	20 Years	8,400,000		0.500%		No
Bowman	*	02/17/05	Pulaski	Waynesville	Property Owners	1	125,000	20 Years	500,000		0.500%		No
Farris Family	*	02/17/05	Pulaski	St. Robert	Property Owners	4	250,000	10 Years	250,000		0.500%		No
Wentzville Parkway I		03/03/05	St. Charles	Wentzville	Property Owners	1	3,830,625	30 Years	Unknown	5	0.500%		No
St. Charles Riverfront		03/04/05	St. Charles	St. Charles	Property Owners	1	10,000,000	20 Years	8,500,000	1	1.000%		No
Wentzville II		03/07/05	St. Charles	Wentzville	Property Owners	1	2,800,000	25 Years	7,500,000		0.500%		No
Branson Landing		03/17/05	Taney	Branson	City of Branson	1	53,759,228	23 Years	47,106,055	1	1.000%		Yes
Highlands		04/20/05	N/A	St. Louis	Property Owners	2	700,000	23 Years	733,119		1.000%		Yes
Kingsmill		05/05/05	St. Charles	O'Fallon	Property Owners	2	1,525,000	40 Years	1,525,000		1.000%		No
Broadway-Fairview		05/10/05	Boone	Columbia	Property Owners	1	5,000,000	40 Years	17,000,000		0.500%		No
US 36/I-72		06/03/05	Marion	Macon/Hannibal	Transportation Corporation, 5 Counties & 6 Cities	**	136,000,000	15 Years	43,000,000	1	0.500%		Yes
Osage Station	*	07/19/05	Camden	Osage Beach	Property Owners	1	1,700,000	23 Years	1,700,000		0.750%		No
Northwoods		07/22/05	Boone	Columbia	Property Owners	1	1,120,000	30 Years	6,000,000		1.000%		No
Glenwood-Watson		07/26/05	St. Louis	Crestwood	Property Owners	2	2,350,000	23 Years	1,952,005	1	1.000%		Yes
Commons of Hazel Hills	*	08/11/05	Cole	Jefferson City	Property Owners	1	12,000,000	15 Years	23,000,000		1.000%		No
Dardenne Town Square	*	08/18/05	St. Charles	Dardenne Prairie/Lake Saint Louis	Property Owners	10	15,000,000	40 Years	10,750,000	1	0.500%		No
Hanley Station	*	09/29/05	St. Louis	Brentwood	Property Owners	1	2,000,000	19 Years	6,670,000		1.000%		Yes
Raintree Lake Village		10/19/05	Jackson	Lee's Summit	Property Owners	1	1,530,000	24 Years	4,767,995		1.000%		No
1717 Market Place	*	11/25/05	Jasper	Joplin	Property Owners	2	1,428,680	23 Years	2,070,000		0.125%		Yes
Cripple Creek		11/28/05	Butler	Poplar Bluff	Property Owners	1	2,087,628	Unknown	Unknown	5	1.000%		No
Chesterfield Valley		11/28/05	St. Louis	Chesterfield	City of Chesterfield	**	37,300,000	25 Years	25,175,000	1	0.375%		Yes
Hawthorne Development		11/30/05	Johnson	Warrensburg	Property Owners	7	17,524,000	20 Years	8,807,602	1	0.500%		No
Tuileries Plaza	*	12/09/05	Platte	Kansas City	Property Owners	1	3,600,000	35 Years	8,700,000		1.000%		No
Conley Road		12/09/05	Boone	Columbia	Property Owners	3	20,000,000	35 Years	57,000,000		1.000%		No
Harrisonville Towne Center		12/12/05	Cass	Harrisonville	Property Owners	1	1,124,000	23 Years	Unknown	5	1.000%		Yes

APPENDIX A

TRANSPORTATION DEVELOPMENT DISTRICTS

INFORMATION REGARDING ESTABLISHMENT, ESTIMATED PROJECT COSTS, AND ANTICIPATED REVENUES OF TDDs (IN ORDER OF DATE ESTABLISHED)

District Name		Date Established	County	Municipality	Petition To Establish Was Filed By:	Number of Property Owners	Estimated Project Costs	TDD Estimated Duration	Total Anticipated Revenues ****		Sales Tax Rate *****		TDD Within a TIF district?
Elm Grove	*	12/20/05	St. Louis	Hazelwood	Property Owners	2	750,000	40 Years	2,000,000		1.000%		No
Tuscany Village		12/21/05	Buchanan	St. Joseph	Property Owners	1	13,000,000	23 Years	7,200,000	1	0.250%		Yes
Koch Plaza		01/19/06	St. Louis	Florissant	Property Owners	1	650,000	Unknown	Unknown	5	0.500%		No
Barathaven	*	01/26/06	St. Charles	Dardenne Prairie	Property Owners	3	4,215,000	20 Years	9,493,639		1.000%	A	No
Blue Ridge Town Centre		02/04/06	Boone	Columbia	Property Owners	1	Unknown	Unknown	Unknown	9	1.000%		No
Tower		02/15/06	Clay	Gladstone	Property Owners	2	1,000,000	30 Years	1,700,000		0.500%		No
Heer's Tower		03/16/06	Greene	Springfield	Property Owners & City of Springfield	3	8,826,627	25 Years	187,500	1	1.000%		No
College Station		03/16/06	Greene	Springfield	Property Owners & City of Springfield	2	8,600,000	25 Years	4,400,000	1	1.000%		No
Horseshoe Bend	*	04/13/06	Miller	Lake Ozark	Property Owners	1	23,500,000	25 Years	113,079,775		1.000%		Yes
Briarcliff Parkway and Highway 9		05/17/06	Clay	Kansas City	Property Owners	1	7,036,020	20 Years	3,450,988	1	0.500%		Yes
Fulton South Business 54		06/12/06	Callaway	Fulton	Property Owners & City of Fulton	4	1,400,000	30 Years	2,700,000		0.500%		Yes
Crackerneck Creek		07/26/06	Jackson	Independence	Property Owners & City of Independence	3	15,231,975	24 Years	21,980,746		1.000%		Yes
Columbia Mall		08/04/06	Boone	Columbia	Property Owners	4	22,000,000	22 Years	10,500,000	1	0.500%		No
Arnold Triangle	*	08/13/06	Jefferson	Arnold	Property Owners & City of Arnold	5	9,000,000	29 Years	14,000,000	10	1.000%		Yes
University Place		09/06/06	St. Louis	N/A	The Curators of the University of Missouri	1	15,415,000	25 Years	26,300,000		1.000%	B	No
Broadway Hotel		09/06/06	N/A	St. Louis	Property Owners	1	6,500,000	25 Years	11,500,000		1.000%		No
620 Market		09/06/06	N/A	St. Louis	Property Owners	1	991,600	30 Years	2,670,000		1.000%		No
U.S. Highway 50/63 and City View		09/25/06	Cole	Jefferson City	Property Owners	2	14,700,000	20 Years	8,000,000	1	1.000%		No
Cornerstone Pointe		10/10/06	Cass	Belton	Property Owners	1	2,000,000	25 Years	5,910,656		1.000%		No
Town and Country Crossing		10/20/06	St. Louis	Town and Country/Ballwin	Property Owners	1	10,500,000	17 Years	13,000,000		0.500%		No
Belton/Raymore Interchange		10/30/06	Cass	Belton/Raymore	Property Owners & City of Belton	3	13,000,000	20 Years	Unknown	5	1.000%		No
Wentzville Three		12/04/06	St. Charles	Wentzville	Property Owners	1	2,750,000	40 Years	Unknown	5	0.250%		No
Indian Ridge Resort		12/07/06	Stone	Branson West/Village of Indian Point	Property Owners	4	28,152,034	30 Years	34,797,760		1.000%		No
1200 Main/South Loop		12/11/06	Jackson	Kansas City	Property Owners & City of Kansas City	10	40,583,010	25 Years	64,637,467		1.000%		Yes
Gans Road and U.S. 63		12/12/06	Boone	Columbia	Property Owners	2	29,000,000	Unknown	30,000,000		0.500%	A	No
Stone Ridge		01/24/07	Cole	Jefferson City	Property Owners	1	3,106,782	20 Years	2,350,000	11	1.000%		No
Meadows		01/29/07	St. Charles	Lake Saint Louis	Property Owners & City of Lake St. Louis	1	10,900,000	25 Years	27,883,277		0.750%		No
Shoppes at Hilltop		02/06/07	St. Louis	Eureka	Property Owners	1	2,500,000	20 Years	4,900,000		1.000%	B	No
Spindler		02/07/07	Webster	Seymour	Property Owners	1	Unknown	Unknown	Unknown	12	Unknown		Unknown
St. Cyr Road		02/20/07	St. Louis	Moline Acres	Property Owners & City of Moline Acres	1	1,250,000	22 Years	1,452,155		0.625%		Yes
Cross Creek		02/26/07	Boone	Columbia	Property Owners	1	10,200,000	25 Years	5,084,948	13	0.500%		No
Highway 367 & Parker Road		03/02/07	St. Louis	N/A	Property Owners	1	1,000,000	21 Years	3,800,000		0.500%		Yes
CB 5421/5975		03/05/07	N/A	St. Louis	Property Owners	6	2,900,000	40 Years	4,000,000		1.000%		Yes
Platte Valley Plaza		03/09/07	Platte	Platte City	Property Owners	1	1,400,000	40 Years	1,400,000		0.625%	B	No
Adler Lofts		03/12/07	N/A	St. Louis	Property Owners	1	1,000,000	19 Years	1,448,400		1.000%	B	Yes
South Manchester		03/30/07	St. Louis	Manchester	Property Owners	5	2,500,000	25 Years	4,902,571		0.750%		No
Independence Avenue & Colbern Road		05/02/07	Jackson	Lee's Summit	Property Owners	4	900,000	30 Years	3,042,600		0.750%		No
Raytown Highway 350		05/07/07	Jackson	Raytown	Property Owners & Raytown Consolidated School District #2	2	6,141,276	30 Years	3,871,350	1	0.125%		Yes
The Market at McKnight I		05/11/07	St. Louis	Rock Hill	Property Owners	4	2,200,000	20 Years	3,305,933		1.000%		Yes
Bottle District		05/17/07	N/A	St. Louis	Property Owners	1	6,000,000	40 Years	6,000,000		1.000%		Yes
Euclid Buckingham		06/14/07	N/A	St. Louis	City of St. Louis	1	4,500,000	Unknown	1,200,000	1	Unknown		Yes
Harrisonville Market Place A		08/27/07	Cass	Harrisonville	Property Owners	1	Unknown	Unknown	Unknown	14	Unknown		Unknown
Harrisonville Market Place B		08/27/07	Cass	Harrisonville	Property Owners	2	Unknown	Unknown	Unknown	14	Unknown		Unknown

APPENDIX A

TRANSPORTATION DEVELOPMENT DISTRICTS

INFORMATION REGARDING ESTABLISHMENT, ESTIMATED PROJECT COSTS, AND ANTICIPATED REVENUES OF TDDs (IN ORDER OF DATE ESTABLISHED)

District Name	Date Established	County	Municipality	Petition To Establish Was Filed By:	Number of Property Owners	Estimated Project Costs	TDD Estimated Duration	Total Anticipated Revenues ****		Sales Tax Rate *****	TDD Within a TIF district?
New TDDs Established in 2008:											
Manchester Highlands	01/22/08	St. Louis	Manchester	Property Owners	1	12,800,000	40 Years	18,750,000		1.000%	Yes
Highway 61, Route U	02/04/08	Lincoln	Moscow Mills	Property Owners	1	14,100,000	Unknown	9,700,000	1	0.375%	Yes
Arnold Retail Coridor	03/11/08	Jefferson	Arnold	City of Arnold & Arnold Triangle TDD	**	26,950,000	Unknown	56,000,000		1.000%	Yes
Rock Bridge Center	04/29/08	Boone	Columbia	Property Owners	1	Unknown	Unknown	Unknown		0.500%	No
Toad Cove Complex	05/02/08	Camden	Lake Ozark	Property Owners	2	2,000,000	Unknown	Unknown		Unknown	No
Toad Cove Resort	05/02/08	Camden	Lake Ozark	Property Owners	2	3,000,000	40 Years	Unknown		1.000%	No
Forsythe Road	06/05/08	Taney	Branson	Property Owners	1	5,250,000	25 Years	7,000,000		1.000%	No
Horseshoe Bend Pedestrian Corridor	06/10/08	Camden	N/A	Property Owners	1	3,000,000	35 Years	5,940,146		1.000%	No
Osage National	06/12/08	Miller	Lake Ozark	Property Owners	1	15,000,000	20 Years	7,341,000	1	1.000%	Yes
Lucas & Hunt/Chandler	06/25/08	St. Louis	Country Club Hills	Property Owners	1	500,000	Unknown	800,000		1.000%	Yes
Loop Trolley	07/16/08	St. Louis	University City	Property Owners	1	32,000,000	40 Years	16,000,000	1	1.000%	Yes
Des Peres Corners	07/21/08	St. Louis	Des Peres	Property Owners	1	7,600,000	25 Years	22,029,257		1.000%	No
Adams Farm	08/25/08	Jackson	Blue Springs	Property Owners	10	36,713,147	30 Years	65,548,559		1.000%	Yes
Hubach Hill Road & North Cass Parkway	08/25/08	Cass	Raymore	Property Owners	1	6,831,443	32 Years	6,761,930		0.250%	No
North Kansas City, Missouri Light Rail	11/04/08	Clay	North Kansas City	City of North Kansas City & North Kansas City Special Road	**	56,000,000	25 Years	56,000,000		0.500%	No
Centene Plaza	12/17/08	St. Louis	Clayton	Property Owners	2	22,000,000	40 Years	49,000,000		1.000% B/D	No
						$ 1,507,059,447		$ 1,861,356,537			

* The amount of project costs, anticipated revenues, and/or sales tax rate presented were amended by a district official or representative from the amounts initially reported on the TDD survey questionnaire.

** The district has registered voters who approved establishment of the district.

*** This district was in the process of being abolished at December 31, 2008.

**** Interest costs on TDD debt and administrative costs of the districts appear to account for the difference between total estimated project costs and total anticipated revenues for many of the TDDs. In addition, sales tax will be collected until the project financing has been paid. If revenues exceed expectations this will decrease the estimated duration of the TDD.

***** In addition to sales tax, several districts authorized the following additional revenue sources: property taxes (A); special assessments (B); private hanger rental, fueling, airline agreement, rental car agreement, and other collateral service fees (C); and parking fees (D).

TIF - Tax Increment Financing - 50 percent of the sales tax collected is used for TIF projects unless an agreement specifies otherwise.

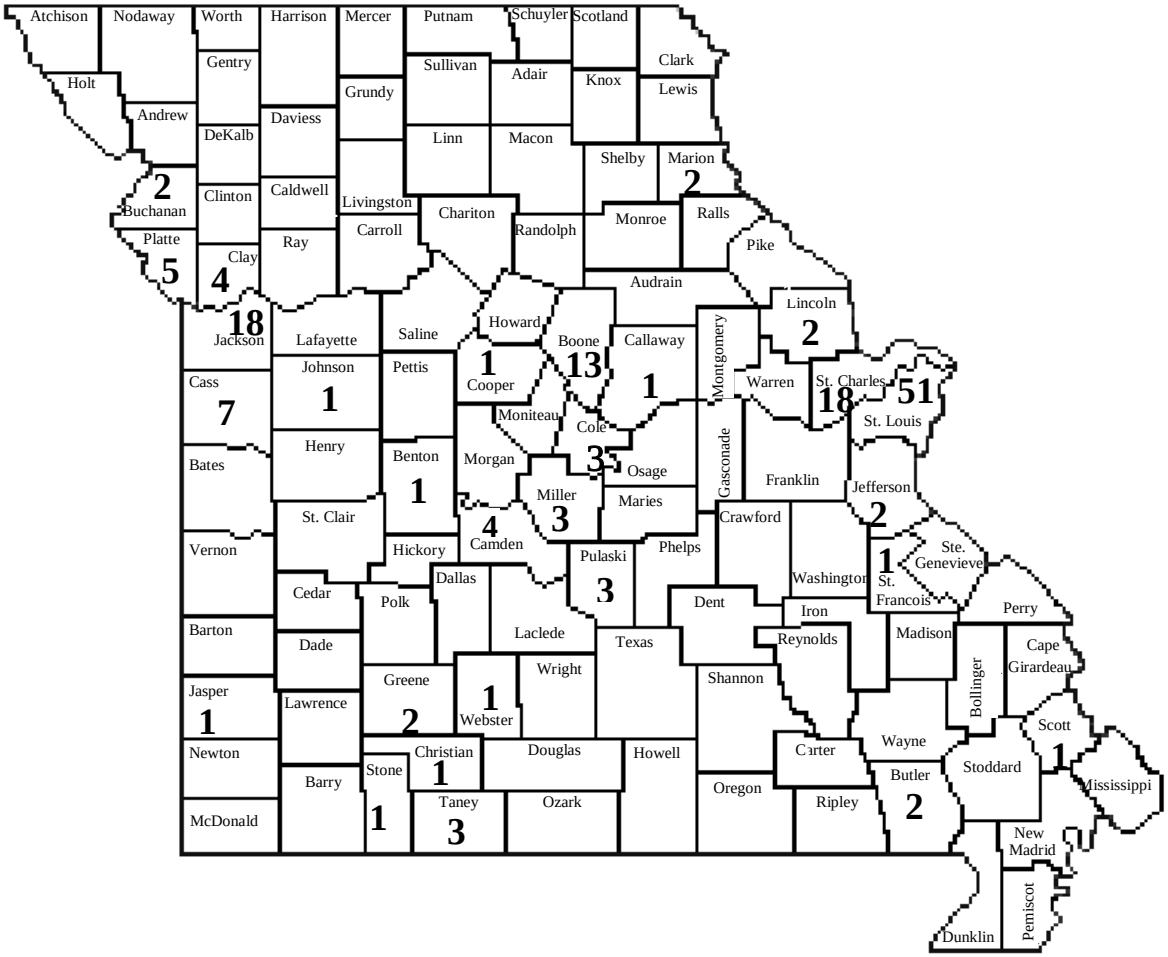
Footnote legend for Total Anticipated Revenues

1. TDD sales tax revenues are used to supplement project costs with the remaining project costs funded from other revenue sources.
2. The additional revenue will be used to supplement project costs related to an adjacent district.
3. The project(s) has more than one construction phase, with estimated project costs provided only for Phase 1.
4. Project costs/duration/anticipated revenues of Platte County Missouri South II are included in information presented for Platte County Missouri South I.
5. Anticipated revenues were not determined and sales tax will be collected until the project financing has been paid.
6. The estimated project costs reported by the district do not include an estimated annual expense of approximately $200,000 for a trolley service system.
7. The district sales tax was repealed August 2005, and the district was subsequently abolished in January 2009.
8. Projects were split into four phases and revenue was only estimated on two of the phases.
9. Anticipated project costs and revenues were not determined. It is expected infrastructure costs will be financed by a loan.
10. At the time of the creation of the Arnold Retail Corridor (ARC) TDD in March 2008 and the imposition of the ARC TDD sales tax, the district repealed its sales tax and revised the scope of its original projects to include ARC TDD additional projects.
11. Additional revenues needed to finance the projects have not yet been determined.
12. After this TDD was created, the developer found the proposed projects not to be feasible.
13. The City of Columbia and the developer will cover costs over and above that to be reimbursed by the TDD sales tax. For their contribution, the city and developer will be issued notes subordinate to any revenue bonds issued for the TDD projects.
14. The TDDs did not respond to our questionnaires soliciting applicable information.

Source: Judgment and Order issued by the Circuit Courts, TDD survey questionnaires, and communication with district officials/representatives.

APPENDIX B

TRANSPORTATION DEVELOPMENT DISTRICTS
LOCATION OF THE 154 TDDs BY COUNTY
(AS OF DECEMBER 31, 2008)



Note - The location (by county and municipality) of the various TDDs is presented on Appendix A. Of the 51 TDDs located in the area identified as St. Louis, 41 districts are located in St. Louis County and 10 are located in the City of St. Louis.

APPENDIX C

TRANSPORTATION DEVELOPMENT DISTRICTS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES - SELECTED TDDs

	Lee's Summit Missouri New Longview	Branson Regional Airport *	BaratHaven	College Station	Briarcliff Parkway and Highway 9
Beginning balance, Fiscal Year 2006	$ 106,801	0	0	0	0
Receipts:					
Sales taxes	3,049	0	0	0	0
Special assessments	0	0	0	0	0
Interest	34,119	0	0	0	0
Revenue bond/note proceeds	0	0	0	0	0
Tax increment financing	0	0	0	0	0
Payments from county	0	0	0	0	0
Payments from city	1,920,000	0	0	0	0
Advance from developer	0	0	100	0	500
Other	0	0	0	0	3,602
Total Receipts	1,957,168	0	100	0	4,102
Disbursements:					
Bond issuance costs	0	0	0	0	0
Professional fees	0	0	0	0	0
Debt service	1,939,005	0	0	0	0
Insurance	0	0	0	0	0
Accounting and auditing	0	0	0	0	0
Administrative	0	0	0	0	227
Transportation project costs	0	0	0	0	0
Collection fees	0	0	0	0	0
Tax increment financing	0	0	0	0	0
Other	0	0	0	0	0
Total Disbursements	1,939,005	0	0	0	227
Ending Balance, Fiscal Year 2006	124,964	0	100	0	3,875
Receipts:					
Sales taxes	10,682	0	0	0	59,645
Special assessments	0	0	0	0	0
Interest	6,004	2,863,747	0	0	0
Revenue bond/note proceeds	0	113,795,000	0	0	0
Tax increment financing	0	0	0	0	0
Payments from county	0	0	0	0	0
Payments from city	400,000	0	0	0	0
Advance from developer	0	16,009,996	0	0	1,289,747
Other	0	0	0	0	2,724
Total Receipts	416,686	132,668,743	0	0	1,352,116
Disbursements:					
Bond issuance costs	0	6,786,140	0	0	0
Professional fees	0	0	0	0	18,330
Debt service	496,934	0	0	0	0
Insurance	0	0	0	0	0
Accounting and auditing	0	0	0	0	0
Administrative	2,508	5,749	0	0	0
Transportation project costs	41,312	26,046,637	0	0	1,285,141
Collection fees	0	0	0	0	0
Tax increment financing	0	0	0	0	25,781
Other	0	0	0	0	1,538
Total Disbursements	540,754	32,838,526	0	0	1,330,790
Ending Balance, Fiscal Year 2007	896	99,830,217	100	0	25,201
Receipts:					
Sales taxes	9,025	0	0	0	115,491
Special assessments	0	0	0	0	0
Interest	14	3,166,413	0	0	0
Revenue bond/note proceeds	0	0	0	0	0
Tax increment financing	0	0	0	0	0
Payments from county	0	0	0	0	0
Payments from city	0	0	0	0	0
Advance from developer	0	0	6,474	0	610,456
Other	0	0	0	0	80
Total Receipts	9,039	3,166,413	6,474	0	726,027
Disbursements:					
Bond issuance costs	0	0	0	0	0
Professional fees	0	0	0	0	0
Debt service	0	6,884,598	0	0	0
Insurance	0	0	0	0	7,533
Accounting and auditing	0	0	0	0	0
Administrative	4,921	8,830	6,474	0	0
Transportation project costs	183	57,328,605	0	0	611,233
Collection fees	0	0	0	0	33,599
Tax increment financing	0	0	0	0	55,413
Other	3,921	0	0	0	2,138
Total Disbursements	9,025	64,222,033	6,474	0	709,916
Ending Balance, Fiscal Year 2008	$ 910	38,774,597	100	0	41,312

* Non-cash items on the TDD financial statements were not presented on this schedule.

APPENDIX C

TRANSPORTATION DEVELOPMENT DISTRICTS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES - SELECTED TDDs

	Fulton South Business 54	Crackerneck Creek *	Arnold Triangle	Broadway Hotel	University Place *
Beginning balance, Fiscal Year 2006	$ 0	0	0	0	0
Receipts:					
Sales taxes	10,173	0	0	0	0
Special assessments	0	0	0	0	0
Interest	0	0	0	0	48,289
Revenue bond/note proceeds	0	0	0	0	13,415,000
Tax increment financing	0	0	0	0	0
Payments from county	0	0	0	0	0
Payments from city	25,000	0	0	0	0
Advance from developer	0	0	0	0	0
Other	0	0	0	0	0
Total Receipts	35,173	0	0	0	13,463,289
Disbursements:					
Bond issuance costs	0	0	0	0	0
Professional fees	0	0	0	0	174,926
Debt service	0	0	0	0	27,830
Insurance	0	0	0	0	0
Accounting and auditing	0	0	0	0	0
Administrative	879	0	0	0	432,221
Transportation project costs	0	0	0	0	4,771,200
Collection fees	0	0	0	0	0
Tax increment financing	0	0	0	0	0
Other	0	0	0	0	0
Total Disbursements	879	0	0	0	5,406,177
Ending Balance, Fiscal Year 2006	34,294	0	0	0	8,057,112
Receipts:					
Sales taxes	40,883	0	0	223,156	0
Special assessments	0	0	0	0	432,579
Interest	2,009	0	0	0	301,140
Revenue bond/note proceeds	0	0	0	0	0
Tax increment financing	0	0	0	0	0
Payments from county	0	0	0	0	0
Payments from city	0	0	0	0	0
Advance from developer	0	0	0	0	0
Other	0	0	0	0	0
Total Receipts	42,892	0	0	223,156	733,719
Disbursements:					
Bond issuance costs	0	0	0	0	0
Professional fees	0	0	0	0	142,183
Debt service	16,432	0	0	0	566,907
Insurance	5,655	0	0	0	0
Accounting and auditing	0	0	0	0	0
Administrative	0	0	0	5,625	27,221
Transportation project costs	0	0	0	0	3,439,092
Collection fees	0	0	0	2,107	0
Tax increment financing	0	0	0	0	0
Other	0	0	0	157	0
Total Disbursements	22,087	0	0	7,889	4,175,403
Ending Balance, Fiscal Year 2007	55,099	0	0	215,267	4,615,428
Receipts:					
Sales taxes	53,109	76,020	19,815	272,736	0
Special assessments	0	0	0	0	0
Interest	1,119	0	14	0	59,818
Revenue bond/note proceeds	0	0	3,000,000	0	0
Tax increment financing	0	0	0	0	0
Payments from county	0	0	0	0	0
Payments from city	0	0	0	0	0
Advance from developer	0	0	42,259	0	0
Other	0	0	0	0	0
Total Receipts	54,228	76,020	3,062,088	272,736	59,818
Disbursements:					
Bond issuance costs	0	0	21,500	0	0
Professional fees	0	8,615	20,759	4,600	81,195
Debt service	28,894	0	0	133,662	661,246
Insurance	0	0	0	0	0
Accounting and auditing	0	0	0	0	0
Administrative	9,624	0	0	7,500	31,191
Transportation project costs	0	0	3,000,000	0	2,203,423
Collection fees	0	0	0	2,672	0
Tax increment financing	0	27,418	0	0	0
Other	0	0	19,829	0	0
Total Disbursements	38,518	36,033	3,062,088	148,434	2,977,055
Ending Balance, Fiscal Year 2008	$ 70,809	39,987	0	339,569	1,698,191

* Non-cash items on the TDD financial statements were not presented on this schedule.

APPENDIX C

TRANSPORTATION DEVELOPMENT DISTRICTS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES - SELECTED TDDs

	U.S. Highway 50/63 and City View	Cornerstone Pointe	Town and Country Crossing *	Belton/Raymore Interchange	1200 Main/South Loop
Beginning balance, Fiscal Year 2006	$ 0	0	0	0	0
Receipts:					
Sales taxes	0	0	0	0	0
Special assessments	0	0	0	0	0
Interest	0	0	0	0	0
Revenue bond/note proceeds	0	0	0	0	0
Tax increment financing	0	0	0	0	0
Payments from county	0	0	0	0	0
Payments from city	0	0	0	0	0
Advance from developer	0	0	0	0	0
Other	0	0	0	0	0
Total Receipts	0	0	0	0	0
Disbursements:					
Bond issuance costs	0	0	0	0	0
Professional fees	0	0	0	0	0
Debt service	0	0	0	0	0
Insurance	0	0	0	0	0
Accounting and auditing	0	0	0	0	0
Administrative	0	0	0	0	0
Transportation project costs	0	0	0	0	0
Collection fees	0	0	0	0	0
Tax increment financing	0	0	0	0	0
Other	0	0	0	0	0
Total Disbursements	0	0	0	0	0
Ending Balance, Fiscal Year 2006	0	0	0	0	0
Receipts:					
Sales taxes	0	0	48,512	0	0
Special assessments	0	0	0	0	0
Interest	0	0	499	0	0
Revenue bond/note proceeds	0	0	0	0	0
Tax increment financing	0	0	0	0	0
Payments from county	0	0	0	0	0
Payments from city	0	0	0	0	0
Advance from developer	0	62,698	0	0	0
Other	0	0	0	0	0
Total Receipts	0	62,698	49,011	0	0
Disbursements:					
Bond issuance costs	0	0	0	0	0
Professional fees	0	0	0	0	0
Debt service	0	0	0	0	0
Insurance	0	0	0	0	0
Accounting and auditing	0	0	0	0	0
Administrative	0	62,186	0	0	0
Transportation project costs	0	499	0	0	0
Collection fees	0	0	0	0	0
Tax increment financing	0	0	0	0	0
Other	0	0	4,054	0	0
Total Disbursements	0	62,685	4,054	0	0
Ending Balance, Fiscal Year 2007	0	13	44,957	0	0
Receipts:					
Sales taxes	0	0	166,230	0	418,819
Special assessments	0	0	0	0	0
Interest	0	0	6,406	509	289
Revenue bond/note proceeds	0	0	12,619,669	3,325,898	0
Tax increment financing	0	0	0	0	0
Payments from county	0	0	0	0	0
Payments from city	0	0	0	0	0
Advance from developer	0	3,050	0	0	0
Other	0	0	0	0	0
Total Receipts	0	3,050	12,792,305	3,326,407	419,108
Disbursements:					
Bond issuance costs	0	0	0	36,300	0
Professional fees	0	49	1,485	0	13,767
Debt service	0	0	11,271,337	0	0
Insurance	0	2,977	0	0	0
Accounting and auditing	0	0	0	0	7,519
Administrative	0	0	0	0	2,024
Transportation project costs	0	0	501,759	2,063,087	0
Collection fees	0	0	0	0	3,737
Tax increment financing	0	0	0	0	0
Other	0	0	36,985	0	0
Total Disbursements	0	3,026	11,811,566	2,099,387	27,047
Ending Balance, Fiscal Year 2008	$ 0	37	1,025,696	1,227,020	392,061

* Non-cash items on the TDD financial statements were not presented on this schedule.

APPENDIX C

TRANSPORTATION DEVELOPMENT DISTRICTS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES - SELECTED TDDs

	Gans Road and U.S. 63
Beginning balance, Fiscal Year 2006	$ 0
Receipts:	
Sales taxes	0
Special assessments	0
Interest	0
Revenue bond/note proceeds	0
Tax increment financing	0
Payments from county	0
Payments from city	0
Advance from developer	0
Other	0
Total Receipts	0
Disbursements:	
Bond issuance costs	0
Professional fees	0
Debt service	0
Insurance	0
Accounting and auditing	0
Administrative	0
Transportation project costs	0
Collection fees	0
Tax increment financing	0
Other	0
Total Disbursements	0
Ending Balance, Fiscal Year 2006	0
Receipts:	
Sales taxes	0
Special assessments	0
Interest	0
Revenue bond/note proceeds	0
Tax increment financing	0
Payments from county	0
Payments from city	232,109
Advance from developer	3,953,637
Other	0
Total Receipts	4,185,746
Disbursements:	
Bond issuance costs	0
Professional fees	13,076
Debt service	0
Insurance	0
Accounting and auditing	459
Administrative	137
Transportation project costs	4,278,605
Collection fees	0
Tax increment financing	0
Other	0
Total Disbursements	4,292,277
Ending Balance, Fiscal Year 2007	(106,531)
Receipts:	
Sales taxes	0
Special assessments	0
Interest	0
Revenue bond/note proceeds	0
Tax increment financing	0
Payments from county	0
Payments from city	0
Advance from developer	186,789
Other	0
Total Receipts	186,789
Disbursements:	
Bond issuance costs	0
Professional fees	0
Debt service	0
Insurance	0
Accounting and auditing	0
Administrative	0
Transportation project costs	77,314
Collection fees	0
Tax increment financing	0
Other	7
Total Disbursements	77,321
Ending Balance, Fiscal Year 2008	$ 2,937

* Non-cash items on the TDD financial statements were not presented on this schedule.

APPENDIX D

TRANSPORTATION DEVELOPMENT DISTRICTS
SUMMARY OF AUDIT FINDINGS REPORTED BY OTHER INDEPENDENT AUDITORS – SELECTED TDDS

Accounting Records and Procedures

- Complete documentation supporting construction draws for 2008 was maintained only by the bond trustee. No representative of the TDD maintained copies of supporting invoices or signed copies of written requests for disbursements (Branson Regional Airport TDD).

- A lack of segregation of duties was noted as the accountant obtained the bank statement, prepared the bank reconciliation, and maintained the general ledger with no management review of monthly bank reconciliations (University Place TDD).

- The TDD relied on its CPA firm to assist with the drafting of the financial statements and related disclosures and material adjustments as well as preparation of the Management Discussion and Analysis, instead of drafting this information itself (University Place TDD).

Budgetary Procedures

- An annual budget was not adopted for the fiscal year ended June 30, 2008 (Crackerneck Creek TDD).

- An annual budget was not formally approved and adopted by the Board of Directors for the fiscal year ended December 31, 2006. In addition, the actual expenditures exceeded the budget expenditures in an unapproved budget document provided to the CPA by management (University Place TDD).

Note - The above findings were included in the Management Letters and/or the Independent Auditor's Reports on Compliance and Internal Control issued with the independent audits of the selected TDDs.

Thomas A. Schweich

Missouri State Auditor

Fortieth Judicial Circuit

City of Lanagan
Municipal Division

March 2011

Report No. 2011-12

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Fortieth Judicial Circuit, City of Lanagan Municipal Division

Missing Funds

Municipal division receipts totaling at least $521 were received but not deposited. In addition, certain records could not be located, and it is possible additional funds are missing. The Court Clerk quit in February 2010, and, in September, just after audit staff's initial visit, the City Clerk abruptly quit. The lack of adequate controls and oversight allowed missing funds to go undetected. The City of Lanagan Municipal Division and city officials should work with law enforcement regarding the missing funds and records.

Accounting Controls and Procedures

Significant weaknesses were identified with accounting controls and procedures which increases the risk of theft or misuse of funds. The Court Clerk received and deposited monies with no supervision or review. The municipal division did not account for the numerical sequence of receipt slips, receipt slips issued by the city were not reconciled to court receipt records, and monies collected by the city were not transmitted timely to the municipal division. Receipts were deposited approximately once a month.

Some records related to the receipt and disbursement of funds could not be located. Moreover, certain records regarding the disposition of some court cases could not be found. The municipal division lacked adequate procedures for collecting monies due on tickets and did not maintain adequate records of such monies due. It is possible the municipal division is owed thousands of dollars for unpaid tickets, and it should work to determine the amount owed and develop a collection plan. The Court Clerk did not prepare a monthly case list and file it with the city as required by statute, so the city could not effectively monitor the municipal division. The municipal division did not submit all fines and costs collected to the city as required by law; instead, the municipal division paid salaries and other expenses out of its bank account before remitting the balance to the city. In addition, some checks issued against the municipal division bank account had only one signature, but two signatures are required.

The municipal division should maintain backup copies of computer programs and data and store them at an offsite location to prevent the loss of accounting and other records. The Court Clerk and City Clerk were not bonded. Adequate bonding for employees who handle money is important, because the municipal division could be made whole by the bonding company if funds are mishandled.

Municipal Division Procedures

The municipal division needs to improve its procedures relating to case dispositions, license suspensions, and tickets. The municipal division failed to adequately document the disposition of, and maintain a docket or backer sheet for, each case as required by Missouri Supreme Court rule.

The prosecuting attorney did not sign all tickets processed by the municipal division, which is also required by rule The police department and the municipal division do not adequately account for the numerical sequence of traffic tickets issued. As such, it is not possible to determine if all tickets issued are properly submitted for processing.

In the areas audited, the overall performance of this entity was **Poor**.*

American Recovery and Reinvestment Act 2009 (Federal Stimulus)

The Fortieth Judicial Circuit, City of Lanagan Municipal Division did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Fortieth Judicial Circuit
City of Lanagan Municipal Division
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THOMAS A. SCHWEICH
Missouri State Auditor

Presiding Judge
Fortieth Judicial Circuit
and
Municipal Judge
Lanagan, Missouri

We have audited certain operations of the City of Lanagan Municipal Division of the Fortieth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2010. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.

2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Lanagan Municipal Division of the Fortieth Judicial Circuit.

A petition audit of the City of Lanagan, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Candi Copley

1. Missing Funds

Between July 1, 2009, and December 31, 2009, municipal division receipts totaling at least $521 were received but not deposited. In addition, some essential records documenting amounts received and case dispositions could not be located by the municipal division (see finding number 2.4), and additional funds could be missing.

Five receipt slips were written by the former City Clerk for fines and costs totaling $429, but there is no documentation these monies were turned over to the municipal division and the monies were not deposited.

Receipt Date	Receipt Number	Amount
September 15, 2009	4380	$ 133
November 2, 2009	4404	30
November 3, 2009	4405	51
November 16, 2009	4408	123
December 14, 2009	4411	92
Total		$ 429

Additionally, a $92 money order dated July 17, 2009, received by the municipal division was not recorded as received, but was substituted into a deposit dated November 12, 2009, and recorded cash receipts totaling the same amount were not deposited.

The former City Clerk, Peggy Gilliam, abruptly terminated employment on Wednesday, September 22, 2010, after our initial visit to the city. The former Court Clerk, Christina Moon, terminated employment in February 2010.

The lack of adequate controls and the absence of proper oversight allowed missing funds to go undetected. Additionally, controls over the recording of fines and costs received by the city and subsequent transmittal to the municipal division are poor and contributed to the loss of court monies as further discussed throughout this report.

Recommendation

The City of Lanagan Municipal Division, along with city officials, work with law enforcement officials regarding any possible criminal prosecution related to the missing cash receipts, including restitution of the missing funds. In addition, an attempt should be made to locate or recover the missing court records and documents to determine whether additional funds are missing.

Auditee's Response

The City of Lanagan Municipal Judge provided the following response:

We will immediately begin to work with city and law enforcement officials to recover any missing court money. The court has also implemented increased accountability and review of court records.

The Mayor of the City of Lanagan provided the following response:

City officials will immediately assist court officials and law enforcement personnel to recover any missing court monies.

2. Accounting Controls and Procedures

Significant weaknesses were identified with accounting controls and procedures of the municipal division. As a result, there is no assurance all municipal division receipts are accounted for properly.

According to municipal division records, fines and costs collected during the years ended December 31, 2010 and 2009, were approximately $92,000 and $42,000, respectively. Fines and costs are usually collected, recorded, and deposited into a municipal division bank account by the Court Clerk. When the Court Clerk is not available fines and costs are collected by the City Clerk, who writes a manual receipt slip and then transmits the money to the Court Clerk. Fines and costs transmitted by the city to the Court Clerk are also recorded in municipal division receipt records and deposited in the municipal division bank account. The Court Clerk makes disbursements for court liabilities and the remaining fines and costs are disbursed to the city.

2.1 Segregation of duties

The duties of receiving and depositing monies are not adequately segregated from recording transactions. The Court Clerk performs all the duties related to collection of funds, deposit preparation, and posting fines and court costs received. Neither the Municipal Judge nor other city officials independent of the cash custody and record keeping functions provide any supervision or review of the work performed by the Court Clerk.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, a documented independent review of the work performed by the Court Clerk is necessary.

2.2 Receipt controls

Accountability over municipal division receipts is inadequate.

- The municipal division does not account for the numerical sequence of receipt slips. During 2009 and part of 2010, the municipal division recorded amounts received on a one-write receipt ledger; however, receipt slips were not always issued in numerical sequence. In February 2010, the Judge and the Court Clerk developed a computerized database in an effort to improve the processing of receipts; however, the data base assigned a numerical sequence to all transactions and did not provide an adequate accountability for receipt transactions. In September 2010, the municipal division again began recording receipts on a one-write receipt ledger. To ensure all receipts are recorded and

deposited, the numerical sequence of receipt slips should be accounted for properly.

- Receipt slips issued by the city are not reconciled to court receipt records. Some receipt slips issued by the former City Clerk are not readable and all copies of some receipt slips were torn from the receipt books and not retained. Without proper accountability over receipt records, the court cannot ensure all monies received by the city are transmitted to the municipal division.

- Fines and costs collected by the city are not transmitted to the municipal division timely. For example, city receipt records indicate court fines totaling $165 were received by the City Clerk in cash on September 4, 2009, but were not posted as received by the municipal division until October 12, 2009. Numerous other receipts were also not transmitted by the city to the municipal division in a timely manner. To ensure all monies are transmitted and accounted for properly, the city should transmit monies timely to the municipal division.

2.3 Deposits

Receipts are not deposited timely or intact. The municipal division deposits receipts approximately monthly, and deposit amounts range from $5,000 to $7,000 each month. The municipal division holds deposits to ensure adequate cash is on hand to use as change during court. To protect against the risk of theft or misuse of funds, deposits should be made timely, and a change fund should be established and set at a constant amount.

2.4 Missing records

Some records documenting the receipt of fines and costs during the months of January and May through August 2009 could not be located by the municipal division. Additionally, these records support the disbursement of court fees collected for Crime Victims Compensation, Law Enforcement Training, and Police Officers Standards and Training. Deposits during this time period totaled $11,354. Further, records documenting the disposition of some cases could not be located by the municipal division.

Missouri Supreme Court Operating Rule 8 requires municipal divisions to retain all case file records including copies of tickets issued. Retention of municipal records is essential to establish accountability of municipal division activity and in demonstrating compliance with state law.

2.5 Unpaid fines and costs

Procedures for processing and collecting monies due on tickets where the defendant fails to appear in court are not adequate. The municipal division issues license suspensions for unpaid moving violations, but does not continue these cases on the docket or maintain a list of unpaid fines and costs to properly monitor amounts due. At our request, the Court Clerk prepared a list of open court cases as of November 31, 2010, totaling approximately $55,000; however, the list was not accurate. Our review of

the list identified some cases on the list that had been paid and several cases that were included twice on the list.

Adequate procedures and records are necessary to ensure proper and timely follow-up action is taken on amounts due the municipal division. This helps maximize municipal division collections and provides equitable treatment for those citizens who are paying fines and court costs when due.

2.6 Case list

A monthly list of all cases heard is not prepared and filed with the city. Without such a report, the city cannot effectively monitor municipal division activity and ensure monies are properly remitted. Section 479.080.3, RSMo, requires the Court Clerk to prepare a monthly list of all cases heard in the municipal division, including the names of the defendants and fines and court costs imposed, to be verified by the Court Clerk or the Municipal Judge and filed with the city.

2.7 Disbursements

Fines and costs collected by the municipal division are not properly disbursed to the city as required by law. The Court Clerk directly pays court related expenses (compensation of court clerk and municipal judge and office supplies) out of the municipal division bank account and then remits remaining monies to the city throughout the month in varying amounts depending on the balance of the account. The Court Clerk indicated the city was in poor financial condition so payments are made to the city as funds are needed. In addition, although two signatures are required, some checks written out of the municipal division bank account to pay expenses only included one signature.

Because disbursements are made from the municipal division bank account, they are not approved by the Board of Aldermen and are not reflected in the city budget document. Section 67.010, RSMo, requires the city budget present a complete financial plan for the ensuing budget year. In addition, to ensure all disbursements are proper, they should be reviewed and approved by the Board of Aldermen, and include two signatures as required. Finally Section 479.080, RSMo, indicates all fines and costs shall be paid into the municipal treasury.

2.8 Computer back ups

Backup copies of computer programs and data are not maintained or stored at an offsite location. The Court Clerk indicated the computerized accounting records from February 2010 through September 2010 were destroyed during bad weather, and she had to recreate the records from the manual receipt and banking records. Backup copies of computer information are necessary to provide a means for recreating destroyed data. These copies should be maintained and stored off-site to provide increased assurance municipal division data can be recreated.

2.9 Bonding

The Court Clerk and the City Clerk who collect monies for the municipal division are not bonded. Adequate bonding is necessary to reduce the risk of loss if funds are mishandled.

Recommendations

The City of Lanagan Municipal Division:

2.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.

2.2 Properly account for the numerical sequence of receipt slips, and work with city officials to ensure receipt slips issued by the city are readable and properly maintained. Additionally, the Municipal Division should work with the city to ensure receipt slips issued by the city are reconciled to court receipt records and the receipts are transmitted timely.

2.3 Ensure receipts are deposited timely and intact, and a change fund should be established if needed.

2.4 Ensure necessary records are complete and maintained.

2.5 Develop adequate procedures to account for and follow up on delinquent amounts.

2.6 Ensure a monthly list of cases heard in the municipal division is prepared and filed with the city in accordance with state law.

2.7 Ensure all fines and court costs are disbursed at least monthly and court related expenses are paid by the city. Additionally, the Municipal Division should ensure checks are signed by two board members, as required.

2.8 Ensure backup copies of computer programs and data are maintained and stored at a secure, off-site location.

2.9 Work with the city to ensure the City Clerk and Court Clerk are properly bonded.

Auditee's Response

The City of Lanagan Municipal Judge provided the following responses:

2.1 Additional review procedures have now been implemented.

2.2 Additional accounting procedures have now been implemented to ensure receipt slips are readable and accounted for properly. Court officials are now accounting for the numerical sequence of receipts.

Transmittal procedures have now been implemented to track monies received by the city and transmitted to the court.

2.3 Deposits are now being made in a timely manner and a court change fund has been established.

2.4 Complete court records are now being maintained by the court.

2.5 The court is currently tracking fines and costs owed to the court. Court officials are now following up on balances due the court in a timely manner.

2.6 Procedures have now been implemented to maintain a complete court docket system, including filing reports with the city.

2.7 Court procedures now include disbursing CVC, LET and POST monies collected weekly. All other monies collected are now transmitted to the city, court related expenses are paid by the city, and checks are appropriately signed.

2.8 Computers are now backed up at least weekly with information stored off-site.

2.9 It was our understanding that court personnel were adequately bonded by the city's bond insurer; however, the court is currently in the process of obtaining bonding coverage.

3. Municipal Division Procedures

Municipal division procedures over case dispositions, license suspensions, and tickets need improvement.

3.1 Case dispositions

Case files were not maintained in compliance with court rules. The final disposition of each case is not consistently documented, and court dockets are not always prepared. The disposition of some cases was documented on a copy of the ticket by noting only the amount of fines and costs paid. The disposition of several other cases was not documented on any court record. As a result, the status of each ticket cannot be adequately tracked and accounted for properly.

Missouri Supreme Court Operating Rule 4 requires municipal divisions to maintain a docket or backer sheet for each case. All information regarding the case should be documented to include, but not limited to, a copy of the ticket, case number, defendant's name, amount due the municipal division, bond information, warrants, and disposition of the case.

3.2 Prosecutor signature

The Prosecuting Attorney does not sign all tickets processed by the municipal division. Missouri Supreme Court Rule 37.35 states citations shall be in writing and signed by the prosecutor and filed with the court. Without the signature of the Prosecuting Attorney it is unclear whether or not the tickets processed by the municipal division are valid.

3.3 Ticket accountability

The police department and municipal division do not adequately account for the numerical sequence of traffic tickets issued. While the police department has established a log of traffic tickets issued, the log is not always complete and logs for some months could not be located. We noted numerous instances of missing sequential ticket numbers on the log.

Without a proper accounting for the numerical sequence and ultimate disposition of tickets issued, the municipal division and the Police Department cannot be assured all tickets issued are properly submitted for processing. A record should be maintained accounting for the ultimate disposition of each ticket issued to ensure all tickets have been accounted for properly and to decrease the risk of loss, misuse, or theft of funds.

Recommendations

The City of Lanagan Municipal Division:

3.1 Maintain case files in compliance with court operating rules.

3.2 Work with the Prosecuting Attorney to ensure all tickets are signed before they are submitted to the municipal division.

3.3 Work with the Police Department to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.

Auditee's Response

The City of Lanagan Municipal Judge provided the following responses:

3.1 Procedures have now been implemented to ensure all case files are maintained and accounted for properly.

3.2 Court procedures have now improved to ensure all tickets are signed.

3.3 Court officials will immediately begin working with the police department to account for the disposition of all citations issued by the municipal division.

Fortieth Judicial Circuit
City of Lanagan Municipal Division
Organization and Statistical Information

The City of Lanagan Municipal Division is in the Fortieth Judicial Circuit, which consists of Newton and McDonald Counties. The Honorable Timothy W. Perigo serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At December 31, 2010, the City of Lanagan contracted with municipal division personnel as follows:

Title	Name
Municipal Judge	Patricia Attlesey
Court Clerk	Tammy Moore

Financial and Caseload Information

	Years Ended December 31,	
	2010	2009
Receipts	$91,935	41,552
Number of tickets issued	1,163	541

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The Fortieth Judicial Circuit, City of Lanagan Municipal Division, did not receive any federal stimulus monies during the 2 years ended December 31, 2010.

Thomas A. Schweich

Missouri State Auditor

State of Missouri

Single Audit

Year Ended June 30, 2010

March 2011

Report No. 2011-11

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the Fiscal Year 2010 Statewide Single Audit

Single Audit Background

The United States Congress passed the Single Audit Act of 1996 to establish uniform requirements for audits of federal awards administered by states, local governments, and non-profit organizations. The Act requires an audit of the state's financial statements and its use of federal awards.

The Single Audit reports the federal awards spent by all state agencies, except component units of the state, which are audited by other auditors. Single Audit guidelines require audit work be conducted on "major" programs and utilize a risk-based approach to determine which specific programs are major. Using this methodology, for the fiscal year ended June 30, 2010 (FY2010), our Single Audit involved audit work on 30 major programs at 10 departments, encompassing $13.46 billion (91 percent) of the total federal awards spent. The 30 major programs audited also account for approximately 98.5 percent ($2.57 billion) of all American Recovery and Reinvestment Act of 2009 (ARRA) funds spent during FY2010.

2010 Federal Awards

Nineteen different state departments or offices spent federal awards, but 4 state departments spent 91 percent of the federal awards, and 96 percent of the federal awards received came from just 5 federal agencies.

The state spent approximately $14.79 billion in federal awards through 341 different federal programs during FY2010. Included in this figure is approximately $2.61 billion in federal awards through ARRA, expended through 61 programs at 12 state departments. Total state expenditures of federal awards have increased $6.1 billion over the last 4 years.

Monitoring of Recovery Act Funds
DESE

As of December 31, 2010, the Department of Elementary and Secondary Eductation (DESE) had not done any monitoring of the ARRA portion of its existing programs. As such, DESE did not know whether the schools understand their requirements and had not identified and addressed any problems that might have existed. DESE disagrees with this finding.

Eligibility Reassessments
DHSS

Of the 66 cases reviewed, the Department of Health and Senior Services (DHSS) did not perform mandatory annual reassessment of eligibility for 74 percent of the Medicaid recipients receiving State Plan Personal Care or the Aged and Disabled Waiver program services. As a result, DHSS could not demonstrate payments were only made on behalf of eligible persons.

State Fiscal Stabilization Fund
DHE

The Department of Higher Education (DHE) disbursed approximately $134 million of ARRA funds to 23 colleges and universities through the State Fiscal Stabilization Fund to restore state support. DHE had no monitoring policies and procedures in place to ensure compliance with federal regulations and initially was not aware it had monitoring responsibilities.

Child Care Eligibility and Payments
DSS-Children's Division

The Department of Social Services (DSS)-Children's Division lacked adequate controls to ensure that payments from the Child Care and Development Fund (CCDF) were proper and benefiting only eligible clients.

Of the 60 cases reviewed, 22 percent lacked eligibility documentation, including 6 case files that were missing entirely, and of the 60 payments reviewed, 50 percent lacked adequate documentation and/or were not in compliance with DSS policies. Previous state audits noted similar concerns in the DSS Child Care program, and a recent internal review by DSS of the Child Care program revealed a 43 percent error rate. DSS needs to increase oversight to address the high error rate and poor case record management.

Unallowable Costs and Maintenance of Effort DSS-Family Support Division

The DSS-Family Support Division lacks a formal and comprehensive system for evaluating whether costs charged to or counted toward the Temporary Assistance for Needy Families (TANF) program are allowable. The DSS criteria have changed at least twice in the last 4 years. DSS charged certain state-funded costs as prior approved program costs and used costs related to educational and scholarship programs to meet the maintenance of effort (MOE) requirements, but it appears these costs may not meet the TANF criteria. Once audit staff questioned DSS about these costs, DSS moved the scholarship program costs for fiscal year 2011 from MOE to direct costs, but it still did not determine if the TANF criteria were met.

Additional Comments

The audit also found that several agencies (DESE, DHE, the Department of Natural Resources and DSS) lacked the controls and procedures necessary to ensure that required quarterly ARRA reports (Section 1512 reports) are complete and accurate. In addition, DESE did not ensure prevailing wages were paid by subrecipients and did not ensure School Improvement Grant payments were made in accordance with approved budgets or expended appropriately. DHSS did not adequately control voided checks in the Women, Infants and Children (WIC) program, and over 2,000 voided checks were later redeemed. DHE failed to monitor teacher loan forgiveness claim payments for timeliness. The Department of Labor and Industrial Relations (DLIR) is still working to resolve over 2,000 cases of potential restored balances due to overpayments, an issue identified in the 2009 Statewide Single Audit. DLIR was also unable to adequately track ARRA funds and its financial records and reports were inaccurate and untimely; audit staff reviewed payments made to 25 claimants and found that 56 percent contained one or more errors. During FY2010, the DSS-Missouri HealthNet Division and the Department of Mental Health received $26.8 million as the federal share of billed costs for comprehensive waiver services before obtaining formal federal approval, which has now been denied. The federal authority has not yet indicated how it expects to resolve this issue. The Department of Public Safety-Adjutant General did not adequately account for or protect its capital assets. Recommendations were also made to DSS in the areas of cost and payment allocations, documentation and verification of eligibility and participation, management of reimbursements and salary certifications. No findings were made with respect to the Missouri Department of Transportation or the Department of Economic Development.

Because of the compound nature of this audit report, no overall rating is provided.

STATE OF MISSOURI
SINGLE AUDIT

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133 98-132

Common Abbreviations

ARRA	American Recovery and Reinvestment Act of 2009
CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
OMB	Office of Management and Budget
RSMo	Missouri Revised Statutes
SAM II	Statewide Advantage for Missouri
USC	United States Code

INTRODUCTION AND SUMMARY

INTRODUCTION AND SUMMARY

The United States Congress passed the Single Audit Act of 1996 to establish uniform requirements for audits of federal awards administered by states, local governments, and non-profit organizations. The Office of Management and Budget (OMB) issued Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* to set forth standards for obtaining consistency and uniformity among federal agencies for the audit of non-federal entities expending federal awards. A single audit requires an audit of the state's financial statements and expenditures of federal awards. The audit is required to determine whether:

- The state's basic financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles.

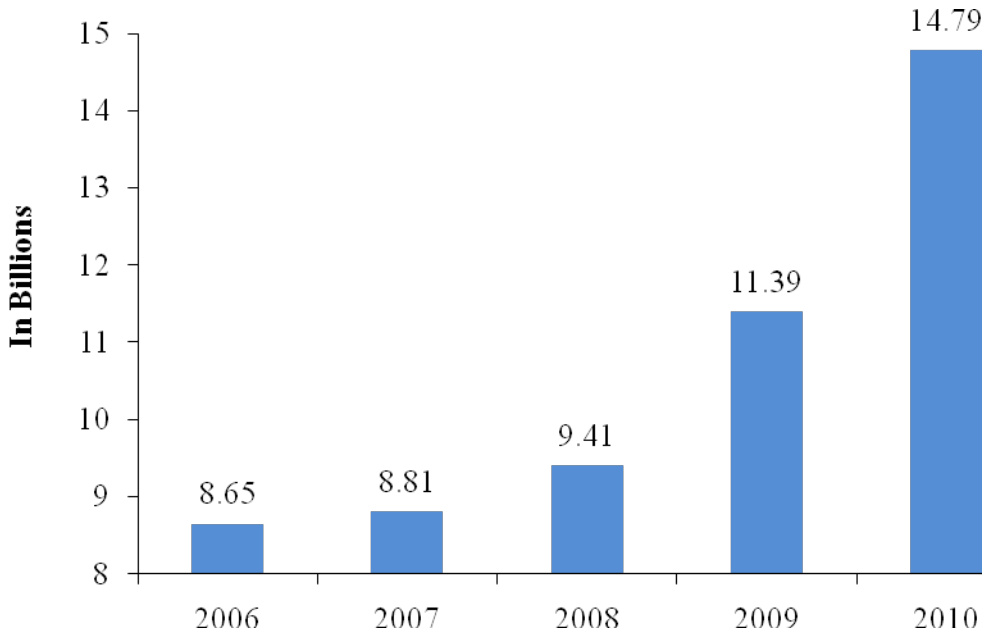
- The schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole.

- The state has adequate internal controls to ensure compliance with federal award requirements.

- The state has complied with the provisions of laws, regulations, and contracts or grants that could have a direct and material effect on federal awards.

The Single Audit report includes the federal awards expended by all state agencies that are part of the primary government. The report does not include the component units of the state, which are the public universities and various financing authorities. These component units have their own separate OMB Circular A-133 audits conducted by other auditors. The state expended $14.79 billion in federal awards during the year ended June 30, 2010. Expenditures of federal awards have increased over the past 5 years.

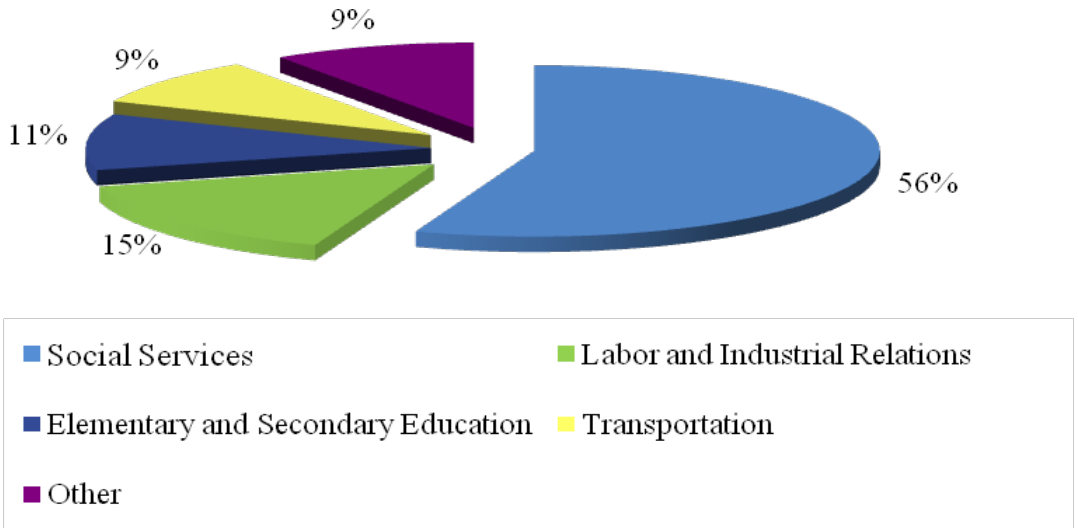
Total Expenditures of Federal Awards
Five Year Comparison



A contributing factor to the increase in total expenditures of federal awards during the year ended June 30, 2010, was the additional federal funds made available through the American Recovery and Reinvestment Act of 2009 (ARRA).

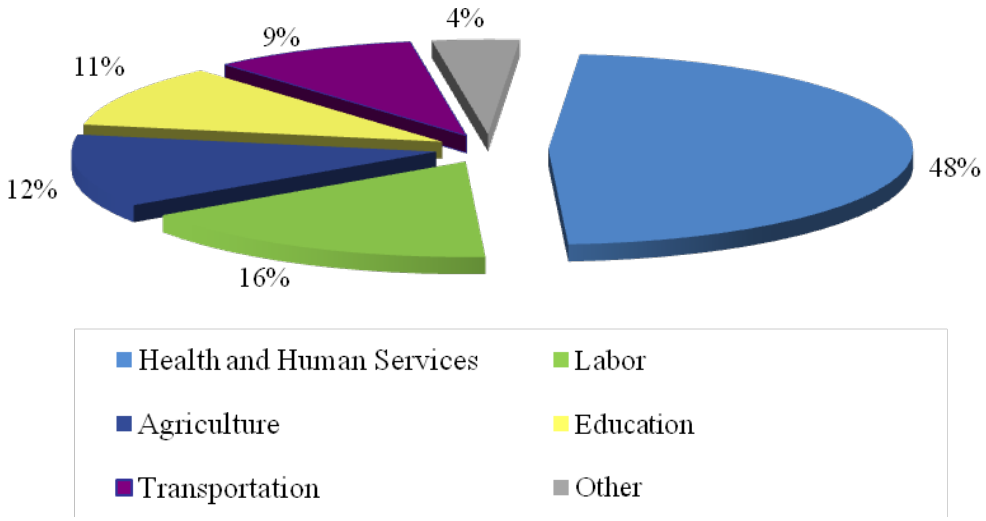
Although 19 state departments and other state offices expended federal awards, 4 state departments expended the bulk of the federal awards (91 percent).

Expenditures of Federal Awards by State Department



The state received federal awards from 22 different federal agencies. Most of the federal awards (96 percent) came from 5 federal agencies.

Expenditures of Federal Awards by Federal Department

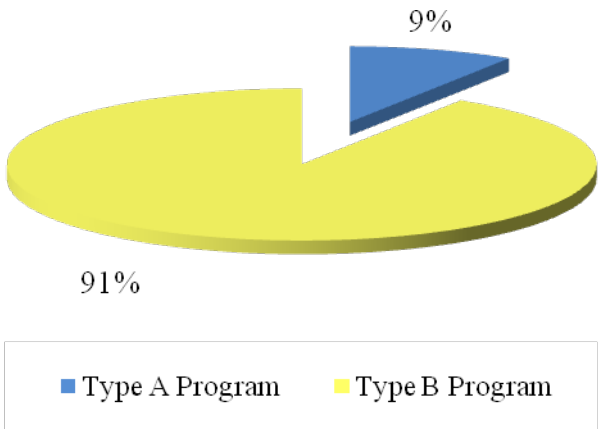


Overall, the state expended federal awards in 341 different programs. Under the audit requirements of OMB Circular A-133, federal programs are divided into Type A and Type B programs based on a dollar threshold. For the state of Missouri, OMB Circular A-133 defines the dollar threshold of a Type A program as the larger of $30 million or fifteen-hundredths of one percent (0.0015) of federal awards expended.

Determination of Type A Programs		
Larger of:		$30,000,000
		or
Total expenditures of federal awards	14,794,700,194	
Fifteen-hundredths of one percent	.0015	
		22,192,050
Dollar Threshold		$30,000,000

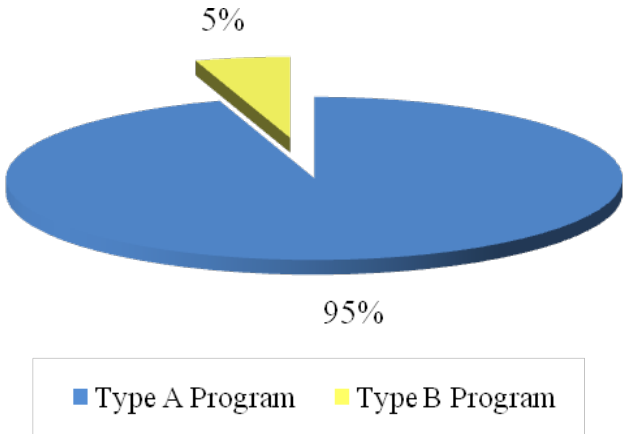
Programs with federal expenditures over $30 million are Type A programs and the programs under $30 million are Type B programs. Of the 341 different federal award programs, 31 were Type A programs and 310 were Type B programs.

Type A and Type B Programs
Number of Programs



The 31 Type A programs had expenditures of federal awards totaling $14 billion, which was 95 percent of the total expenditures for all programs. The 310 Type B programs had expenditures of federal awards totaling $737 million, which was only 5 percent of the total expenditures for all programs.

Type A and Type B Programs
Expenditures of Federal Awards



OMB Circular A-133 requires the auditor to perform risk assessments on Type A programs and to audit as major each Type A program assessed as high risk based on various risk factors. To ensure a high level of accountability over ARRA funds, Appendix VII of the 2010 Compliance Supplement included additional criteria to consider when determining risk for the Type A programs containing ARRA funds due to the inherently higher risk of these funds. We performed a risk assessment on each Type A program and determined 8 of the 31 Type A programs were low risk and did not need to be audited as major. In accordance with OMB Circular A-133, we audited the 23 Type A programs assessed as high risk as major.

OMB Circular A-133 also requires the auditor to perform risk assessments on the larger Type B programs to determine which ones to audit as major in place of the Type A programs which were not audited as major. The dollar threshold to determine the larger Type B programs is three-hundredths of one percent (.0003) of total awards expended ($14.79 billion times .0003 = $4,438,410). We performed risk assessments on the 45 larger Type B programs and determined 13 of them were high risk. In accordance with OMB Circular A-133, we audited 7 (one-half) of these 13 high risk Type B programs as major.

Major and Non-major Programs

Audit Coverage by Type of Program	Number of Programs		Expenditures	Percentage of Expenditures
Type A major programs	23	$	13,326,416,301	
Type B major programs	7		137,037,687	
Total major programs	30	$	13,463,453,988	91%
Type A non-major programs	8	$	731,276,335	
Type B non-major programs	303		599,969,871	
Total all programs	311	$	1,331,246,206	9%
	341	$	14,794,700,194	100%

American Recovery and Reinvestment Act of 2009

As noted above, the state of Missouri expended a total of approximately $14.79 billion in federal awards during the year ended June 30, 2010. Of that total, approximately $2.61 billion (17.6 percent) was expended in ARRA awards. The ARRA awards relate to 61 existing or new federal programs with expenditures at 12 different state agencies. We audited 25 of these programs as major, covering about $2.57 billion, or 98.5 percent of total expenditures of ARRA awards.

STATE OF MISSOURI
SUMMARY OF TYPE A PROGRAMS AND TOTAL EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

CFDA Number	Federal Grantor Agency - Program	Federal Grantor Agency	Federal Awards Expended
	SNAP Cluster:		
10.551	Supplemental Nutrition Assistance Program	Agriculture	$ 1,334,093,306
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Agriculture	55,582,179
10.561	ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Agriculture	3,654,050
	Total SNAP Cluster		1,393,329,535
	Child Nutrition Cluster:		
10.553	School Breakfast Program	Agriculture	58,005,880
10.555	National School Lunch Program	Agriculture	202,320,684
10.556	Special Milk Program for Children	Agriculture	541,422
10.559	Summer Food Service Program for Children	Agriculture	11,375,206
	Total Child Nutrition Cluster		272,243,192
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Agriculture	85,482,038
10.558	Child and Adult Care Food Program	Agriculture	46,107,238
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Defense	51,381,955
12.401	ARRA - National Guard Military Operations and Maintenance (O&M) Projects	Defense	622,178
	CDBG - State-Administered Small Cities Program Cluster:		
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	Housing and Urban Development	39,209,847
14.255	ARRA - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	Housing and Urban Development	1,131,364
	Total CDBG - State-Administered Small Cities Program Cluster		40,341,211
17.225	Unemployment Insurance	Labor	1,679,488,308
17.225	ARRA - Unemployment Insurance	Labor	573,123,808
	WIA Cluster:		
17.258	Workforce Investment Act - Adult Program	Labor	16,935,178
17.258	ARRA - Workforce Investment Act - Adult Program	Labor	8,328,916
17.259	Workforce Investment Act - Youth Activities	Labor	19,463,914
17.259	ARRA - Workforce Investment Act - Youth Activities	Labor	20,227,326
17.260	Workforce Investment Act - Dislocated Workers	Labor	24,388,532
17.260	ARRA - Workforce Investment Act - Dislocated Workers	Labor	19,097,506
	Total WIA Cluster		108,441,372
	Highway Planning and Construction Cluster:		
20.205	Highway Planning and Construction	Transportation	971,934,640
20.205	ARRA - Highway Planning and Construction	Transportation	272,693,765
20.219	Recreational Trails Program	Transportation	527,790
	Total Highway Planning and Construction Cluster		1,245,156,195
64.015	Veterans State Nursing Home Care	Veterans Affairs	40,433,415
66.458	Capitalization Grants for Clean Water State Revolving Funds	Environmental Protection Agency	12,857,269
66.458	ARRA - Capitalization Grants for Clean Water State Revolving Funds	Environmental Protection Agency	28,365,778
	Title I, Part A Cluster:		
84.010	Title I Grants to Local Educational Agencies	Education	190,809,777
84.389	ARRA - Title I Grants to Local Educational Agencies, Recovery Act	Education	68,645,150
	Total Title I, Part A Cluster		259,454,927

STATE OF MISSOURI
SUMMARY OF TYPE A PROGRAMS AND TOTAL EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

CFDA Number	Federal Grantor Agency - Program	Federal Grantor Agency	Federal Awards Expended
	Special Education Cluster (IDEA):		
84.027	Special Education - Grants to States	Education	201,924,439
84.173	Special Education - Preschool Grants	Education	5,900,040
84.391	ARRA - Special Education Grants to States, Recovery Act	Education	107,482,111
84.392	ARRA - Special Education - Preschool Grants, Recovery Act	Education	1,148,795
	Total Special Education (IDEA) Cluster		316,455,385
84.032	Federal Family Education Loans	Education	148,917,739
	Vocational Rehabilitation Cluster:		
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	Education	56,845,099
84.390	ARRA - Rehabilitation Services - Vocational Rehabilitation Grants to States, Recovery Act	Education	8,745,020
	Total Vocational Rehabilitation Cluster		65,590,119
84.367	Improving Teacher Quality State Grants	Education	39,006,989
	State Fiscal Stabilization Fund Cluster:		
84.394	ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	Education	530,036,219
84.397	ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	Education	86,639,554
	Total State Fiscal Stabilization Fund Cluster		616,675,773
93.069	Public Health Emergency Preparedness	Health and Human Services	39,929,827
	Immunization Cluster:		
93.268	Immunization Grants	Health and Human Services	55,113,022
93.712	ARRA - Immunization	Health and Human Services	2,286,736
	Total Immunization Cluster		57,399,758
	TANF Cluster:		
93.558	Temporary Assistance for Needy Families	Health and Human Services	173,005,808
93.714	ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs	Health and Human Services	290,000
	Total TANF Cluster		173,295,808
93.563	Child Support Enforcement	Health and Human Services	28,076,900
93.563	ARRA - Child Support Enforcement	Health and Human Services	16,916,859
93.568	Low-Income Home Energy Assistance	Health and Human Services	115,557,157
	CSBG Cluster:		
93.569	Community Services Block Grant	Health and Human Services	15,581,601
93.710	ARRA - Community Services Block Grant	Health and Human Services	20,651,595
	Total CSBG Cluster		36,233,196
	CCDF Cluster:		
93.575	Child Care and Development Block Grant	Health and Human Services	73,235,681
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Health and Human Services	57,667,602
93.713	ARRA - Child Care and Development Block Grant	Health and Human Services	2,265,756
	Total CCDF Cluster		133,169,039

STATE OF MISSOURI
SUMMARY OF TYPE A PROGRAMS AND TOTAL EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

CFDA Number	Federal Grantor Agency - Program	Federal Grantor Agency	Federal Awards Expended
93.658	Foster Care - Title IV-E	Health and Human Services	56,043,470
93.658	ARRA - Foster Care - Title IV-E	Health and Human Services	1,539,309
93.659	Adoption Assistance	Health and Human Services	35,061,102
93.659	ARRA - Adoption Assistance	Health and Human Services	2,951,175
93.667	Social Services Block Grant	Health and Human Services	65,656,226
93.767	Children's Health Insurance Program	Health and Human Services	108,083,288
	Medicaid Cluster:		
93.775	State Medicaid Fraud Control Units	Health and Human Services	1,133,450
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	Health and Human Services	16,340,279
93.778	Medical Assistance Program	Health and Human Services	5,264,411,388
93.778	ARRA - Medical Assistance Program	Health and Human Services	727,726,725
	Total Medicaid Cluster		6,009,611,842
	Disability Insurance/SSI Cluster:		
96.001	Social Security - Disability Insurance	Social Security Administration	37,697,942
	Total Disability Insurance/SSI Cluster		37,697,942
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Homeland Security	116,995,314
	Total Type A Programs (expenditures greater than $30,000,000)		14,057,692,636
	Total Type B Programs (expenditures less than $30,000,000)		737,007,558
	Total Expenditures of Federal Awards		$ 14,794,700,194

STATE AUDITOR'S REPORTS

THOMAS A. SCHWEICH
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2010, which collectively comprise the state's basic financial statements, and have issued our report thereon dated January 25, 2011. Our report includes a reference to other auditors. Our report also expressed a qualified opinion on the basic financial statements because we were not allowed access to tax returns and related source documents for income taxes. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As described in our report on the state of Missouri's financial statements, other auditors audited the financial statements of:

1. The Missouri Department of Transportation and blended transportation corporations, the Conservation Employees' Insurance Plan, the Transportation Self-Insurance Plan, the Missouri State Employees' Insurance Plan, the Missouri Consolidated Health Care Plan, and the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan, which represent 78 percent and 13 percent of the assets and revenues, respectively, of the governmental activities.

2. The State Lottery and the Petroleum Storage Tank Insurance Fund, which represent 35 percent of both the assets and revenues of the business-type activities.

3. The component units.

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4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation Local Fund, which represent 94 percent and 97 percent of the assets and additions, respectively, of the fiduciary funds.

This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

The financial statements of the Missouri Highway 63 Transportation Corporation and the Wentzville Parkway Transportation Corporation, blended component units; the Conservation Employees' Insurance Plan, the Missouri State Employees' Insurance Plan, and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board and Northwest Missouri State University, discretely presented component units; and the pension (and other employee benefit) trust funds were not audited in accordance with *Government Auditing Standards*.

As described in Note 2 to the financial statements presented in the *Missouri Comprehensive Annual Financial Report*, the state of Missouri implemented Governmental Accounting Standards Board Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*; Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*; and Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the state of Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the state's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the state's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the state's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the state of Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The State Auditor's office regularly issues management reports on the various programs, agencies, divisions, and departments of the state of Missouri. The conditions mentioned in those management reports were considered in determining the nature, timing, and extent of the auditing procedures to be applied in our audit of the basic financial statements. Our reports of these conditions do not modify our report dated January 25, 2011, on the basic financial statements.

This report is intended for the information and use of the management of the state of Missouri, federal awarding agencies and pass-through entities, and other applicable government officials. However, pursuant to Section 29.270, RSMo, this report is a matter of public record and its distribution is not limited.

Thomas A. Schweich
State Auditor

January 25, 2011

THOMAS A. SCHWEICH
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly

Compliance

We have audited the compliance of the state of Missouri with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The state's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the state's management. Our responsibility is to express an opinion on the state's compliance based on our audit.

Our compliance audit, described below, did not include the operations of the component units and related organizations that expended federal financial assistance during the year ended June 30, 2010, because they engaged other auditors to perform audits in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the state's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the state's compliance with those requirements.

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As described in finding numbers 2010-2, 2010-6, 2010-8, 2010-10, 2010-16, and 2010-21 in the accompanying Schedule of Findings and Questioned Costs, the state of Missouri did not comply with requirements regarding allowable activities or allowable costs and cost principles applicable to the School Improvement Grants Cluster, eligibility requirements applicable to the Medical Assistance Program, subrecipient monitoring requirements applicable to the State Fiscal Stabilization Fund Cluster, reporting requirements applicable to the Unemployment Insurance Program, allowable activities or allowable costs and cost principles and eligibility requirements applicable to the Child Care and Development Fund Cluster, and allowable activities or allowable costs and cost principles and level of effort requirements applicable to the Temporary Assistance for Needy Families Program. Compliance with such requirements is necessary, in our opinion, for the state of Missouri to comply with the requirements applicable to these programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the state of Missouri complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2010-4, 2010-5, 2010-7, 2010-9, 2010-12, 2010-15, 2010-17 through 2010-20, 2010-22, 2010-23, and 2010-25.

Internal Control Over Compliance

The management of the state of Missouri is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the state's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the state's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and material weaknesses.

A deficiency in the state's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We

consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2010-1, 2010-3, 2010-4, 2010-6, 2010-8 through 2010-11, 2010-13, 2010-16, 2010-21, 2010-22, 2010-24, and 2010-25 to be significant deficiencies.

A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented or detected and corrected on a timely basis. Of the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider finding numbers 2010-6, 2010-8, 2010-10, 2010-16, and 2010-21 to be material weaknesses.

The responses of the state of Missouri to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the state's responses and, accordingly, we express no opinion on them.

This report is intended for the information and use of the management of the state of Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo, this report is a matter of public record and its distribution is not limited.

Thomas A. Schweich
State Auditor

February 18, 2011

THOMAS A. SCHWEICH
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2010, which collectively comprise the state's basic financial statements, and have issued our report thereon dated January 25, 2011. Our report includes a reference to other auditors. Our report also expressed a qualified opinion on the basic financial statements because we were not allowed access to tax returns and related source documents for income taxes. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As described in our report on the state of Missouri's financial statements, other auditors audited the financial statements of:

1. The Missouri Department of Transportation and blended transportation corporations, the Conservation Employees' Insurance Plan, the Transportation Self-Insurance Plan, the Missouri State Employees' Insurance Plan, the Missouri Consolidated Health Care Plan, and the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan, which represent 78 percent and 13 percent of the assets and revenues, respectively, of the governmental activities.

2. The State Lottery and the Petroleum Storage Tank Insurance Fund, which represent 35 percent of both the assets and revenues of the business-type activities.

3. The component units.

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4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation Local Fund, which represent 94 percent and 97 percent of the assets and additions, respectively, of the fiduciary funds.

The financial statements of the Missouri Highway 63 Transportation Corporation and the Wentzville Parkway Transportation Corporation, blended component units; the Conservation Employees' Insurance Plan, the Missouri State Employees' Insurance Plan, and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board and Northwest Missouri State University, discretely presented component units; and the pension (and other employee benefit) trust funds were not audited in accordance with *Government Auditing Standards*.

As described in Note 2 to the financial statements presented in the *Missouri Comprehensive Annual Financial Report*, the state of Missouri implemented Governmental Accounting Standards Board Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*; Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*; and Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the state of Missouri's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. The state of Missouri has excluded federal award expenditures of public universities and other component units from the accompanying Schedule of Expenditures of Federal Awards. The information in the Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, except for the effects of the exclusion of federal award expenditures of public universities and other component units, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Thomas A. Schweich
State Auditor

January 25, 2011

SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
Office of National Drug Control Policy			
07.UNKNOWN	HIDTA	$ 3,554,770	2,498,596
	Total Office of National Drug Control Policy	3,554,770	2,498,596
Department of Agriculture			
10.025	Plant and Animal Disease, Pest Control, and Animal Care	1,033,253	0
10.069	Conservation Reserve Program	121,969	215
10.072	Wetlands Reserve Program	186,801	0
10.086	ARRA - Aquaculture Grants Program (AGP)	109,942	109,942
10.156	Federal-State Marketing Improvement Program	27,296	25,296
10.163	Market Protection and Promotion	49,164	44,363
10.169	Specialty Crop Block Grant Program	77,684	61,384
10.170	Specialty Crop Block Grant Program - Farm Bill	286,552	249,613
10.435	State Mediation Grants	16,894	0
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	724,936	0
10.479	Food Safety Cooperative Agreements	6,725	0
10.550	Food Donation	32,959	32,959
	SNAP Cluster:		
10.551	Supplemental Nutritional Assistance Program	1,334,093,306	0
10.561	State Administrative Matching Grants for the Supplemental Nutritional Assistance Program	55,582,179	0
10.561	ARRA - State Administrative Matching Grants for the Supplemental Nutritional Assistance Program	3,654,050	3,654,050
	Total SNAP Cluster	1,393,329,535	3,654,050
	Child Nutrition Cluster:		
10.553	School Breakfast Program	58,005,880	58,005,879
10.555	National School Lunch Program	202,320,684	202,207,477
10.556	Special Milk Program for Children	541,422	541,422
10.559	Summer Food Service Program for Children	11,375,206	10,969,250
	Total Child Nutrition Cluster	272,243,192	271,724,028
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	85,482,038	20,150,878
10.558	Child and Adult Care Food Program	46,107,238	45,462,600
10.560	State Administrative Expenses for Child Nutrition	2,534,501	706,309
10.565	Commodity Supplemental Food Program	649,407	583,512
	Emergency Food Assistance Cluster:		
10.568	Emergency Food Assistance Program (Administrative Costs)	1,426,499	1,426,499
10.568	ARRA - Emergency Food Assistance Program (Administrative Costs)	647,127	0
10.569	Emergency Food Assistance Program (Food Commodities)	11,492,472	0
10.569	ARRA - Emergency Food Assistance Program (Food Commodities)	1,085,889	1,085,889
	Total Emergency Food Assistance Cluster	14,651,987	2,512,388
10.572	WIC Farmers' Market Nutrition Program (FMNP)	92,557	77,689
10.574	Team Nutrition Grants	137,593	7,879
10.578	WIC Grants to States (WGS)	106,839	106,839
10.578	ARRA - WIC Grants to States (WGS)	604,536	0
10.579	Child Nutrition Discretionary Grants Limited Availability	1,806,467	1,806,417
10.582	Fresh Fruit and Vegetable Program	1,164,918	1,164,917
10.664	Cooperative Forestry Assistance	1,409,786	298,894
	Schools and Roads Cluster:		
10.665	Schools and Roads - Grants to States	6,845,948	6,845,948
	Total Schools and Roads Cluster	6,845,948	6,845,948
10.678	Forest Stewardship Program	4,604	0
10.680	Forest Health Protection	106,393	0
10.688	ARRA - Wildland Fire Management	37,682	0

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
10.769	Rural Business Enterprise Grants	13,459	8,459
10.902	Soil and Water Conservation	83,474	0
10.912	Environmental Quality Incentives Program	37,988	0
Total Department of Agriculture		1,830,124,317	355,634,579
Department of Commerce			
	Public Works and Economic Development Cluster:		
11.307	ARRA - Economic Adjustment Assistance	391,062	0
	Total Public Works and Economic Development Cluster	391,062	0
11.468	Applied Meteorological Research	122,600	122,600
11.555	Public Safety Interoperable Emergency Communications Grant Program	2,530,352	34,621
Total Department of Commerce		3,044,014	157,221
Department of Defense			
12.AAG	Drug Interdiction and Counter Drug Activities	59,735	0
12.UNKNOWN	Troops to Teachers	145,541	45,375
12.112	Payments to States in Lieu of Real Estate Taxes	1,425,626	1,425,626
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	907,007	28,808
12.401	National Guard Military Operations and Maintenance (O&M) Projects	51,381,955	0
12.401	ARRA - National Guard Military Operations and Maintenance (O&M) Projects	622,178	0
12.404	National Guard Challenge Program	16,163	0
Total Department of Defense		54,558,205	1,499,809
Department of Housing and Urban Development			
	CDBG - State-Administered Small Cities Program Cluster:		
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	39,209,847	38,163,429
14.255	ARRA - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	1,131,364	1,013,907
	Total CDBG - State-Administered Small Cities Program Cluster	40,341,211	39,177,336
14.231	Emergency Shelter Grants Program	1,649,793	1,649,793
14.238	Shelter Plus Care	8,947,448	8,947,448
14.241	Housing Opportunities for Persons with AIDS	341,356	341,356
14.257	ARRA - Homelessness Prevention and Rapid Rehousing Program	3,934,329	3,934,329
14.401	Fair Housing Assistance Program - State and Local	601,483	0
Total Department of Housing and Urban Development		55,815,620	54,050,262
Department of the Interior			
15.FFB	Webless Migratory Game Bird Research Program	117,097	0
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	198,464	0
15.252	Abandoned Mine Land Reclamation (AMLR) Program	1,673,195	947,180
15.255	Applied Science Program Cooperative Agreements Related to Coal Mining and Reclamation	18,803	0
	Fish and Wildlife Cluster:		
15.605	Sport Fish Restoration Program	7,401,433	0
15.611	Wildlife Restoration	8,401,940	0
	Total Fish and Wildlife Cluster	15,803,373	0
15.608	Fish and Wildlife Management Assistance	14,708	0
15.615	Cooperative Endangered Species Conservation Fund	112,946	0
15.616	Clean Vessel Act	111,516	111,516
15.623	North American Wetlands Conservation Fund	332,866	0
15.633	Landowner Incentive Program	293,437	0
15.634	State Wildlife Grants	1,345,531	0

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
15.656	ARRA - Habitat Enhancement, Restoration and Improvement	12,946	0
15.807	Earthquake Hazards Reduction Program	66,584	0
15.808	U.S. Geological Survey - Research and Data Collection	35,060	0
15.810	National Cooperative Geologic Mapping Program	122,417	0
15.814	National Geological and Geophysical Data Preservation Program	1,438	0
15.904	Historic Preservation Fund Grants-In-Aid	819,976	61,096
15.916	Outdoor Recreation - Acquisition, Development and Planning	494,075	453,938
15.921	Rivers, Trails and Conservation Assistance	10,164	0
15.978	Upper Mississippi River System Long Term Resource Monitoring Program	354,097	0
Total Department of the Interior		21,938,693	1,573,730
Department of Justice			
16.UNKNOWN	Domestic Cannabis Eradication	334,188	0
16.017	Sexual Assault Services Formula Program	44,221	34,662
16.202	Prisoner Reentry Initiative Demonstration (Offender Reentry)	378,650	0
16.523	Juvenile Accountability Block Grants	729,563	643,617
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States	796,949	623,597
16.542	Part D - Research, Evaluation, Technical Assistance and Training	88,234	0
16.543	Missing Children's Assistance	95,520	0
16.548	Title V - Delinquency Prevention Program	49,749	49,749
16.554	National Criminal History Improvement Program (NCHIP)	428,287	255,787
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	228,109	228,109
16.575	Crime Victim Assistance	6,527,735	6,386,304
16.576	Crime Victim Compensation	2,985,806	2,985,806
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	118,890	75,000
16.588	Violence Against Women Formula Grants	1,901,280	1,785,914
16.588	ARRA - Violence Against Women Formula Grants	1,072,132	1,037,091
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	147,339	37,493
16.593	Residential Substance Abuse Treatment for State Prisoners	75,140	75,140
16.606	State Criminal Alien Assistance Program	124,424	0
16.610	Regional Information Sharing Systems	5,406,586	5,406,586
16.710	Public Safety Partnership and Community Policing Grants	2,785,268	2,178,404
16.726	Juvenile Mentoring Program	251,653	233,255
16.734	Special Data Collections and Statistical Studies	37,304	0
16.735	Protecting Inmates and Safeguarding Communities Discretionary Grant Program	45,881	0
16.738	Edward Byrne Memorial Justice Assistance Grant Program	2,783,129	2,404,938
16.740	Statewide Automated Victim Information Notification (SAVIN) Program	72,095	0
16.741	Forensic DNA Backlog Reduction Program	484,120	0
16.750	Support for Adam Walsh Act Implementation Grant Program	54,235	0
16.801	ARRA - State Victim Assistance Formula Grant Program	792,989	760,691
16.802	ARRA - State Victim Compensation Formula Grant Program	951,498	951,498
16.803	ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	8,763,816	8,606,481
16.810	ARRA - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	881,513	0
Total Department of Justice		39,436,303	34,760,122
Department of Labor			
17.002	Labor Force Statistics	1,312,631	0
17.005	Compensation and Working Conditions	208,528	0
	Employment Service Cluster:		
17.207	Employment Service/Wagner-Peyser Funded Activities	12,789,225	103,052
17.207	ARRA - Employment Service/Wagner-Peyser Funded Activities	7,374,553	686,281
17.801	Disabled Veterans' Outreach Program (DVOP)	887,233	0
17.804	Local Veterans' Employment Representative Program	2,372,251	0
	Total Employment Service Cluster	23,423,262	789,333

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
17.225	Unemployment Insurance	1,679,488,308	0
17.225	ARRA - Unemployment Insurance	573,123,808	0
17.235	Senior Community Service Employment Program	2,717,653	2,636,824
17.235	ARRA - Senior Community Service Employment Program	548,237	538,199
17.245	Trade Adjustment Assistance	23,688,715	0
	WIA Cluster:		
17.258	Workforce Investment Act - Adult Program	16,935,178	15,203,434
17.258	ARRA - Workforce Investment Act - Adult Program	8,328,916	8,328,916
17.259	Workforce Investment Act - Youth Activities	19,463,914	17,051,195
17.259	ARRA - Workforce Investment Act - Youth Activities	20,227,326	20,174,148
17.260	Workforce Investment Act - Dislocated Workers	24,388,532	20,048,210
17.260	ARRA - Workforce Investment Act - Dislocated Workers	19,097,506	18,889,954
	Total WIA Cluster	108,441,372	99,695,857
17.261	Workforce Investment Act - Pilots, Demonstrations, and Research Projects	16,286	16,286
17.266	Work Incentive Grants	221,426	220,692
17.267	Incentive Grants - WIA Section 503	752,940	681,061
17.268	H-1B Job Training Grants	8,199,177	8,196,409
17.271	Work Opportunity Tax Credit Program (WOTC)	371,545	0
17.273	Temporary Labor Certification for Foreign Workers	99,720	0
17.275	ARRA - Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors	274,507	116,444
17.504	Consultation Agreements	1,082,486	0
17.505	OSHA Data Initiative	38,924	0
17.600	Mine Health and Safety Grants	312,317	0
Total Department of Labor		2,424,321,842	112,891,105
Department of Transportation			
20.UNKNOWN	National Highway Traffic Safety Administration	58,509	0
20.106	Airport Improvement Program	20,861,921	20,670,113
20.106	ARRA - Airport Improvement Program	5,039,442	5,039,442
	Highway Planning and Construction Cluster:		
20.205	Highway Planning and Construction	971,934,640	102,821,793
20.205	ARRA - Highway Planning and Construction	272,693,765	24,499,225
20.219	Recreational Trails Program	527,790	464,109
	Total Highway Planning and Construction Cluster	1,245,156,195	127,785,127
20.217	Motor Carrier Safety	2,914,374	682,881
20.218	National Motor Carrier Safety	1,372,537	1,308,466
20.231	Performance and Registration Information Systems Management	100,791	0
20.237	Commercial Vehicle Information Systems and Networks	227,297	0
20.240	Fuel Tax Evasion - Intergovernmental Enforcement Efforts	15,419	0
20.317	Capital Assistance to States - Intercity Passenger Rail Service	2,512,332	2,512,332
	Federal Transit Cluster:		
20.500	Federal Transit - Capital Investment Grants	5,447,233	5,446,682
	Total Federal Transit Cluster	5,447,233	5,446,682
20.505	Metropolitan Transportation Planning	5,396,630	5,195,278
20.509	Formula Grants for Other Than Urbanized Areas	12,416,284	11,697,802
20.509	ARRA - Formula Grants for Other Than Urbanized Areas	13,626,099	13,626,099
	Transit Services Programs Cluster:		
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	3,075,347	2,932,919
20.516	Job Access - Reverse Commute	547,298	542,810
20.521	New Freedom Program	235,718	235,718
	Total Transit Services Programs Cluster	3,858,363	3,711,447

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
	Highway Safety Cluster:		
20.600	State and Community Highway Safety	5,200,300	3,834,235
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	3,661,459	2,593,446
20.604	Safety Incentive Grants for Use of Seatbelts	1,781	1,781
20.610	State Traffic Safety Information System Improvement Grants	591,087	407,566
20.611	Incentive Grant Program to Prohibit Racial Profiling	186,188	186,188
20.612	Incentive Grant Program to Increase Motorcyclist Safety	144,860	0
20.613	Child Safety and Child Booster Seats Incentive Grants	614,202	215,554
	Total Highway Safety Cluster	10,399,877	7,238,770
20.607	Alcohol Open Container Requirements	9,820,706	5,248,676
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	279,486	79,272
20.615	E-911 Grant Program	118,493	118,493
20.700	Pipeline Safety Program Base Grants	713,375	0
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	522,310	357,986
20.721	PHMSA Pipeline Safety Program One Call Grant	10,048	0
Total Department of Transportation		1,340,867,721	210,718,866
Equal Employment Opportunity Commission			
30.002	Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	668,611	0
Total Equal Employment Opportunity Commission		668,611	0
General Services Administration			
39.003	Donation of Federal Surplus Personal Property	1,641,070	1,256,438
39.011	Election Reform Payments	628,576	298,729
Total General Services Administration		2,269,646	1,555,167
National Foundation on the Arts and the Humanities			
45.025	Promotion of the Arts - Partnership Agreements	746,643	434,747
45.025	ARRA - Promotion of the Arts - Partnership Agreements	274,014	274,014
45.301	Museums for America	63,675	0
45.310	Grants to States	3,330,276	1,757,221
45.312	National Leadership Grants	293	0
Total National Foundation on the Arts and the Humanities		4,414,901	2,465,982
Department of Veterans Affairs			
64.005	Grants to States for Construction of State Home Facilities	847,625	0
64.005	ARRA - Grants to States for Construction of State Home Facilities	561,664	0
64.015	Veterans State Nursing Home Care	40,433,415	0
64.024	VA Homeless Providers Grant and Per Diem Program	361,898	361,898
64.123	All-Volunteer Force Educational Assistance	697,620	0
64.203	State Cemetery Grants	4,757,501	0
Total Department of Veterans Affairs		47,659,723	361,898
Environmental Protection Agency			
66.032	State Indoor Radon Grants	140,878	0
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	635,341	163,283
66.039	National Clean Diesel Emissions Reduction Program	403,786	216,802
66.039	ARRA - National Clean Diesel Emissions Reduction Program	247,385	146,882
66.040	State Clean Diesel Grant Program	223,167	88,968
66.040	ARRA - State Clean Diesel Grant Program	949,149	898,553
66.180	Chemical Emergency Preparedness and Prevention Technical Assistance	29,876	0
66.202	Congressionally Mandated Projects	101,048	0
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	121,355	54,880

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
66.433	State Underground Water Source Protection	133,345	0
66.454	Water Quality Management Planning	534,531	322,393
66.454	ARRA - Water Quality Management Planning	38,723	38,723
66.458	Capitalization Grants for Clean Water State Revolving Funds	12,857,269	12,857,269
66.458	ARRA - Capitalization Grants for Clean Water State Revolving Funds	28,365,778	26,339,490
66.460	Nonpoint Source Implementation Grants	3,034,880	1,519,280
66.461	Regional Wetland Program Development Grants	244,253	8,604
66.468	Capitalization Grants for Drinking Water State Revolving Funds	4,533,822	1,642,484
66.468	ARRA - Capitalization Grants for Drinking Water State Revolving Funds	16,580,552	16,580,552
66.471	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	363,723	250,750
66.474	Water Protection Grants to the States	82,222	0
66.605	Performance Partnership Grants	13,420,943	1,063,934
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	18,928	0
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	333,085	0
66.709	Multi-Media Capacity Building Grants for States and Tribes	54,779	0
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	1,433,760	140,365
66.804	Underground Storage Tank Prevention, Detection, and Compliance Program	612,122	0
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	1,167,436	254,130
66.805	ARRA - Leaking Underground Storage Tank Trust Fund Corrective Action Program	3,101,652	2,873,944
66.810	Chemical Emergency Preparedness and Prevention (CEPP) Technical Assistance Grants Program	40,364	40,000
66.817	State and Tribal Response Program Grants	1,088,566	137,594
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	112,190	64,271
66.940	Environmental Policy and State Sustainability Grants	30,764	0
Total Environmental Protection Agency		91,035,672	65,703,151
Department of Energy			
81.039	National Energy Information Center	2,848	0
81.041	State Energy Program	591,954	26,123
81.041	ARRA - State Energy Program	1,059,321	264,269
81.042	Weatherization Assistance for Low-Income Persons	5,141,144	4,603,323
81.042	ARRA - Weatherization Assistance for Low-Income Persons	21,210,481	20,624,294
81.089	Fossil Energy Research and Development	13,100	0
81.092	Weldon Springs Site Remedial Action Project	357,138	22,382
81.104	Office of Environmental Waste Processing	136,332	0
81.119	State Energy Program Special Projects	200,876	148,994
81.122	Electricity Delivery and Energy Reliability, Research, Development and Analysis	86,266	0
81.122	ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	3,267	0
81.127	ARRA - Energy Efficient Appliance Rebate Program (EEARP)	2,523,572	2,489,730
81.128	ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	578,146	520,634
81.902	State Environmental Oversight and Monitoring	54,942	0
Total Department of Energy		31,959,387	28,699,749
Department of Education			
84.UNKNOWN	Cooperative System Grant	45,862	0
84.002	Adult Education - Basic Grants to States	9,554,559	9,190,377
	Title I, Part A Cluster:		
84.010	Title I Grants to Local Educational Agencies	190,809,777	188,439,625
84.389	ARRA - Title I Grants to Local Educational Agencies, Recovery Act	68,645,150	68,645,150
	Total Title I, Part A Cluster	259,454,927	257,084,775
84.011	Migrant Education - State Grant Program	1,359,760	1,335,112
84.013	Title I State Agency Program for Neglected and Delinquent Children	988,411	975,114

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
	Special Education Cluster (IDEA):		
84.027	Special Education - Grants to States	201,924,439	198,523,774
84.173	Special Education - Preschool Grants	5,900,040	5,900,040
84.391	ARRA - Special Education Grants to States, Recovery Act	107,482,111	107,482,111
84.392	ARRA - Special Education - Preschool Grants, Recovery Act	1,148,795	1,148,795
	Total Special Education (IDEA) Cluster	316,455,385	313,054,720
84.032	Federal Family Education Loans	148,917,739	0
84.048	Career and Technical Education - Basic Grants to States	22,181,990	21,148,329
84.069	Leveraging Educational Assistance Partnership	1,286,496	1,286,496
	Vocational Rehabilitation Cluster:		
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	56,845,099	3,000
84.390	ARRA - Rehabilitation Services - Vocational Rehabilitation Grants to States, Recovery Act	8,745,020	0
	Total Vocational Rehabilitation Cluster	65,590,119	3,000
84.144	Migrant Education - Coordination Program	69,444	59,924
	Independent Living - State Grants Cluster:		
84.169	Independent Living - State Grants	304,444	267,116
84.398	ARRA - Independent Living - State Grants, Recovery Act	227,089	0
	Total Independent Living - State Grants Cluster	531,533	267,116
	Independent Living Services for Older Individuals Who Are Blind Cluster:		
84.177	Rehabilitation Services - Independent Living Services for Older Individuals Who Are Blind	14,453	0
	Total Independent Living Services for Older Individuals Who Are Blind Cluster	14,453	0
	Early Intervention Services (IDEA) Cluster:		
84.181	Special Education - Grants for Infants and Families	11,597,340	11,597,340
84.393	ARRA - Special Education - Grants for Infants and Families, Recovery Act	666,289	666,289
	Total Early Intervention Services (IDEA) Cluster	12,263,629	12,263,629
84.185	Byrd Honors Scholarships	736,500	0
84.186	Safe and Drug-Free Schools and Communities - State Grants	4,499,097	4,046,654
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	426,246	0
	Education for Homeless Children and Youth Cluster:		
84.196	Education for Homeless Children and Youth	621,133	598,683
84.387	ARRA - Education for Homeless Children and Youth, Recovery Act	358,239	358,239
	Total Education for Homeless Children and Youth Cluster	621,133	598,683
84.213	Even Start - State Educational Agencies	926,023	896,153
84.224	Assistive Technology	521,047	342,829
84.243	Tech-Prep Education	1,909,738	1,909,433
84.265	Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training	113,331	0
84.287	Twenty-First Century Community Learning Centers	16,634,825	16,374,413
84.298	State Grants for Innovative Programs	48,240	48,239
	Educational Technology State Grants Cluster:		
84.318	Education Technology State Grants	2,301,749	2,175,990
84.386	ARRA - Education Technology State Grants, Recovery Act	5,684,935	5,684,935
	Total Educational Technology State Grants Cluster	7,986,684	7,860,925
84.323	Special Education - State Personnel Development	982,599	982,599
84.326	Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	186,452	0
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	105,000	105,000
84.331	Grants to States for Workplace and Community Transition Training for Incarcerated Individuals	576,133	0
84.357	Reading First State Grants	6,347,516	6,253,295

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
84.358	Rural Education	2,718,477	2,718,477
84.365	English Language Acquisition Grants	3,218,990	3,218,990
84.366	Mathematics and Science Partnerships	3,426,654	3,426,000
84.367	Improving Teacher Quality State Grants	39,006,989	38,406,305
84.369	Grants for State Assessments and Related Activities	7,670,596	400,000
	Statewide Data Systems Cluster:		
84.372	Statewide Data Systems	1,954,316	0
	Total Statewide Data Systems Cluster	1,954,316	0
	School Improvement Grants Cluster:		
84.377	School Improvement Grants	5,817,996	5,264,366
84.388	ARRA - School Improvement Grants, Recovery Act	400,000	400,000
	Total School Improvement Grants Cluster	6,217,996	5,664,366
84.378	College Access Challenge Grant Program	1,219,412	1,078,508
	State Fiscal Stabilization Fund Cluster:		
84.394	ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	530,036,219	530,036,219
84.397	ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	86,639,554	86,639,554
	Total State Fiscal Stabilization Fund Cluster	616,675,773	616,675,773
84.902	National Assessment of Educational Programs	130,379	0
Total Department of Education		1,563,932,692	1,328,033,473
National Archives and Records Administration			
89.003	National Historical Publications and Records Grants	18,277	9,504
Total National Archives and Records Administration		18,277	9,504
Elections Assistance Commission			
90.401	Help America Vote Act Requirements Payments	920,806	115,940
Total Elections Assistance Commission		920,806	115,940
Department of Health and Human Services			
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	139,925	0
93.041	Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93,314	45,942
93.042	Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	307,154	76,007
93.043	Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	447,939	447,939
	Aging Cluster:		
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	8,357,543	7,258,126
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	12,896,460	12,896,460
93.053	Nutrition Services Incentive Program	4,178,929	4,178,929
93.705	ARRA - Aging Home-Delivered Nutrition Services for States	512,304	512,304
93.707	ARRA - Aging Congregate Nutrition Services for States	1,040,618	1,040,618
	Total Aging Cluster	26,985,854	25,886,437
93.048	Special Programs for the Aging - Title IV - and Title II - Discretionary Projects	27,849	0
93.051	Alzheimer's Disease Demonstration Grants to States	198,356	189,760
93.052	National Family Caregiver Support, Title III, Part E	3,079,200	3,079,200
93.069	Public Health Emergency Preparedness	39,929,827	15,844,071
93.070	Environmental Public Health and Emergency Response	352,358	172,786
93.071	Medicare Enrollment Assistance Program	41,650	40,399
93.089	Emergency System for Advance Registration of Volunteer Health Professionals	43,983	0

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
93.103	Food and Drug Administration - Research	458,270	0
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	3,236,840	3,095,148
93.110	Maternal and Child Health Federal Consolidated Programs	315,399	68,877
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	582,929	120,301
93.127	Emergency Medical Services for Children	110,568	0
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	215,686	10,000
93.134	Grants to Increase Organ Donations	87,915	0
93.135	Centers for Research and Demonstration for Health Promotion and Disease Prevention	42,894	0
93.136	Injury Prevention and Control Research and State and Community Based Programs	662,022	531,278
93.150	Projects for Assistance in Transition from Homelessness (PATH)	786,887	762,047
93.161	Health Program for Toxic Substances and Disease Registry	63,326	0
93.165	Grants to States for Loan Repayment Program	150,000	150,000
93.197	Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	491,115	187,265
93.226	Research on Healthcare Costs, Quality and Outcomes	1,609	0
93.230	Consolidated Knowledge Development and Application (KD&A) Program	159,658	20,876
93.234	Traumatic Brain Injury State Demonstration Grant Program	185,881	137,797
93.235	Abstinence Education Program	337,379	189,655
93.236	Grants for Dental Public Health Residency Training	153,782	58,473
93.240	State Capacity Building	331,987	0
93.241	State Rural Hospital Flexibility Program	517,569	275,577
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance	13,758,567	12,464,772
93.251	Universal Newborn Hearing Screening	214,020	58,260
93.259	Rural Access to Emergency Devices Grant	84,485	0
	Immunization Cluster:		
93.268	Immunization Grants	55,113,022	467,728
93.712	ARRA - Immunization	2,286,736	106,150
	Total Immunization Cluster	57,399,758	573,878
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	9,045,614	3,357,165
93.293	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	102,962	100,269
93.301	Small Rural Hospital Improvement Grant Program	394,188	375,417
93.402	ARRA - State Loan Repayment Program	300,000	300,000
93.414	ARRA - State Primary Care Offices	25,107	0
93.556	Promoting Safe and Stable Families	8,216,849	0
	TANF Cluster:		
93.558	Temporary Assistance for Needy Families	173,005,808	15,416,398
93.714	ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs	290,000	0
	Total TANF Cluster	173,295,808	15,416,398
93.563	Child Support Enforcement	28,076,900	6,820,136
93.563	ARRA - Child Support Enforcement	16,916,859	13,239,087
93.566	Refugee and Entrant Assistance - State Administered Programs	2,342,577	0
93.568	Low-Income Home Energy Assistance	115,557,157	46,288,058
	CSBG Cluster:		
93.569	Community Services Block Grant	15,581,601	15,310,694
93.710	ARRA - Community Services Block Grant	20,651,595	20,651,595
	Total CSBG Cluster	36,233,196	35,962,289

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
	CCDF Cluster:		
93.575	Child Care and Development Block Grant	73,235,681	2,483,317
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	57,667,602	0
93.713	ARRA - Child Care and Development Block Grant	2,265,756	0
	Total CCDF Cluster	133,169,039	2,483,317
93.576	Refugee and Entrant Assistance - Discretionary Grants	1,065,198	735,862
93.584	Refugee and Entrant Assistance - Targeted Assistance Grants	389,193	0
93.586	State Court Improvement Program	659,152	0
93.590	Community-Based Child Abuse Prevention Grants	543,273	543,273
93.597	Grants to States for Access and Visitation Programs	169,898	0
93.599	Chafee Education and Training Vouchers Program (ETV)	819,034	0
	Head Start Cluster:		
93.600	Head Start	180,448	180,448
	Total Head Start Cluster	180,448	180,448
93.617	Voting Access for Individuals with Disabilities - Grants to States	125,656	123,136
93.630	Developmental Disabilities Basic Support and Advocacy Grants	1,259,577	495,558
93.643	Children's Justice Grants to States	600,166	0
93.645	Child Welfare Services - State Grants	5,564,082	0
93.652	Adoption Opportunities	425,863	0
93.658	Foster Care - Title IV-E	56,043,470	0
93.658	ARRA - Foster Care - Title IV-E	1,539,309	0
93.659	Adoption Assistance	35,061,102	0
93.659	ARRA - Adoption Assistance	2,951,175	0
93.667	Social Services Block Grant	65,656,226	2,103,388
93.669	Child Abuse and Neglect State Grants	281,099	0
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters - Grants to States and Indian Tribes	1,510,163	0
93.674	Chafee Foster Care Independence Program	3,878,950	0
93.717	ARRA - Preventing Healthcare-Associated Infections	15,366	0
93.719	ARRA - State Grants to Promote Health Information Technology	408,609	0
93.720	ARRA - Survey and Certification Ambulatory Surgical Center Healthcare-Associated Infection (ASC-HAI) Prevention Initiative	35,555	0
93.723	ARRA - Prevention and Wellness - State, Territories and Pacific Islands	1,725	0
93.767	Children's Health Insurance Program	108,083,288	0
	Medicaid Cluster:		
93.775	State Medicaid Fraud Control Units	1,133,450	0
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	16,340,279	0
93.778	Medical Assistance Program	5,264,411,388	0
93.778	ARRA - Medical Assistance Program	727,726,725	0
	Total Medicaid Cluster	6,009,611,842	0
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	9,638,409	1,063,566
93.790	Alternate Non-Emergency Service Providers or Networks	334,476	0
93.793	Medicaid Transformation Grants	482,605	0
93.889	National Bioterrorism Hospital Preparedness Program	9,108,833	6,820,521
93.913	Grants to States for Operation of Offices of Rural Health	179,011	38,301
93.917	HIV Care Formula Grants	14,422,250	13,812,305
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	2,608,664	222,468
93.940	HIV Prevention Activities - Health Department Based	4,717,639	2,792,371
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	813,042	361,338
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	190,359	40,000

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
93.958	Block Grants for Community Mental Health Services	5,342,709	4,966,310
93.959	Block Grants for Prevention and Treatment of Substance Abuse	25,919,628	23,995,435
93.977	Preventive Health Services - Sexually Transmitted Diseases Control Grants	1,930,282	270,327
93.982	Mental Health Disaster Assistance and Emergency Mental Health	102,951	101,296
93.991	Preventive Health and Health Services Block Grant	2,731,549	579,419
93.994	Maternal and Child Health Services Block Grant to the States	12,746,192	6,304,562
	Total Department of Health and Human Services	7,063,820,229	254,378,765
	Corporation for National and Community Service		
94.003	State Commissions	292,217	0
94.004	Learn and Serve America - School and Community Based Programs	302,242	286,949
94.006	AmeriCorps	631,981	631,981
94.006	ARRA - AmeriCorps	2,637,196	2,633,663
94.007	Program Development and Innovation Grants	75,499	75,499
94.009	Training and Technical Assistance	105,278	9,269
	Total Corporation for National and Community Service	4,044,413	3,637,361
	Social Security Administration		
	Disability Insurance/SSI Cluster:		
96.001	Social Security - Disability Insurance	37,697,942	0
	Total Disability Insurance/SSI Cluster	37,697,942	0
	Total Social Security Administration	37,697,942	0
	Department of Homeland Security		
97.001	Interoperable Emergency Communication Grant	175,983	45,265
97.005	State and Local Homeland Security National Training Program	220,114	197,578
97.008	Non-Profit Security Program	74,907	74,907
97.012	Boating Safety Financial Assistance	2,405,284	0
97.017	Pre-Disaster Mitigation (PDM) Competitive Grants	6,893,084	6,893,084
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	180,657	0
97.027	Emergency Management Institute (EMI) - Independent Study Program	155,181	155,181
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	116,995,314	112,550,715
97.039	Hazard Mitigation Grant	9,058,326	9,058,326
97.041	National Dam Safety Program	52,360	0
97.042	Emergency Management Performance Grants	4,955,585	3,204,576
97.045	Cooperating Technical Partners	2,902,338	0
97.047	Pre-Disaster Mitigation	122,064	122,064
97.052	Emergency Operations Center	41,414	41,414
	Homeland Security Cluster:		
97.067	Homeland Security Grant Program	25,426,863	21,129,455
	Total Homeland Security Cluster	25,426,863	21,129,455
97.070	Map Modernization Management Support	84,750	0
97.075	Rail and Transit Security Grant Program	926,259	924,041
97.078	Buffer Zone Protection Program (BZPP)	621,107	589,428
97.082	Earthquake Consortium	6,339	0
97.091	Homeland Security Biowatch Program	344,673	272,813
97.092	Repetitive Flood Claims	953,808	953,808
	Total Department of Homeland Security	172,596,410	156,212,655
		$ 14,794,700,194	2,614,957,935

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards of the state of Missouri has been prepared to comply with U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the 2010 OMB Circular A-133 Compliance Supplement. The circular requires a schedule that shows total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available. Appendix VII of the supplement requires identifying expenditures of federal awards made under the American Recovery and Reinvestment Act of 2009 (ARRA) separately on the schedule with the inclusion of the prefix "ARRA-" in the name of the federal program.

The accompanying schedule includes all federal financial assistance administered by the state of Missouri, except for those programs administered by public universities and other component units and related organizations which are legally separate from the state of Missouri. Federal financial assistance provided to public universities and other component units and related organizations has been excluded from this audit. They were audited by other auditors under OMB Circular A-133.

B. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards is presented in accordance with OMB Circular A-133, which defines federal financial assistance as assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

The schedule presents both Type A and B federal assistance programs administered by the state of Missouri. OMB Circular A-133 establishes the formula for determining the level of expenditures or disbursements to be used in defining Type A and B federal financial assistance programs. For the state of Missouri during the year ended June 30, 2010, Type A programs are those which exceed $30 million in disbursements, expenditures, or distributions. The determination of major and non-major programs is based on the risk-based approach outlined in OMB Circular A-133.

C. Basis of Accounting

The expenditures for each of the federal financial assistance programs are presented on the accounting basis as required by the federal agency which awarded the assistance. Most programs are presented on a cash basis, which recognizes expenditures of federal awards when disbursed in cash. However, some are presented on a modified accrual basis, which recognizes expenditures of federal awards when the related liability is incurred.

2. Supplemental Nutrition Assistance Program Expenditures

The reported expenditures for benefits under the Supplemental Nutrition Assistance Program (SNAP) (CFDA No. 10.551) are supported by both regularly appropriated funds and incremental funding made available under section 101 of ARRA. The mechanism used by the United States Department of Agriculture (USDA) to make these funds available to States does not enable a State to validly disaggregate the regular and ARRA components of this figure. At the national aggregate level, however, ARRA funds account for approximately 16 percent of USDA's total expenditures for SNAP benefits in the federal fiscal year ended September 30, 2010.

3. Special Supplemental Nutrition Program for Women, Infants and Children Program Rebates

The state received cash rebates from an infant formula manufacturer, totaling $35,593,507, on sales of formula to participants in the Special Supplemental Nutrition Program for Women, Infants, and Children Program (CFDA No. 10.557). This amount was excluded from total program expenditures. Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16(a) as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. The state was able to extend program benefits to more persons than could have been served this fiscal year in the absence of the rebate contract.

4. Unemployment Insurance Expenditures

Expenditures of federal awards reported for the Unemployment Insurance program (CFDA No. 17.225) include unemployment benefit payments from the State Unemployment Compensation Fund totaling $2,202,671,399. Reimbursements to other states from the State Unemployment Compensation Fund for benefits paid by those other states, totaling $61,242,314, have also been included in the Unemployment Insurance program expenditures. Reimbursements to the State Unemployment Compensation Fund from other states for benefits paid by the State of Missouri, totaling $16,259,599, have been excluded from total expenditures.

5. Federal Loan Guarantees

The Department of Higher Education (DHE) guarantees student loans made by lenders under the Federal Family Education Loans program (CFDA 84.032). The original principal balance outstanding of all loans guaranteed by the DHE was $4,081,092,221 as

of June 30, 2010. Additionally, the outstanding balance of defaulted loans (including principal and accrued interest) for which the federal government imposes continuing compliance requirements on the DHE was $299,813,377 as of June 30, 2010.

6. Nonmonetary Assistance

The Department of Elementary and Secondary Education distributes food commodities to school districts under the National School Lunch program (CFDA No. 10.555). Distributions are valued at the cost of the food paid by the federal government and totaled $21,192,360.

The Department of Public Safety distributes excess Department of Defense equipment to state and local law enforcement agencies under the Department of Defense Surplus Property program (CFDA No. 12.AAG). Property distributions totaled $256,375 valued at the historical cost as assigned by the federal government, which is substantially in excess of the property's fair market value. The amount of expenditures presented on the Schedule of Expenditures of Federal Awards is 23.3 percent of the historical cost ($59,735), which approximates the fair market value of the property at the time of distribution.

The State Agency for Surplus Property distributes federal surplus property to eligible donees under the Donation of Federal Surplus Personal Property program (CFDA No. 39.003). Property distributions totaled $7,043,218 valued at the historical cost as assigned by the federal government, which is substantially in excess of the property's fair market value. The amount of expenditures presented on the Schedule of Expenditures of Federal Awards is 23.3 percent of the historical cost ($1,641,070), which approximates the fair market value of the property at the time of distribution as determined by the General Services Administration.

The Department of Health and Senior Services distributes vaccines to local health agencies and other health care professionals under Public Health Emergency Preparedness program (CFDA No. 93.069) and the Immunization Grants Cluster (CFDA No. 93.268 and 93.712). Distributions are valued at the cost of the vaccines paid by the federal government and totaled $13,610,500 and $53,223,965, respectively.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

STATE OF MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Qualified		
Internal control over financial reporting:			
• Material weaknesses identified?	_____ yes	__x__ no	
• Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	__x__ none reported	
Noncompliance material to the financial statements noted?	_____ yes	__x__ no	

Federal Awards

Internal control over major programs:		
• Material weaknesses identified?	__x__ yes	_____ no
• Significant deficiencies identified that are not considered to be material weaknesses?	__x__ yes	
Type of auditor's report issued on compliance for major program(s):	Qualified	
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	__x__ yes	_____ no

The following programs were audited as major programs:

CFDA Number	Name of Federal Program or Cluster
	SNAP Cluster:
10.551	Supplemental Nutritional Assistance Program
10.561	State Administrative Matching Grants for the Supplemental Nutritional Assistance Program
10.561	ARRA - State Administrative Matching Grants for the Supplemental Nutritional Assistance Program

10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
12.401	National Guard Military Operations and Maintenance (O&M) Projects
12.401	ARRA - National Guard Military Operations and Maintenance (O&M) Projects
	CDBG - State-Administered Small Cities Program Cluster:
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
14.255	ARRA - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
	Employment Service Cluster:
17.207	Employment Service/Wagner-Peyser Funded Activities
17.207	ARRA - Employment Service/Wagner-Peyser Funded Activities
17.801	Disabled Veterans' Outreach Program (DVOP)
17.804	Local Veteran's Employment Representative Program
17.225	Unemployment Insurance
17.225	ARRA - Unemployment Insurance
	WIA Cluster:
17.258	Workforce Investment Act - Adult Program
17.258	ARRA - Workforce Investment Act - Adult Program
17.259	Workforce Investment Act - Youth Activities
17.259	ARRA - Workforce Investment Act - Youth Activities
17.260	Workforce Investment Act - Dislocated Workers
17.260	ARRA - Workforce Investment Act - Dislocated Workers
20.106	Airport Improvement Program
20.106	ARRA - Airport Improvement Program
	Highway Planning and Construction Cluster:
20.205	Highway Planning and Construction
20.205	ARRA - Highway Planning and Construction
20.219	Recreational Trails Program
20.509	Formula Grants for Other Than Urbanized Areas
20.509	ARRA - Formula Grants for Other Than Urbanized Areas
64.015	Veterans State Nursing Home Care
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.458	ARRA - Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds
66.468	ARRA - Capitalization Grants for Drinking Water State Revolving Funds
81.042	Weatherization Assistance for Low-Income Persons
81.042	ARRA - Weatherization Assistance for Low-Income Persons
	Title I, Part A Cluster:
84.010	Title I Grants to Local Educational Agencies
84.389	ARRA - Title I Grants to Local Educational Agencies, Recovery Act

	Special Education Cluster (IDEA):
84.027	Special Education - Grants to States
84.173	Special Education - Preschool Grants
84.391	ARRA - Special Education - Grants to States, Recovery Act
84.392	ARRA - Special Education - Preschool Grants, Recovery Act
84.032	Federal Family Education Loans
	Vocational Rehabilitation Cluster:
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States
84.390	ARRA - Rehabilitation Services - Vocational Rehabilitation Grants to States, Recovery Act
	Educational Technology State Grants Cluster:
84.318	Education Technology State Grants
84.386	ARRA - Education Technology State Grants, Recovery Act
	School Improvements Grants Cluster:
84.377	School Improvement Grants
84.388	ARRA - School Improvement Grants, Recovery Act
	State Fiscal Stabilization Fund Cluster:
84.394	ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act
84.397	ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act
93.069	Public Health Emergency Preparedness
	Immunization Cluster:
93.268	Immunization Grants
93.712	ARRA - Immunization
	TANF Cluster:
93.558	Temporary Assistance for Needy Families
93.714	ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program
93.563	Child Support Enforcement
93.563	ARRA - Child Support Enforcement
	CSBG Cluster:
93.569	Community Services Block Grant
93.710	ARRA - Community Services Block Grant
	CCDF Cluster:
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.713	ARRA - Child Care and Development Block Grant
93.658	Foster Care - Title IV-E
93.658	ARRA - Foster Care - IV-E
93.767	Children's Health Insurance Program

Medicaid Cluster:

93.775	State Medicaid Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.778	Medical Assistance Program
93.778	ARRA - Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs: $30,000,000

Auditee qualified as a low-risk auditee? _____ yes __x__ no

Section II - Financial Statement Findings

This section includes no audit findings that *Government Auditing Standards* require to be reported for an audit of financial statements.

Section III - Federal Award Findings and Questioned Costs

2010-1.	**Davis-Bacon Act**

Federal Agency: Department of Education
Federal Program: 84.377 School Improvement Grants
2009 - S377A080027 and 2010 - S377A090026
84.388 ARRA - School Improvement Grants, Recovery Act
2010 - S388A090026
84.010 Title I Grants to Local Educational Agencies
2009 - S010A080025 and 2010 - S010A090025
84.389 ARRA - Title I Grants to Local Educational Agencies, Recovery Act
2010 - S389A090025
State Agency: Department of Elementary and Secondary Education (DESE)

The DESE does not ensure prevailing wages are paid by subrecipients when necessary. School Improvement Grant (SIG) and Title I Grant funds are allowed to be used by subrecipients (school districts) for minor remodeling projects, defined as minor alterations in previously completed buildings. Minor remodeling is not building construction, structural alterations to a building, building maintenance, or repairs.

At the beginning of each school fiscal year, school districts submit a budget and plan for each of these grant funds. The remodeling projects, which may require prevailing wages to be paid in accordance with the Davis-Bacon Act, and equipment purchases greater than $1,000, are recorded by school districts as capital outlays on their budgets and plans. The school districts are required by the DESE to indicate the purpose of the capital outlays in the school district plan; however, the DESE does not review the reported purpose for

capital outlays to ensure remodeling projects are clearly identified. In addition, the DESE does not ensure prevailing wages are paid during monitoring reviews conducted.

During fiscal year 2010, 551 school districts received approximately $257.1 million through the Title I Grant programs. Of that amount, 200 districts recorded approximately $11.2 million in capital outlays on their budgets. Through the SIG programs, 21 school districts received approximately $4.5 million, with approximately $869,000 in capital outlays recorded on the budgets of 6 districts.

We reviewed the budgets and plans of 14 school districts with the largest recorded capital outlays in these programs. This included the six school districts responsible for all of the recorded SIG capital outlays and eight school districts responsible for 36 percent of the Title I Grant capital outlays. All school districts reviewed either failed to adequately report the purpose of capital outlays or did not document the purpose. The DESE was unable to clearly determine from the budgets or school plans whether capital outlays were for minor remodeling versus equipment and the DESE did not follow-up with the school districts for more information on the use of those capital outlay funds. As a result, the DESE could not ensure prevailing wages were paid on applicable projects in compliance with federal requirements.

The Davis-Bacon Act requires all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of $2,000 financed by federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the U.S. Department of Labor (40 USC 3141-3144, 3146, and 3147).

WE RECOMMEND the DESE establish procedures to clearly identify funds expended by subrecipients which may require prevailing wages to be paid, and monitor those subrecipients to ensure compliance with the Davis-Bacon Act.

AUDITEE'S RESPONSE

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2010-2. School Improvement Grants

Federal Agency:	Department of Education
Federal Program:	84.377 School Improvement Grants 2009 - S377A080027 and 2010 - S377A090026 84.388 ARRA - School Improvement Grants, Recovery Act 2010 - S388A090026
State Agency:	Department of Elementary and Secondary Education (DESE)
Questioned Cost:	$225,680

The DESE did not always ensure payments were made to subrecipients in accordance with approved budgets and DESE written policies, and budget amendments were not adequately documented. In addition, the DESE did not question a school district's ability to spend grant monies timely, as required. During state fiscal year 2010, expenditures for the School Improvement Grants (SIG) program totaled approximately $6.2 million with approximately $4.5 million disbursed to 21 school districts.

The objective of the SIG program is to improve student achievement in Title I school districts identified for improvement, corrective action, or restructuring to enable those school districts to make adequate yearly progress and exit school improvement status. At the beginning of each fiscal year, the DESE substantially approves each school district's budget for SIG funds. DESE written policies allow school districts to begin to obligate these grant funds as of the substantial approval date. The school districts typically submit reimbursement requests to the DESE as the funds are expended. DESE written policies allow for variances of expenditures in approved budget categories without documented approval up to 10 percent of the total grant amount budgeted. The DESE also requires school districts receiving federal funds to indicate the funds have already been spent or will be spent within 3 days of receipt, to help ensure compliance with federal Cash Management Improvement Act requirements to minimize the time elapsing between receipt and disbursement of federal funds.

We reviewed payments made to 10 school districts totaling $1,936,638 or 31 percent of total grant funds expended. We noted concerns with a payment made to one school district.

A. The DESE approved a $695,200 payment to a school district which was not adequately documented or supported by a budget. The DESE substantially approved a SIG budget for this school district in May 2009, for $615,200, with $400,000 budgeted in the purchased services expenditure category. In June 2009, the DESE approved an increase in expenditures of $80,000 for a total amended budget of $695,200; however, there was no documentation of the expenditure category the amendment affected. The school district requested payment of $695,200, entirely from the purchased services expenditure category of the budget. The request was approved and paid by the DESE in September 2009, although only a portion of the original budget had been authorized in this category. Based on the original approved budget and the DESE budget amendment policy, it appears the maximum allowable expenditures in the purchased services budget category was $469,520 ($400,000 original purchased services budget line plus 10 percent of the total amended budget). We question the federal share of the payment made in excess of the documented approved budget category, or $225,680 (100 percent).

   The SIG requirements within 34 CFR Subtitle B, Chapter II, provides school districts shall implement a budget of sufficient size and scope to ensure the school district can implement the required improvement plans. Also, OMB Circular A-87, Section A.3.e.(3) indicates a State must adopt its own written fiscal and

administrative requirements for expending and accounting for all funds, which are consistent with the provisions of OMB Circular A-87, and extend such policies to all subrecipients. These fiscal and administrative requirements must be sufficiently specific to ensure funds are used in compliance with all applicable federal statutory and regulatory provisions, costs are reasonable and necessary for operating these programs, and funds are not used for general expenses required to carry out other responsibilities of a state or its subrecipients.

B. The DESE did not question the ability of the school district to spend the requested monies within 3 days of receipt as required. The school district requested payment from the DESE on September 3, 2009, and received the funds on September 21, 2009, for the entire grant amount of $695,200. The request for payment document indicated the school district had not previously expended any of these funds. It appeared unlikely that the school district could spend this entire grant in such a limited time frame. At our request, the DESE obtained documentation from the school district to support this payment. We noted the following concerns with the supporting documentation provided by the school district:

- The school district did not expend $93,060 within 3 days of receipt of grant funds from the DESE. The school district expended these funds between September 29, 2009 and January 20, 2010.

- The school district issued a $293,195 check on September 15, 2009, to a vendor for services yet to be performed from October 2009 through February 2010. Approximately $201,000 of the disbursement was reimbursed to the school through the payment request. By paying for these services in advance, the school district's options to compel satisfactory completion of the contract were reduced.

In addition to requiring recipients to establish procedures to minimize the time elapsing between receipt and disbursement of federal funds, OMB Circular A-133, Compliance Supplement Part 3, requires recipients (the DESE) to establish similar procedures for its subrecipients when funds are drawn in advance, rather than as a reimbursement. It also requires the DESE to monitor cash drawdowns by their subrecipients to ensure that subrecipients conform substantially to the same standards of timing and amount as apply to the pass-through entity.

WE RECOMMEND the DESE:

A. Ensure all payments are made in accordance with the approved budget, federal guidelines, and written policies, and budget amendments are adequately documented. In addition, the DESE should resolve the questioned costs with the grantor agency.

B. Establish procedures to ensure school districts appropriately expend funds received within the required time-frame.

AUDITEE'S RESPONSE

We agree with the auditor's findings. Our Corrective Action Plan includes our planned actions to address the findings.

2010-3.	**Monitoring of Recovery Act Funds**

Federal Agency: Department of Education
Federal Program: 84.386 ARRA - Education Technology State Grants, Recovery Act 2010 - S386A090025
84.389 ARRA - Title I Grants to Local Educational Agencies, Recovery Act 2010 - S389A090025
84.391 ARRA - Special Education Grants to States, Recovery Act 2010 - H391A090040
84.394 ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act 2010 - S394A090026
84.397 ARRA - State Fiscal Stabilization Fund - Government Services, Recovery Act 2010 - S397A090026
State Agency: Department of Elementary and Secondary Education (DESE)

The DESE did not monitor ARRA funds provided to school districts on a timely basis. ARRA funds for the programs noted above totaling approximately $664 million were provided to school districts through new and existing programs during state fiscal year 2010.

A. The DESE could have more timely monitored school district use of ARRA funds received under previously established programs. ARRA funds totaling approximately $182 million were provided to school districts through the Education Technology, Title I, and Special Education programs during fiscal year 2010. ARRA funds were allocated to eligible districts based on various program requirements and not all districts received funding under each program.

The DESE has an ongoing system of annual program reviews (including onsite and desk reviews) for monitoring school districts based on a 5-year rotational basis. Onsite reviews, as well as desk reviews, are used to assess whether expenditures are allowable and reasonable in nature. Supporting documentation of district expenditures is reviewed during onsite reviews, while only summary information provided by each school district is reviewed during desk reviews. Onsite reviews are performed of school districts the DESE has assessed as high

risk. Districts may also be included in an onsite review, based on the risk assessment performed by the DESE, regardless of the 5-year rotation. The reviews performed by the DESE in fiscal year 2010 covered only fiscal year 2009 expenditures, which had no ARRA program expenditures. School districts began incurring fiscal year 2010 expenditures under the Education Technology, Title I, and Special Education programs in July 2009. As of December 2010, the DESE had still not performed monitoring activities for these expenditures. The ARRA funds for these programs must be spent by September 30, 2011.

In addition, the DESE utilizes checklists for both onsite and desk reviews for each program to monitor school district use of federal funds. While the DESE has added a step to the checklist to require ARRA expenditures be reviewed during the fiscal year 2011 reviews, the DESE has not established the number or percentage of expenditures to be reviewed to ensure adequate coverage of ARRA expenditures. DESE officials indicated they did not change or expedite the monitoring for these ARRA funds because the purpose of these funds were the same as other grants schools had received in the past, school plans and budgets for the funds had been approved by DESE, and no guidance was received from the U.S. Department of Education (USDE) regarding additional monitoring of these ARRA funds.

B. The DESE did not monitor the State Fiscal Stabilization Fund (SFSF) monies provided to school districts on a timely basis to ensure compliance with federal guidelines. In March 2010, the DESE adopted a plan to monitor these new program monies; however, monitoring activities were not started until after significant expenditures were incurred and fiscal year 2010 had ended. The SFSF programs were new in state fiscal year 2010, and SFSF monies totaling approximately $482 million were provided to 551 school districts during the fiscal year.

Each school district was allocated SFSF monies at the beginning of the fiscal year based on the basic school funding formula, and the funds were disbursed to each school district monthly. These funds were allocated for general school district operations with few restrictions on use. However, these funds cannot be used for maintenance costs, stadiums or other facilities primarily used for athletic events, purchases or upgrades of vehicles, improvement of stand-alone administrative offices, and certain school modernization. Quarterly reports are prepared by the DESE identifying the total expenditures by budget category based on information provided by school districts. If applicable, jobs and vendor information is also provided by the school districts for the quarterly reports; however, supporting documentation is not required to be submitted.

The annual monitoring plan adopted by the DESE for the 551 school districts receiving SFSF monies called for onsite reviews of 11 higher risk school districts (2 percent); desk reviews of 111 school districts (20 percent), and reviews of the independent audit reports for all school districts. Supporting documentation of

district expenditures is reviewed during onsite reviews, while only summary information provided by each school district is reviewed during desk reviews. A detailed risk assessment was performed of each school district to determine which districts will receive onsite or desk reviews. The risk assessment included factors such as the amount of SFSF monies received by the school district, the school district's financial stability, and whether federal program findings were identified in the school district's independent audit reports.

Although the DESE began expending the SFSF in July 2009, the DESE did not perform a risk analysis of these funds until September 2010, or begin monitoring until November 2010. The majority of the monitoring planned for these programs had still not been completed almost 6 months after the end of the fiscal year. As of December 15, 2010, all 11 onsite reviews had been performed, but the desk reviews had not started. In addition, as of January 12, 2011, 539 of the 551 school districts had submitted independent audit reports, but only 119 of the audit reports had been reviewed by the DESE.

OMB Circular A-133, section .400(d)(3), requires the DESE to monitor subrecipients through reporting, site visits, regular contact, or other means "…to ensure federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts and grant agreements and performance goals are achieved." In addition, the USDE issued specific guidance over the SFSF program in April 2009, indicating the DESE has oversight responsibilities and must monitor activities to ensure compliance with all applicable federal requirements. Given the magnitude of ARRA funds received, the additional federal requirements related to these funds, and heightened federal expectations of transparency and accountability, more comprehensive and timely monitoring procedures appear needed. While current review procedures performed only after the conclusion of the fiscal year may be acceptable for existing ongoing programs, they may not be adequate for the additional temporary ARRA funds. Without adequate and timely monitoring of ARRA funds, noncompliance with federal guidelines is unlikely to be detected in a timely manner and would not allow corrective action by the DESE before the end of the program.

WE RECOMMEND the DESE develop additional monitoring procedures to ensure ARRA expenditures are in compliance with federal guidelines. In addition, these procedures should be performed on a timely basis.

AUDITEE'S RESPONSE

We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

2010-4.	Section 1512 Reporting

Federal Agency: Department of Education
Federal Program: 84.386 ARRA - Education Technology State Grants, Recovery Act 2010 - S386A090025

84.388 ARRA - School Improvement Grants, Recovery Act 2010 - S388S090026
84.389 ARRA - Title I Grants to Local Education Agencies, Recovery Act 2010 - S389A090025
84.391 ARRA - Special Education Grants to States, Recovery Act 2010 - H391A090040
84.392 ARRA - Special Education - Preschool Grants, Recovery Act 2010 - H392A090103
84.394 ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act 2010 - S394A090026
84.397 ARRA - State Fiscal Stabilization Fund - Government Services, Recovery Act 2010 - S397A090026
State Agency: Department of Elementary and Secondary Education (DESE)

The DESE does not have adequate controls and procedures in place to ensure Section 1512 reports are complete and accurate and payments made through the School Improvements Grants (SIG) program were not properly classified. In addition, the DESE does not have a formal written plan in place for the Section 1512 reporting process.

Section 1512 of the ARRA requires comprehensive reporting for certain ARRA awards to promote transparency and accountability over the use of such funds. This section requires various data elements to be reported on a quarterly basis by prime recipients detailing the use of ARRA funds including the total grant award, the amount received and expended, and certain elements for vendor payments and subawards. Additionally, prime recipients are required to report on planned projects and activities, including the status of project completion and an estimate of direct jobs created or retained. Prime recipients may solicit information for some data elements from subrecipients and vendors to help meet Section 1512 reporting requirements. Additionally, in some cases prime recipients may delegate certain reporting duties to their subrecipients, although the state of Missouri, as the prime recipient of these funds, has not delegated such responsibilities.

A. The DESE does not have adequate controls and procedures in place to provide assurance Section 1512 report information submitted by school districts and universities (subrecipients) is complete and accurate. During state fiscal year

2010, the DESE disbursed approximately $665 million in ARRA funds to subrecipients.

On a quarterly basis, school districts submit data specific for Section 1512 reporting through an online reporting system administered by the DESE. Once all information is received, DESE personnel compile data for each program, upload the information into the state's Section 1512 reporting system (STIM 360), and perform a review to ensure information entered into STIM 360 agrees to the online reporting system. Some elements submitted by the school districts, such as subaward identifying numbers, award amounts, and project descriptions, are consistent each quarter and are prepopulated in STIM 360 from prior quarters, requiring little oversight by the DESE on a quarterly basis. For other elements, DESE personnel review information submitted for reasonableness, and compare expenditure data to SAM II and revenue data to drawdown reports; however, the DESE relies on the accuracy and completeness of much of the other information submitted by the school districts, such as jobs created or retained and vendor payments, for each quarterly report. In addition, during state fiscal year 2010, the SIG program obtained jobs data from the program's one subrecipient, a state university; all other data elements were available at the DESE. However, the DESE relied on the jobs data received from the university for Section 1512 reporting purposes.

For the Education Technology, SIG, Title I, and Special Education programs, the DESE has an ongoing system of annual program reviews, including onsite monitoring and desk reviews, for monitoring school districts based on a 5-year rotation. For the State Fiscal Stabilization Fund (SFSF) program, a new program in state fiscal year 2010, the DESE has established a monitoring plan for reviewing a percentage of school districts each year, through both onsite monitoring and desk reviews. However, for each program, monitoring procedures performed did not include a review of documentation supporting the data submitted by subrecipients and relied on for Section 1512 reporting. According to DESE personnel, steps were added to the SFSF monitoring checklist during state fiscal year 2011 and they are working on adding steps to their monitoring checklists for the remaining programs to include a review of certain Section 1512 data elements.

OMB Memorandum M09-21 states the DESE, as prime recipient, is ultimately responsible for the reporting of all data required by Section 1512 of the ARRA. Additionally, the prime recipients, as owners of the data submitted, have the principal responsibility for the quality of the information submitted. Without adequate monitoring procedures in place over the subrecipient data, the DESE has less assurance the information included in the Section 1512 reports for the various programs is complete and accurate.

B. Payments made through the SIG program were not properly classified on the Section 1512 report. During the year ended June 30, 2010, the DESE expended

$400,000 in ARRA funds through the SIG program, all of which was disbursed to one university to provide technical and grant application assistance to school districts. Our review of the March 31, 2010, Section 1512 report for the SIG program noted payments made to the university were classified as vendor payments although the DESE indicated ARRA funds had been passed through to subrecipients on its Schedule of Expenditures of Federal Awards. According to DESE personnel, the payments were misclassified and will be correctly identified as subrecipient payments on future Section 1512 reports.

OMB Memorandum M09-21, Supplement 2, outlines the various reporting elements required to be reported, including vendor and subrecipient data. Data elements required to be reported differ if the payments are made to vendors versus subrecipients. Required data elements for subrecipients are more extensive and include items such as subaward number and amount and total amount of subawards disbursed, whereas vendor payments are only required to include a description of the product/service provided and the payment amount. Without properly classifying payments in Section 1512 reports, the DESE cannot ensure all data elements are reported as required.

C. The DESE does not have a formal written plan in place to address the Section 1512 reporting process. A formal written plan would help ensure Section 1512 reports are complete and accurate. The plan should, at a minimum, document the flow of information, define the responsibilities of subrecipients and various program personnel, and include procedures for ensuring the accuracy and completeness of all Section 1512 reporting elements. Without a formal written plan in place, the DESE has less assurance the various reporting responsibilities, such as data collection and verification, have been relayed to and understood by all parties of the reporting process.

WE RECOMMEND the DESE:

A. Establish procedures to ensure the accuracy and completeness of data submitted by subrecipients for Section 1512 reporting purposes.

B. Properly classify subawards on Section 1512 reports for the SIG program.

C. Establish a formal written plan for all programs that require Section 1512 reporting.

AUDITEE'S RESPONSE

A&B. We agree with the auditor's findings. Our Corrective Action Plan includes our planned actions to address the findings.

C. We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

2010-5.	Food Instruments

Federal Agency: Department of Agriculture
Federal Program: 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
2007 - 07WICSPNDRFD and 3MO700754-07
2008 - 3MO700754-08
2009 - 09WIC, 09WICSPNDFWD, and 09BRSTFEDWIC
2010 - 10WIC, 10WICSPNDFWD, and 10BRSTFEDWIC
State Agency: Department of Health and Senior Services (DHSS)
Questioned Costs: $43,140

For the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the DHSS does not have adequate controls in place to ensure the disposition of voided food instruments (WIC checks) are properly accounted for as required by program regulations.

The DHSS awarded subgrants to 118 local WIC providers (LWP) to certify applicant eligibility for benefits and to deliver benefits to eligible persons (participants). Periodically, participants receive checks which list the food to be purchased from authorized dealers by quantity, size, and brand. For example, a check issued in April 2010 provided that the maximum of $12.52 could be spent to purchase 24 ounces of infant cereal, approved brands and 16, 4-ounce jars of infant fruits/veggies, approved brands. All LWPs utilize the Missouri WIC Information Network System (MOWINS) to maintain information regarding participants and WIC checks.

During the year ended June 30, 2010, these LWPs issued over 7.5 million checks to participants, totaling approximately $156.5 million. Of the checks issued, 191,380 checks, totaling $4,904,961, were identified as void in the MOWINS. Checks are voided when returned as unused by a participant or when not issued to the participant because a wrong amount or item was printed. However, the DHSS does not have established procedures to identify if voided checks in MOWINS are later redeemed. Additionally, DHSS policies/procedures provide that voided checks are to be defaced as void and destroyed as soon as possible. This was not always done by the LWPs since checks voided in MOWINS were later redeemed by participants. As a result, we determined that 2,191 (1 percent) of the voided checks in MOWINS were redeemed by participants. We question the federal share of the voided checks that were issued and redeemed, or $43,140.

According to 7 CFR Section 246.12(q), the DHSS must account for the disposition of all WIC checks as either issued or voided, and as either redeemed or unredeemed. The disposition process must be performed within 120 days of the first valid date for participant use of the check and must be conducted in accordance with the financial management requirements of 7 CFR Section 246.13.

WE RECOMMEND the DHSS develop controls and procedures to prevent voided checks from being redeemed. In addition, the DHSS should resolve the questioned costs with the grantor agency.

AUDITEE'S RESPONSE

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2010-6.	**Eligibility Reassessments**

Federal Agency:	Department of Health and Human Services
Federal Program:	93.778 Medical Assistance Program 2009 - 0905MO5028 and 0905MO5048 2010 - 1005MO5MAP/XIX-MAP10 and 1005MO5ADM/XIX-ADM10 93.778 ARRA - Medical Assistance Program 2009 - 0905MOARRA and 2010 - 1005MOARRA
State Agency:	Department of Health and Senior Services (DHSS)
Questioned Costs:	$598,286

The DHSS does not have effective controls in place to ensure annual reassessments to determine the eligibility of recipients receiving State Plan Personal Care (PC) or Aged and Disabled Waiver (ADW) services are conducted, as required.

The Medical Assistance Program, also known as Medicaid, is administered by the Department of Social Services (DSS), MO HealthNet Division, while the DHSS is charged with providing comprehensive assessments/reassessments and case management services for Medicaid recipients who are eligible for the PC or the ADW program services, and to authorize the services to be provided based on a plan of care. These services provide assistance to help qualifying recipients remain in or return to their home or community, and include services such as bathing, grooming, and dressing; general toileting activities; cleaning, dusting, and laundry; meal preparation and/or assistance with eating and washing dishes; and transportation for shopping/errands and medical appointments. Other services include advanced personal care, authorized nurse visits, and respite care. During the year ended June 30, 2010, over 72,500 recipients received PC and ADW services, with payments for these services totaling approximately $466 million.

We tested 66 cases randomly selected from the Medicaid cases receiving PC or ADW services for all or part of the year ended June 30, 2010. Payments for the services related to these cases for the year ended June 30, 2010 totaled approximately $990,000. We noted the DHSS did not perform annual reassessments of eligibility for 49 of 66 (74 percent) cases reviewed. The most recent reassessment for the majority of these cases was completed 2 to 4 years ago; however, the most recent reassessment for 2 cases was

last completed over 10 years ago. As a result, the DHSS could not demonstrate payments related to these 49 cases were made on behalf of eligible individuals. The payments made on behalf of the recipients without annual reassessments during the year ended June 30, 2010, totaled $806,967. We question the federal share of these payments or $598,286 (74.14 percent).

Federal regulation 42 CFR Section 441.302(c) requires a reassessment of eligibility at least annually to ensure ADW recipients continue to be eligible for benefits, and the Cooperative Agreement between the DSS and the DHSS provides for periodic reassessments of the PC and ADW services to ensure the continued necessity, appropriateness, and adequacy of the services. The DHSS policy manual, section 1606.20, provides that the reassessment be completed at least annually to establish continued eligibility for services, ensure adequacy of the care plan and determine the level of client satisfaction of the provider and service delivery. The failure to perform annual reassessments as required can result in service payments being made on behalf of ineligible individuals.

WE RECOMMEND the DHSS establish effective controls to ensure the annual reassessments are conducted as required. In addition, the DHSS should resolve the questioned costs with the grantor agency.

AUDITEE'S RESPONSE

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

2010-7.	**Teacher Loan Forgiveness Payments**

Federal Agency: Department of Education
Federal Program: 84.032 Federal Family Education Loans
State Agency: Department of Higher Education (DHE)
Questioned Costs: $1,408,723

The DHE did not make payments to lenders within 45 days as required by program regulations for teacher loan forgiveness (TLF) claims. During the year ended June 30, 2010, payments totaling approximately $3.83 million were made for 558 TLF claims.

The DHE is Missouri's guarantor agency for student loans generated under the Federal Family Education Loan program. The DHE contracts with a loan servicer to act on the state's behalf in processing TLF claims received from lenders for teachers requesting forgiveness of their student loans. The contractor's responsibilities include determining whether certain eligibility requirements are met, approving or denying TLF claims, and processing and paying approved claims in accordance with federal regulations.

DHE compliance personnel periodically review TLF claims processed by the loan servicer for compliance with federal regulations, which includes ensuring approved TLF claims are paid within 45 days after receiving lender requests. As noted in our prior report, the DHE review of TLF claims paid in fiscal year 2010 noted errors with the timeliness of some payments made. During our current audit, we tested 16 TLF claim payments and identified 7 that were not paid timely according to federal regulations. Although these payments appeared to be for eligible recipients, payments were made between 51 and 58 days after receiving the lenders' requests.

Of the TLF claims paid during the year ended June 30, 2010, the DHE identified 184 claims (33 percent) that were paid untimely, which includes the 7 errors noted during our review. All fiscal year 2010 TLF claim payments identified as being paid untimely occurred between July and October 2009. We question the federal share of the 184 claim payments, or $1,408,723. Both the loan servicer and the DHE indicated procedures were updated in October 2009 to use the correct date parameters and to ensure the timely payment of TLF claims. Since this change, the DHE review has not identified any errors and our review of five TLF claims paid between November 2009 and June 2010 also did not identify any errors.

Federal regulation 34 CFR 682.215(f)(3) requires the guaranty agency, within 45 days of receiving the lender's request, determine if the borrower is eligible for loan forgiveness, notify the lender of the determination, and if approved, pay the lender the amount of the claim, up to $17,500.

WE RECOMMEND the DHE continue monitoring to ensure TLF payments are made in a timely manner in accordance with federal regulations. In addition, the DHE should resolve the questioned costs with the grantor agency.

AUDITEE'S RESPONSE

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reason for our disagreement and any planned actions to address the finding.

2010-8. State Fiscal Stabilization Fund

Federal Agency:	Department of Education
Federal Program:	84.394 ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act 2010 - S394A090026 84.397 ARRA - State Fiscal Stabilization Fund - Government Services, Recovery Act 2010 - S397A090026
State Agency:	Department of Higher Education (DHE)

The DHE does not have policies and procedures in place to monitor the State Fiscal Stabilization Fund (SFSF) monies provided to subrecipients to ensure compliance with federal guidelines. The DHE did not properly identify the source of federal funds disbursed to subrecipients or relay audit responsibilities under OMB Circular A-133 as required. In addition, the DHE does not have adequate controls and procedures in place to ensure Section 1512 reports are complete and accurate for the SFSF program.

During state fiscal year 2010, the DHE disbursed approximately $134 million of SFSF monies, awarded under the ARRA, to 23 state Institutions of Higher Education (institutions) to restore state support. Each institution was allocated SFSF monies at the beginning of the fiscal year based on amounts appropriated by the state legislature. The DHE disbursed the funds to the various institutions in 12 equal monthly payments during the fiscal year. The SFSF program monies are required to be obligated or expended by September 30, 2011, and the DHE anticipates disbursing the remainder of program funds, an estimated $41 million, to the institutions by the end of June 2011.

A. The DHE has not established a monitoring plan to review funds provided to and expended by the institutions and has not performed any monitoring of the SFSF monies, such as on-site monitoring visits, desk reviews, or obtaining OMB Circular A-133 audit reports from the various institutions. According to DHE officials, they were unaware of their monitoring responsibilities over SFSF monies and do not have or intend to establish an audit function within the DHE to fulfill such responsibilities. However, DHE personnel indicated they have recently contracted out monitoring activities over the institutions, which are set to begin during March 2011.

   OMB Circular A-133 requires the DHE to monitor subrecipients to ensure federal awards are used for authorized purposes in compliance with laws, regulations, and provisions of contracts and grant agreements and that performance goals are achieved. In addition, the U.S. Department of Education issued specific guidance over this program in April 2009, indicating the DHE has oversight responsibilities and must monitor activities to ensure compliance with all federal requirements of the SFSF program. Given the magnitude of ARRA funds received, the additional federal requirements relating to these funds, and the heightened federal expectations of transparency and accountability, timely monitoring of the use of funds by the institutions is needed. Without adequate and timely subrecipient monitoring procedures, there is less assurance funds disbursed to the institutions are used for the intended purpose, and noncompliance with federal guidelines is unlikely to be detected in a timely manner and would not allow for corrective action before the program ends.

B. The DHE did not identify the federal award information to each institution at the time of subaward as required by federal regulations. While a spreadsheet was provided to each institution outlining the funding sources and monthly amounts to be received from the state, including funding from the state's Federal Budget Stabilization Fund, the spreadsheet did not identify specific federal award

information such as the CFDA title and number, award year, or the federal agency. Additionally, each institution signed a Statement of Assurances outlining the specific ARRA compliance requirements and their responsibilities for meeting those requirements; however, the DHE did not communicate the responsibilities of the institutions to comply with additional SFSF program requirements or the general requirements applicable to all federal programs. Furthermore, the DHE did not communicate the responsibilities of the institutions to separately identify ARRA funds on their schedule of expenditures of federal awards (SEFA), or meet OMB Circular A-133 Single Audit requirements.

OMB Circular A-133, Section .400(d), requires the DHE, as a pass-through entity, to identify federal awards made by informing each subrecipient of the CFDA title and number, award name and number, award year, and the name of the federal agency. In addition, the pass-through entity is required to ensure that subrecipients expending $500,000 or more in federal awards during the subrecipient's fiscal year have met A-133 Single Audit requirements. OMB Circular A-133 Compliance Supplement Part VII, also requires pass-through entities to require their subrecipients to separately identify the expenditures of federal awards under the ARRA on their SEFA. Without properly identifying federal award information to institutions or communicating responsibilities, the DHE has less assurance the institutions understand their responsibilities in meeting the federal requirements.

C. The DHE does not have adequate procedures in place to provide assurance Section 1512 report information submitted by the institutions is complete and accurate. The DHE has limited procedures to ensure expenditure and subaward data is complete and accurate; however, the DHE does not perform any monitoring of institution-submitted data, through either on-site monitoring or desk reviews of supporting documentation, to ensure elements relied on for reporting purposes are adequately supported.

Section 1512 of the ARRA requires comprehensive reporting for certain ARRA awards to promote transparency and accountability over the use of such funds. This section requires various data elements to be reported on a quarterly basis by prime recipients detailing the use of ARRA funds including the total grant award, the amount received and expended, and certain elements for vendor payments and subawards made. Additionally, prime recipients are required to report on planned projects and activities, including the status of project completion and an estimate of direct jobs created or retained. Prime recipients may solicit information for some data elements from subrecipients and vendors to help meet Section 1512 reporting requirements. Additionally, in some cases, prime recipients may delegate certain direct reporting duties to their subrecipients, although the state of Missouri, as the prime recipient of these funds, has not delegated such responsibilities.

On a quarterly basis, the DHE sends out a Section 1512 report template to be completed and returned by each institution. Once all information is received, DHE personnel enter the data into the state's Section 1512 reporting system (STIM 360) and perform a review to ensure information entered agrees to the information received from the institutions. Some elements submitted by the institutions, such as subaward identifying numbers, award amounts, and project descriptions, are consistent each quarter and are prepopulated in STIM 360 from prior quarters, requiring little oversight from the DHE on a quarterly basis. For the other elements, DHE personnel review information submitted for reasonableness and compare expenditure data to SAM II; however, the DHE relies on the accuracy and completeness of much of the other information submitted by the institutions, such as jobs created or retained and vendor payments, for each quarterly report. As of December 2010, institutions had not submitted any vendor payment information and the DHE could not determine whether any vendor information should have been included, although program descriptions submitted by some institutions contained plans that could involve vendor purchases.

OMB Memorandum M09-21 states the DHE, as prime recipient, is ultimately responsibility for reporting of all data required by Section 1512 of the ARRA. Additionally, the prime recipients, as owners of the data submitted, have the principal responsibility for the quality of the information submitted. Without adequate monitoring procedures in place over the data submitted by the institutions, the DHE has less assurance the information included in the Section 1512 reports for the SFSF program is complete and accurate.

WE RECOMMEND the DHE:

A. Develop policies and procedures for the timely monitoring over the use of SFSF program monies by the institutions to ensure compliance with federal requirements.

B. Establish procedures to identify federal award information to the institutions at the time of the subaward and communicate subrecipient responsibilities under OMB Circular A-133.

C. Develop policies and procedures for the SFSF program to ensure the accuracy and completeness of data submitted by the institutions for Section 1512 reporting purposes.

AUDITEE'S RESPONSE

We agree with the auditor's findings. Our Corrective Action Plan includes our planned actions to address the findings.

2010-9.	Benefit Payments

Federal Agency: Department of Labor
Federal Program: 17.225 Unemployment Insurance
2009 - UI-18030-09-55-A-29
2010 - UI-19592-10-55-A-29
17.225 ARRA - Unemployment Insurance
2009 - UI-18030-09-55-A-29
2010 - UI-19592-10-55-A-29
State Agency: Department of Labor and Industrial Relations (DLIR)

Controls and procedures used to manage unemployment benefits were not adequate, resulting in errors in benefits paid or owed to claimants and in establishing overpayments. During the year ended June 30, 2010, total federal unemployment insurance benefits paid totaled over $2.2 billion.

According to 20 CFR Part 601.1, the structure of the Unemployment Insurance (UI) program is based on federal statute; however, it is implemented through state law. The UI program is funded through a combination of employer payroll taxes, employer reimbursements and federal monies, depending on the types of benefits paid. The ARRA provided additional federal funding for additional weeks of Emergency Unemployment Compensation (EUC) and Extended Benefits (EB), as well as Federal Additional Compensation (FAC) consisting of $25 weekly to supplement the unemployment benefits of eligible claimants. Further extension of these programs, which extended the program end dates, were funded with federal general revenues.

A claimant has several levels/types of benefits that can be received depending on eligibility and the timing of the benefits. Regular UI benefits are the first level against which eligible claimants can draw. After regular benefits have been exhausted, a claimant can receive EUC benefits which involves four tiers. When the First Tier benefits are exhausted, the claimant can receive benefits from the Second Tier, and so forth, if certain criteria are met. Each tier represents additional weeks of benefits that can be claimed. When triggered during times of high unemployment, a claimant can also receive benefits from the EB level after the EUC benefits are exhausted.

The DLIR has various procedures to detect unreported wages earned by claimants receiving unemployment benefits. When this occurs, a claimant may have been overpaid unemployment benefits, depending on the amount of wages unreported. If overpaid, the DLIR will establish an overpayment of benefits and take measures to recover the overpayment. Also, an overpayment can result in restoring a balance to the specific types or tiers of benefits. Thus, one level of benefits may not have been exhausted before payments were made from the next level.

Due to concerns noted in the prior report, computer programming was implemented by the DLIR to identify claimants with potential restored balances due to overpayments;

however, the DLIR indicated 2,187 such cases remained unresolved as of January 3, 2011. DLIR personnel indicated these cases have to be reviewed manually, and while four employees have been trained to resolve these issues, staff members are often pulled from this area to work on other benefit disbursement issues relating to further program extensions, which take priority. We reviewed 61 benefit payments, covering the various payments types, made to 25 claimants listed on the DLIR report of potential restored balances as of January 21, 2011. During our review, we noted 17 errors in the accounts of 14 of these claimants.

A. For eight accounts reviewed, we noted benefits from a previous level were initially exhausted; however, due to the DLIR identifying the failure of the claimants to report wages earned, overpayments of benefits totaling $3,592 were established. Since these overpayments were made from a level that had previously been exhausted, when repaid or recouped, the benefits of that previous level will no longer be exhausted. As a result, the potential exists that these benefits would not subsequently be paid to the claimants when owed. The DLIR needs to expedite efforts to resolve all overpayment cases with potential restored balances, to ensure claimants subsequently receive all applicable benefits owed.

   Generally, all monies should be paid from one level before payments are made from the next level. The overpayments above were established in a prior level but benefits continued to be paid out from subsequent levels, instead of reverting back to the level where the overpayment was repaid or recouped until that level was again exhausted. As a result, the previous levels still have some benefits available to these claimants that had not been utilized. Unemployment Insurance Program Letter (UIPL) 23-08 indicates EUC is payable to individuals who have exhausted all rights to regular compensation and UIPL 23-08, Change 3, indicates an individual will qualify for Second Tier benefits when First Tier is exhausted. Also, UIPL 23-08 Change 5, indicates an individual may qualify for the next higher Tier when the Second Tier or Third Tier is exhausted.

B. For one account reviewed, an overpayment of $4,760 (which includes $500 overpayment of FAC) was not properly established on an EUC Tier 1 claim due to an oversight by DLIR personnel entering the identified overpayments. Benefit payments totaling $11,536 (which includes $1,225 of FAC) were issued for regular UI, EUC Tier I, and EUC Tier II benefit programs to a claimant initially found eligible by the Appeals Tribunal. When the DLIR Commission later reversed the decision of the Appeals Tribunal, the claimant was declared ineligible to have received these benefits and a notice was sent to the Benefit Payment Control Unit to establish the overpayments. Overpayments were properly established for the regular UI overpayment of $5,824 and the EUC Tier II overpayment of $952; however, an overpayment was not established for the EUC Tier I amount of $4,760.

   Section 288.380.9(3), RSMo, provides future unemployment benefits may be offset for overpayments and Section 288.380.14, RSMo, provides recovering

overpaid benefits may be pursued through billing, setoffs against state and federal tax refunds, intercepts of lottery winnings, and other collection efforts. Procedures should be reviewed to ensure all overpayments are properly established so collection can be pursued.

C. For eight accounts reviewed, we noted FAC overpayments totaling $425 were not offset from other weekly benefits disbursed to claimants. DLIR personnel indicated that computer programming was implemented at the beginning of the FAC program to ensure FAC monies were only used to offset FAC overpayments. FAC overpayments were recovered from subsequent FAC benefits until the FAC program ended on December 11, 2010, at which time recovery of FAC overpayments ceased. DLIR personnel indicated they detected the FAC offset issue prior to our review and the Information Technology Services Division is currently updating computer programming to recover FAC overpayments from other allowable benefits.

   UIPL 11-09 provides that FAC may only be used to offset FAC overpayments; however, it also provides a state may use other Federal Unemployment Compensation to offset FAC overpayments in that state.

Personnel indicated the U.S. Department of Labor had issued numerous implementation instructions because of the continuous program extensions and the DLIR was under very restricted time constraints to implement changes immediately.

WE RECOMMEND the DLIR:

A. Expedite efforts to resolve cases with restored balances and ensure any payments due to the claimants are paid.

B. Develop procedures to ensure all overpayments are properly established so collection can be pursued.

C. Implement computer programming to offset FAC overpayments from other allowable benefits.

AUDITEE'S RESPONSE

We agree with the auditor's findings. Our Corrective Action Plan includes our planned actions to address the findings.

2010-10.	Reporting

Federal Agency: Department of Labor
Federal Program: 17.225 Unemployment Insurance
2009 - UI-18030-09-55-A-29
2010 - UI-19592-10-55-A-29
17.225 ARRA - Unemployment Insurance
2009 - UI-18030-09-55-A-29
2010 - UI-19592-10-55-A-29
State Agency: Department of Labor and Industrial Relations (DLIR)

Controls and procedures over reporting are in need of improvement. Due to inadequate procedures and a lack of oversight, reports necessary to comply with federal reporting requirements were not submitted timely and some reports submitted were not accurate.

The U.S. Department of Labor (USDOL) Employment and Training Administration (ETA) requires state agencies participating in the Unemployment Insurance (UI) program to submit various reports to document program and administrative expenditures and activity. Reports may be submitted monthly, quarterly, or annually, depending on the specific report.

The DLIR has an individual that is responsible for monitoring most reports and ensuring reports are filed timely; however, no one is responsible for monitoring the timeliness of the ETA 9130 reports. The ETA 9130 Financial Report provides detailed expenditure information on the grant award activities, and numerous reports should be filed quarterly for the various activities associated with each type of grant. Of the 52 ETA 9130 reports filed for the year ended June 30, 2010, 15 (29 percent) were filed 9 to 20 days after the due date. Most of the reports required for the quarter ended March 31, 2010, and some reports for the quarter ended December 31, 2009, were not filed timely. Although the DLIR utilizes a USDOL system in place that produces a report called "reports prompt" (timely) and a report called "reports not prompt", the ETA 9130 reports are not tracked through this system.

In addition, all monthly ETA 2112 reports filed with the USDOL during fiscal year ended June 30, 2010, were inaccurate, and 1 of 12 (8 percent) of the reports was submitted 25 days late. According to the UI Reports Handbook No. 401, the ETA 2112 UI Financial Transaction Summary report is a required monthly summary of transactions in the state unemployment fund. The ETA 2112 reports included incorrect totals for ARRA and non-ARRA benefits paid. For example, we noted one error which resulted in underreporting $9.5 million of restricted ARRA monies in the Unemployment Trust Fund Account. While DLIR procedures for the review of the ETA 2112 reports required the preparer to submit the report and supporting documentation to supervisory staff for review, these procedures were not adequate to detect the errors. Also, the DLIR had known since January 2010 that ARRA and non-ARRA benefit payment amounts were not accurately segregated in the accounting records, which resulted in inaccurate ETA 2112 reports.

After receiving additional guidance from the USDOL, the computer system was reprogrammed and the DLIR began revising reports for resubmission. Once all reports are revised for the year ended June 30, 2010, the reports will be resubmitted to the USDOL. As of February 2011, corrections are still pending and reports have not been resubmitted to the USDOL.

With the lack of oversight, not utilizing the system in place to monitor timeliness of reports, and not properly recording the ARRA versus non-ARRA benefits paid, reports were not submitted timely or accurately.

WE RECOMMEND the DLIR improve procedures to ensure applicable reports are filed with the USDOL within the required timeframe. The DLIR should ensure adequate oversight of the reporting process to ensure reports are accurate and utilize the tracking reports to monitor the timeliness of reports.

AUDITEE'S RESPONSE

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2010-11. Schedule of Expenditures of Federal Awards

Federal Agency: Department of Labor
Federal Program: 17.225 Unemployment Insurance
2009 - UI-18030-09-55-A-29
2010 - UI-19592-10-55-A-29
17.225 ARRA - Unemployment Insurance
2009 - UI-18030-09-55-A-29
2010 - UI-19592-10-55-A-29
State Agency: Department of Labor and Industrial Relations (DLIR)

DLIR controls and procedures are not sufficient to prevent or detect errors in accounting records and financial reports and to ensure the timely preparation of an accurate schedule of expenditures of federal awards (SEFA).

Financial accounting records consisting of cash journals, general ledgers, and trial balances, which are used in the preparation of the SEFA, were not accurate. Due to personnel changes related to an employee retirement, duties were reassigned and a different employee started preparing the records during the audit period. The employee who previously prepared the records became responsible for reviewing the records. However, the preparation and review of these records was not adequate. During our review, various errors were noted. In addition, during a significant portion of the audit period, the DLIR was unable to separately identify regular Unemployment Insurance (UI) and ARRA UI expenditure amounts relating to benefit payments, as required, on financial accounting records and reports. The DLIR indicated this was because directives issued by

the U.S. Department of Labor (USDOL) in Unemployment Insurance Program Letters were unclear as to funding sources (ARRA or federal general revenue) for various program extensions, and requests to the USDOL for clarification were not answered timely. Although the DLIR reconciliation procedures detected these potential reporting discrepancies for ARRA amounts as early as January 2010, a corrective course of action was not determined until July 2010 when further guidance was obtained. After making programming changes, regenerating various financial reports, reviewing the financial reports, and making corrections to the financial reports, the DLIR was finally able to produce an accurate SEFA and supporting financial reports on December 20, 2010.

Also, because the financial accounting records and reports were not finalized in a timely manner, the DLIR was delayed in providing to the Office of Administration financial statements and related adjusting entries necessary for presentation in the state of Missouri Comprehensive Annual Financial Report. Additionally, periodic reports filed to comply with other federal UI program reporting requirements were originally based on inaccurate data, requiring the reports to be re-submitted to the USDOL.

Recipients are required to maintain records that identify adequately the source and application of ARRA awards and provide separate identification of ARRA awards in their SEFA, pursuant to 2 CFR 176.210(b). The financial management system must accurately generate the required reports and allow tracing of funds to establish ARRA and non-ARRA funds were used for authorized purposes and allowable costs. In addition, the controls over the accounting records should provide accurate data for other required federal reports.

WE RECOMMEND the DLIR implement procedures to prepare a complete and accurate SEFA in a timely manner. In addition, the DLIR should ensure financial accounting records and reports are prepared properly and adequately reviewed to detect and correct errors in a timely manner.

AUDITEE'S RESPONSE

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2010-12. Comprehensive Home and Community-Based Services Waiver

Federal Agency: Department of Health and Human Services
Federal Program: 93.778 Medical Assistance Program
2009 - 0905MO5028 and 0905MO05048
2010 - 1005MO5ADM and 1005MO5MAP
93.778 ARRA - Medical Assistance Program
2009 - 0905MOARRA
2010 - 1005MOARRA

State Agency: Department of Social Services - Missouri HealthNet Division (DSS-MHD), and the Department of Mental Health - Division of Developmental Disabilities (DMH-DD)

During the fall of 2009, the DMH-DD converted services provided to MO HealthNet-eligible clients at two state-operated facilities from the Intermediate Care Facilities for the Mentally Retarded (ICF/MR) Program to a Medicaid Waiver program without ensuring the related services constituted allowable home and community-based services. The federal grantor agency, U.S. Department of Health and Human Services (DHHS) Centers for Medicare and Medicaid Services (CMS), subsequently disapproved a waiver amendment request related to this action.

Pursuant to 42 CFR, Part 441(G), the DSS-MHD has obtained a waiver of statutory requirements to provide an array of home and community-based services (which may permit an individual to avoid institutionalization), including the Mental Retardation/Developmental Disabilities Comprehensive Home and Community-Based Services Waiver (MRDD comprehensive waiver). The DSS-MHD has entered into an interagency agreement with the DMH-DD to operate this waiver program. While the DSS-MHD serves as the oversight agency for the MRDD comprehensive waiver, actual operation of the waiver program is overseen by the DMH-DD since it is the statutorily-authorized agency with administrative charge and control of the provision of services to persons with mental retardation and developmental disabilities.

As a way of addressing budget cuts in state fiscal year 2010, the DMH-DD initiated the conversion of ICF/MR services provided to 315 individuals residing at the Marshall Habilitation Center (MHC) and the St. Louis Developmental Disabilities Treatment Center (SLDDTC) to MRDD comprehensive waiver services. Much of the expected savings to the state was related to the reduction or elimination of staff in the dietary and housekeeping departments at those institutions since the dietary and housekeeping needs of the clients would be provided by direct care staff and/or the clients themselves.

According to DMH-DD officials, they met and communicated with certain regional CMS officials both prior to and during this conversion, and they indicated no serious reservations were expressed by the federal officials about DMH proposed actions. The clients affected by this conversion resided in group home-style cottages at the respective facilities. The actual conversion of services at the MHC and SLDDTC occurred at various intervals between September 15, 2009, and November 15, 2009, and the billing for services began effective on the date of conversion at the respective facilities.

In February 2010, after receiving supporting information from the DMH-DD, the DSS-MHD submitted an amendment of the MRDD comprehensive waiver to the CMS to obtain formal approval for this expansion of the waiver program for the converted clients. However, in early August 2010, the Administrator of the CMS denied this waiver amendment request. In a letter disapproving the amendment request, the federal official indicated that because the proposed services were to be provided to individuals on the grounds of a large state-operated institution the state amendment did not meet the

requirements of: 1) 42 CFR, Section 441.301(b)(1)(ii), which requires the state waiver request must provide that waiver services will be furnished only to recipients who are not inpatients of a hospital, nursing facility, or ICF/MR, or 2) 42 CFR, Section 441.300, which permits states to offer waiver services that individuals need in order to avoid institutionalization.

According to information provided by the DMH, approximately $36 million was billed for MRDD comprehensive waiver services provided to the applicable clients at the MHC and SLDDTC during the year ended June 30, 2010. The state received approximately $26.8 million, the federal share of billed costs, with the DMH receiving approximately $23.2 million of this amount. An additional $5.7 million was billed for waiver-related services provided at these two facilities during the first 2 months of the next fiscal year. The state received approximately $4.2 million, the federal share of billed costs, with the DMH receiving approximately $3.7 million of this amount.

As of early February 2011, DSS and DMH officials indicated the CMS has not formally communicated regarding the claims related to these services. In addition, DMH officials indicated actions have been taken to recertify the applicable beds at the MHC and SLDDTC for ICF/MR participation effective August 15, 2010.

WE RECOMMEND the DMH-DD work with the DSS-MHD and the DHHS-CMS to resolve this matter. In addition, the DMH-DD should ensure the services related to any future planned expansion of this program constitute home and community-based services.

AUDITEE'S RESPONSE

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2010-13.	**Section 1512 Reporting**

Federal Agency:	Department of Energy Environmental Protection Agency
Federal Program:	66.458 ARRA - Capitalization Grants for Clean Water State Revolving Funds 2009 - 2W977080-01 66.468 ARRA - Capitalization Grants for Drinking Water State Revolving Funds 2009 - 2F977082-01 81.042 ARRA - Weatherization Assistance for Low-Income Persons 2009 - DE-EE0000151
State Agency:	Department of Natural Resources (DNR)

The DNR needs to strengthen controls and procedures in place to ensure Section 1512 reports are complete and accurate for the Weatherization Assistance for Low-Income Persons (WAP) program. In addition, the DNR does not have a formal written plan in place for the Section 1512 reporting process.

Section 1512 of the ARRA requires comprehensive reporting for certain ARRA awards to promote transparency and accountability over the use of such funds. This section requires various data elements to be reported on a quarterly basis by prime recipients detailing the use of ARRA funds including the total grant award, the amount received and expended, and certain elements for vendor payments and subawards. Additionally, prime recipients are required to report on planned projects and activities, including the status of project completion and an estimate of direct jobs created or retained. Prime recipients may solicit information for some data elements from subrecipients and vendors to help meet Section 1512 reporting requirements. Additionally, in some cases, prime recipients may delegate certain direct reporting duties to their subrecipients, although the state of Missouri, as the prime recipient of these funds, has not delegated such responsibilities.

A. The DNR needs to strengthen controls and procedures in place to provide assurance Section 1512 report information submitted by subrecipients of the WAP program is complete and accurate. The DNR, Division of Energy is responsible for administering the WAP program for the state of Missouri. The majority of WAP funds are passed through to subrecipients, consisting of 17 Community Action Agencies and 7 other local agencies throughout the state. During the state fiscal year 2010, the DNR disbursed approximately $21 million in WAP program ARRA funds to subrecipients.

   On a quarterly basis, subrecipients submit various forms to the DNR to provide required program information for Section 1512 reporting purposes, such as vendor activity, jobs created and retained, and expenditure data. Once information is received, the DNR tracks and compiles expenditure and subrecipient data and enters the data into the state's Section 1512 reporting system (STIM 360). Some elements submitted by subrecipients, such as subaward identifying numbers, award amounts, and project descriptions, are consistent each quarter and are prepopulated in STIM 360 from prior quarters, requiring little oversight from the DNR on a quarterly basis. For other elements, DNR personnel review information submitted for reasonableness and compare expenditure data to SAM II; however, the DNR relies on the accuracy and completeness of much of the other information submitted by subrecipients, such as jobs created and retained and vendor payments, for each quarterly report. The DNR performs three technical and two procedural monitoring visits each year for all subrecipients to review program supporting documentation and to ensure work was completed as indicated. However, the field visits do not include a review of documentation supporting the data submitted by subrecipients and relied on for Section 1512 reporting purposes.

OMB Memorandum M09-21 states the DNR, as prime recipient, is ultimately responsible for the reporting of all data required by Section 1512 of the ARRA. Additionally, the prime recipients, as owners of the data submitted, have the principal responsibility for the quality of the information submitted. Strengthening monitoring procedures in place over the subrecipient data would provide the DNR more assurance the information included in the Section 1512 report for the WAP program is complete and accurate.

B. While some procedures are in place, the DNR does not have a formal written plan in place to address the Section 1512 reporting process for the WAP, Clean Water State Revolving Fund, or Drinking Water State Revolving Fund programs. The DNR currently has a spreadsheet listing all programs requiring Section 1512 reporting which documents the various data elements required, the method and source of information, and the report preparer and reviewer; however, the spreadsheet does not document a formal work plan for ensuring the accuracy and completeness of Section 1512 reports.

   A formal written plan for each applicable program would help ensure Section 1512 reports are complete and accurate. The plan should, at a minimum, document the flow of information, define the responsibilities of subrecipients and various program personnel, and include procedures for ensuring the accuracy and completeness of all Section 1512 reporting elements. A formal written plan would provide the DNR more assurance the various reporting responsibilities, such as data collection and verification, have been relayed to and understood by all parties of the reporting process.

WE RECOMMEND the DNR:

A. Strengthen procedures for the WAP program to ensure the accuracy and completeness of data submitted by the subrecipients for Section 1512 reporting purposes.

B. Establish a formal written plan for all programs that require Section 1512 reporting.

AUDITEE'S RESPONSE

We disagree with the auditor's findings. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

2010-14.	Capital Assets

Federal Agency: Department of Defense
Federal Program: 12.401 National Guard Military Operations and Maintenance Projects
2009-DAHA23-09-2-1000 and 2010-DAHA23-10-2-1000
State Agency: Department of Public Safety - Adjutant General (AG)

The AG did not maintain proper records of capital assets acquired through the above referenced program, or adequately perform periodic inventories to ensure these assets are accounted for properly. Additionally, some capital asset expenditures were not properly classified. During fiscal year ended June 30, 2010, approximately $1 million of program funds were expended on capital assets (excluding construction in process and land) for the various facilities statewide.

A. Some assets purchased during state fiscal year 2010 have not been properly accounted for in the AG internal capital asset tracking system or SAM II, Fixed Asset Subsystem, and some assets have not received a property tag and asset number. Although the AG responded in two prior audit reports that improvements had been made in tracking capital assets, more improvement is needed. AG personnel again indicated the staff position assigned responsibility for tracking capital assets was not able to keep up with the high workload, resulting in a backlog of assets not tagged or entered into the internal or SAM II capital asset tracking systems.

Our review of 42 capital asset purchases (costing $1,000 or more) made during state fiscal year 2010, totaling approximately $486,300, noted 10 assets totaling about $65,000 lacked property tag numbers. Additionally, 31 of the capital asset purchases reviewed, valued at approximately $365,700, had not been entered in the internal capital asset tracking system and 32 of the capital asset purchases reviewed, valued at approximately $324,800, had not been entered in the SAM II capital asset tracking system. Also, the AG had only performed physical inventories during fiscal year 2010 for 2 of the 56 different property books used to track assets purchased with these funds. Assets listed in these property books are at various locations throughout the state.

After we again brought these concerns to the attention of AG personnel, in an effort to alleviate the backlog of assets not tagged or entered into either capital asset tracking system, an additional staff person was assigned duties related to tracking capital assets in October 2010. Approximately $44,100 of the capital asset purchases we reviewed were subsequently added to the SAM II capital asset tracking system.

To ensure capital assets are accounted for properly, the AG should follow its current capital asset procedures, ensuring all newly purchased assets are assigned

property tags and entered into both the internal and SAM II capital asset tracking systems in a timely manner, and physical inventories are performed annually. In addition, to ensure the capital asset records are complete and accurate, the AG should continue to investigate the backlog of untagged capital assets.

B. AG personnel have not completed a reconciliation between expenditure records and capital asset records in the SAM II or internal capital asset tracking systems.

- A reconciliation between expenditure records and the SAM II capital asset tracking system is in progress; however, as of October 2010, approximately $600,000 of the $4.5 million in capital asset expenditures from fiscal year 2002 through 2010 has not been reconciled.

- A reconciliation between expenditure records and the AG internal capital asset tracking system is not performed. The AG policy is to tag all capital assets with an acquisition cost or fair market value greater than $250 at the time of acquisition. This policy differs from the state policy of tagging capital assets of $1,000 or more, and the AG maintains an internal capital asset tracking system to account for all capital assets that are tagged by the AG.

A reconciliation between expenditure records and both the SAM II and internal capital asset tracking systems would ensure all acquisitions of capital assets have been identified and properly recorded in appropriate property books for annual inventory.

C. Equipment expenditures were not always properly classified to specific capital asset object codes in the SAM II accounting system. As a result, some equipment was not identified in the system for proper tracking and was subsequently omitted from all capital asset records. The following expenditures were not charged to the capital asset object codes as required.

- Computer equipment with a unit price of $4,422 and total price of $17,688 was charged to "under threshold - computer equipment".

- Uninterruptible power supplies with a unit price of $1,012 and a total price of $6,072 were charged to "under threshold - other equipment".

- Electronic security equipment costing $5,925 was charged as "electrical supplies".

The failure to record appropriate expenditures as capital assets reduces the control and accountability over capital assets and increases the potential for loss, theft, or misuse of assets.

The cooperative agreement between the AG and the U.S. Department of Defense, National Guard Bureau requires the state to account for and manage equipment acquired

under this program. In addition, OMB Circular A-133, Compliance Supplement Part 3, indicates that a state shall use, manage, and dispose of equipment acquired under a federal grant in accordance with state laws and procedures. State regulation, 15 CSR 40-2.031, requires each department to establish and maintain a system of control and control records for capital assets, identify capital assets with a numbered tag, and perform an annual physical inventory for assets with a value of $1,000 or more. In addition, Missouri National Guard Regulation 735-1 requires all capital assets with a value greater than $250 at the time of acquisition will be tagged and accounted for properly. To ensure compliance with state and federal regulations and internal policy and to safeguard assets against loss and misuse, the AG should have adequate procedures in place to account for and track capital assets.

WE RECOMMEND the AG:

A. Ensure all equipment is properly assigned a property tag number and entered into both the internal and SAM II capital asset tracking systems. In addition, the AG should ensure annual physical inventories are performed, and continue to investigate the backlog of untagged capital assets.

B. Ensure capital asset reconciliations between expenditure records and capital asset records in both the SAM II and internal capital asset tracking systems are completed.

C. Ensure capital asset expenditures are charged to appropriate object codes.

AUDITEE'S RESPONSE

We agree with the auditor's findings. Our Corrective Action Plan includes our planned actions to address the findings.

2010-15. Cost Allocation Procedures

Federal Agency: Department of Health and Human Services
Federal program: 93.558 Temporary Assistance for Needy Families
2009 - G0901MOTANF and 2010 - G1002MOTANF
93.658 Foster Care - Title IV-E
2009 - G0901MO1401 and 2010 - G1001MO1401
93.658 ARRA - Foster Care - Title IV-E
2009 - G0901MO1402 and 2010 - G1001MO1402
93.659 Adoption Assistance
2009 - G0901MO1407 and 2010 - G1001MO1407
93.674 Chafee Foster Care Independence Program
2009 - G0901MO1420 and 2010 - G1001MO1420
93.778 Medical Assistance Program
2009 - 0905MO5048 and 2010 - 1005MO5ADM

State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)
Questioned Costs: $2,168,919

DFAS controls and procedures over the quarterly allocation of costs to federal programs are not sufficient and as a result, numerous cost allocation errors were not prevented and/or detected.

The DFAS has developed procedures to identify, measure, and allocate all costs to the programs administered by the department. These procedures provide for the quarterly allocation of direct costs and cost pools to the various programs in accordance with the DSS cost allocation plan. The Fiscal and Administrative Manager enters costs from various sources into comprehensive cost allocation spreadsheets which contain formulas to allocate costs to the various programs. DFAS personnel indicated a supervisory review of the cost allocation spreadsheets is performed; however, this review is not documented and does not include a review of spreadsheet formulas or a comparison/reconciliation to supporting records.

Our review of selected sections of state fiscal year 2010 Children's Division and Family Support Division cost allocation spreadsheets and supporting documentation identified overstatements totaling approximately $3.3 million ($2.2 million federal share) for 5 federal programs and understatements totaling approximately $3.2 million ($2.2 million federal share) for 11 federal programs due to spreadsheet formula and data entry errors. Examples of errors identified include:

- Data entry and spreadsheet formula errors resulted in the allocation of only some fiscal year 2009 Single Audit costs to five federal programs, including an incorrect program. This resulted in understatements totaling approximately $95,000 and overstatements totaling approximately $15,400. We question the federal share of the overstatements, or $15,388.

- Fraud investigation costs totaling approximately $618,000 for 3 months were not allocated to the six applicable federal programs due to spreadsheet formula errors, resulting in understatements of program costs.

- In response to Report No. 2010-30, *State of Missouri, Single Audit, Year Ended June 30, 2009,* issued in March 2010, finding 2009-12, DFAS management indicated they would discontinue the allocation of certain costs (primarily payments to Caring Communities partnerships) initially charged to the Promoting Safe and Stable Families program to various other federal programs through the Social Services Cost Pool. However, during the fourth quarter of state fiscal year 2010, the Fiscal and Administrative Manager incorrectly included these costs in the cost pool, and costs totaling approximately $2.5 million were allocated to four federal programs. We question the federal share of these overstatements, or $1,612,695.

- State fiscal year 2010 third quarter Social Services Cost Pool expenditures were allocated based on second quarter random moment time study results because the third quarter cost allocation spreadsheets were not updated with the third quarter time study results. This error resulted in understatements totaling approximately $411,000 for two federal programs and overstatements totaling approximately $411,000 for three federal programs. We question the federal share of the overstatements, or $284,182.

- Seven months of payments to performance-based contractors for Foster Care assistance payments were incorrectly entered or not entered into the cost allocation spreadsheets, resulting in understatements totaling approximately $2 million and overstatements totaling approximately $365,000. We question the federal share of the overstatements, or $256,654.

As noted above, the cost allocation errors resulted in both understatements and overstatements for various federal programs. We question the federal share of costs related to the overstatements because those costs were not allowable costs of the applicable federal programs. The understatements relate to allowable costs the DSS can allocate to applicable federal programs through future adjustments on cost allocation spreadsheets. Listed below is the federal share of questioned costs related to overstatements applicable to each federal program:

CFDA #	Program	Questioned Costs
93.558	Temporary Assistance for Needy Families	$ 832,764
93.658	Foster Care Title IV-E/ ARRA- Foster Care Title IV-E	1,096,236
93.659	Adoption Assistance	186,394
93.674	Chafee Foster Care Independence Program	15,388
93.778	Medical Assistance Program	38,137
Total		$ 2,168,919

Good internal controls require adequate procedures to ensure formulas and amounts entered into cost allocation spreadsheets are accurate and reliable. Inadequate supervisory reviews of the spreadsheets could hinder the ability to manage federal funds effectively and to comply with federal regulations.

WE RECOMMEND the DSS, through the DFAS, resolve the questioned costs with the grantor agency, and strengthen controls and procedures to ensure the accurate allocation of costs to federal programs. These procedures should include a detailed and documented supervisory review of cost allocation spreadsheets.

AUDITEE'S RESPONSE

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

2010-16.	**Child Care Eligibility and Payments**

Federal Agency:	Department of Health and Human Services
Federal Program:	93.575 Child Care and Development Block Grant 2009 - G0901MOCCDF and 2010 - G1001MOCCDF 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 2009 - G0901MOCCDF and 2010 - G1001MOCCDF 93.713 ARRA – Child Care and Development Block Grant 2009 - 20091MOCCD7
State Agency:	Department of Social Services (DSS) - Children's Division (CD) and Family Support Division (FSD)
Questioned Costs:	$76,047

Controls over eligibility and provider payments are not sufficient to prevent and/or detect payments on behalf of ineligible clients or improper payments to child care providers. As a result, eligibility and payment documentation could not be located for many child care cases reviewed, overpayments were made to some providers, and payments were made on behalf of some ineligible clients for one ARRA Child Care initiative. During the year ended June 30, 2010, the DSS paid over 9,000 child care providers approximately $151 million for services provided to about 81,000 children.

The DSS provides funds to child care providers who serve eligible clients. Federal regulation 45 CFR, Section 98.20 provides that to be eligible for services the child must 1) be under 13 years old, or at the option of the DSS under age 19 and physically or mentally incapable of caring for himself/herself or under court supervision, 2) live with a family who meets certain income guidelines, and 3) have parents who are working or attending a job training or educational program. In addition, 45 CFR, Section 98.41 requires states to establish provider licensing requirements to protect the health and safety of children provided assistance, and Sections 210.025, 210.027, and 210.211, RSMo, require that providers be either licensed or registered based on the number of children under their care.

Parents/caregivers apply to FSD or CD case workers for participation in the program. Once approved, the parent/caregiver selects a child care provider and the DSS enters into an agreement with the provider for child care services. To comply with federal requirements, the DSS Income Maintenance manual requires that case workers set maximum authorized service units for the amount and type of care that best meets the family's need; maintain case file documentation, including the child care application or a

signed system-generated interview summary and copies of income verifications (including work hours) to support eligibility determinations; and limits the number of absences and holidays eligible for reimbursement. In addition, the manual and provider agreements require that providers submit a monthly invoice either through the DSS on-line invoicing system or by a manual invoice, and maintain detailed attendance records documenting daily arrival and departure times and containing parent/caregiver signature verifying the child received the services. Although all providers are required to retain attendance records for 5 years, the DSS only requires registered (license exempt) providers who submit manual invoices to submit attendance records for payment.

In May 2010, with additional funding from the ARRA, the DSS expanded child care assistance to additional children and families. Two new initiatives were established to provide child care assistance to eligible clients participating in the Workforce Investment Act Adult or Dislocated Worker programs and to eligible clients not receiving Temporary Assistance for Needy Families (TANF) benefits who are searching for employment. These initiatives will provide child care assistance through September 30, 2011, or when ARRA funding is spent, whichever is earliest. The DSS estimates it will spend a total of $17 million in ARRA funds for the two new Child Care initiatives. Through June 30, 2010, child care assistance payments totaling approximately $146,000 were made on behalf of 573 children of 329 clients for the two new Child Care initiatives.

A. Controls over eligibility and provider payments are not sufficient to prevent and/or detect payments made on behalf of ineligible clients or improper payments to child care providers. The DSS has not established procedures to review eligibility determinations and has discontinued on-site contract compliance reviews to monitor payments to providers. As a result, audits and reviews continue to identify significant child care payments made without sufficient supporting documentation.

   To test compliance with program requirements, we sampled eligibility documentation for 60 children, and reviewed provider agreements and payment documentation supporting one payment for each of these children. Payments totaling approximately $186,000 were made to child care providers on behalf of these children during state fiscal year 2010. We noted the following:

   - Eligibility documentation such as a signed child care application or system-generated interview summary and/or income record(s) for 13 of 60 (22 percent) cases reviewed could not be located by the DSS. For six of these cases, the DSS could not locate the eligibility file. Child care payments made on behalf of these children during the year ended June 30, 2010, totaled $41,736. In addition, child care payments for siblings of these children totaled $41,707 during the same period. We question the federal share, or $70,092 (84 percent).

   - For child care payments, 30 of 60 (50 percent) payments reviewed were not supported by adequate documentation and/or were not in compliance

with DSS policies. Attendance records were not provided by some child care providers upon our request, some attendance records were not signed by the parent/caregiver and/or did not include daily arrival/departure times, and some provider invoices did not agree to the corresponding attendance records. In addition, documentation supporting some authorizations for payments at enhanced evening/weekend rates could not be located, some payments were not in compliance with DSS policies for absences and holidays, and some provider license/registration documentation could not be located. Of these 30 payments, 11 were for cases which also lacked eligibility documentation and were included in the above questioned costs. Payments for the remaining 19 cases totaled an additional $3,837. We question the federal share, or $3,223 (84 percent).

Similar errors were identified in the DSS recent Child Care program improper payment review. This internal review, which was required by federal regulations and sampled 276 cases with payments during federal fiscal year 2009, identified 43 percent of cases tested had improper authorizations for payment totaling approximately $35,000. The DSS report summarizing the results of the review indicated most of these improper authorizations were due to missing or insufficient documentation and estimates annual improper authorizations at $64 million.

The various errors noted above occurred because the DSS lacks sufficient controls to ensure eligibility determinations are accurate and payments are proper and adequately supported. There appear to be at least three significant factors contributing to the weak control system:

- There is no supervisory review of child care eligibility determinations. These determinations are made by numerous caseworkers in county offices around the state. Although the DSS has a system for monthly supervisory reviews of eligibility determinations for various other DSS assistance programs, this review system does not include the Child Care program.

- The DSS discontinued performing on-site contract compliance reviews of child care providers. These reviews, which monitored supporting documentation for payments to providers, were conducted by Division of Finance and Administrative Services contract compliance unit staff from February 2006 to October 2009, and the results of the reviews were referred to the CD for follow-up. Although the reviews often identified problems with provider invoices and attendance sheets, overpayments to providers, and other noncompliance with DSS policies, the DSS discontinued the reviews due to state budget limitations. The contract compliance unit reviewed 498 providers in the first 4 months of fiscal year 2010. Currently, DSS payment review procedures are limited to CD desk

reviews of manual invoices and attendance sheets submitted by registered providers, and follow-up to provider complaints received.

- Overall, management of the case records is poor. As noted above, the DSS could not locate 6 of 60 (10 percent) case files requested, and several other case files were missing documentation to support eligibility.

The lack of controls over eligibility determinations and payments to providers can result in provider overpayments and federal reimbursements for ineligible clients and/or unallowable costs. In addition, without complete and accurate case records, adequate documentation is not available to verify the eligibility of clients, support the appropriateness of child care payments, and provide an adequate audit trail. The DSS needs to review and strengthen policies and procedures to ensure child care payments are made on behalf of eligible clients, invoices agree to the corresponding attendance records, attendance records are complete and signed by the parent/caregiver, payments are in accordance with department policy, appropriate child care services are authorized, and providers are licensed or registered. These procedures should include sufficient monitoring of eligibility determinations and provider payments, and follow-up on errors identified.

Payments associated with known questioned costs represented approximately 25 percent of payments reviewed. If similar errors were made on the remaining population of child care payments, questioned costs could be significant.

B. Controls over eligibility for the newly established non-TANF client ARRA Child Care initiative are not sufficient to prevent and/or detect payments made on behalf of ineligible clients. As a result, 10 percent of payments during the first month of operation were for ineligible clients.

Previously, child care assistance for job search activities was only allowed for TANF clients. Through this new ARRA initiative, non-TANF clients engaged in job search activities may qualify for child care assistance for a maximum of 8 consecutive weeks, as outlined in the DSS Child Care State Plan approved by the U.S Department of Health and Human Services, Administration of Children and Families. Clients may not participate in this initiative if they are currently receiving or applying for TANF benefits.

To test compliance with the non-TANF eligibility requirement for this initiative, we reviewed the Family Assistance Management Information System (FAMIS) for all 82 clients receiving child care assistance under this initiative. This assistance totaled approximately $35,400 on behalf of 155 children during June 2010, the first month of payments. We noted 8 (10 percent) of these clients were receiving TANF benefits, although the initiative provides that clients receiving TANF benefits are not eligible. We question the federal share of the payments made on behalf of these clients, or $2,732 (100 percent).

The payments to child care providers for ineligible clients resulted from incorrect coding of client child care need in the FAMIS. The DSS established a new child care need code (NTA) to authorize child care assistance under this new initiative and provided written guidance to case workers regarding the new initiative and child care need code. However, controls were not established to ensure case workers entered the NTA code only for non-TANF clients.

Due to the significance of planned initiative expenditures and the error rate noted of payments made for ineligible clients, future questioned costs could be significant if internal control weaknesses are not corrected. The DSS needs to promptly improve controls to ensure payments under the non-TANF client ARRA Child Care initiative are made only for eligible clients in accordance with the Child Care State Plan. In addition, the DSS should review fiscal year 2011 payments already made under this initiative, and recoup any additional payments improperly made from ARRA funds.

WE RECOMMEND the DSS, through the CD and FSD, resolve the questioned costs with the grantor agency and:

A. Review and strengthen policies and procedures regarding child care eligibility determinations, provider payments, and case record documentation and retention. These procedures should include sufficient monitoring of eligibility determinations and provider payments, and follow-up on errors identified.

B. Improve controls to ensure payments under the non-TANF client ARRA Child Care initiative are made for eligible clients in accordance with the Child Care State Plan. In addition, the DSS should review fiscal year 2011 payments under this initiative, and recoup any additional payments improperly made from ARRA funds.

AUDITEE'S RESPONSE

We partially agree with the auditor's findings. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the findings.

2010-17. Performance Based Case Management Contracts

Federal Agency: Department of Health and Human Services
Federal Program: 93.558 Temporary Assistance for Needy Families
2009 - G0901MOTANF and 2010 - G1002MOTANF
93.658 Foster Care - Title IV-E
2009 - G0901MO1401 and 2010 - G1001MO1401
93.659 Adoption Assistance
2009 - G0901MO1407 and 2010 - G1001MO1407

93.778 Medical Assistance Program
2009 - 0905MO5048 and 2010 - 1005MO5ADM
State Agency: Department of Social Services (DSS) - Children's Division (CD)

The DSS has not established procedures to ensure all payments to performance based case management contractors are properly allocated to federal programs. As a result, some contractor payments are allocated to federal programs based on unrealistic budgeted expenditure categories rather than actual expenditures.

The DSS contracts with ten performance based case management contractors, each a consortium of multiple local agencies, to provide case management and room and board for children in state custody. The performance based case management contracts were originally awarded in 2008 and have been renewed each year. Some contracts were amended in October 2009 due to decreased caseloads. Contractors are paid a monthly fixed price for 1) case management/administration, 2) room and board, and 3) residential treatment for a pre-established caseload. The DSS paid these contractors approximately $58 million during the year ended June 30, 2010, of which approximately $15 million was paid from federal funds.

While contractor costs associated with room and board and residential treatment are allocated to applicable federal programs based on actual costs incurred by the contractors, the costs associated with case management/administration are allocated based on the original budgets submitted by the contractors in their 2008 requests for proposal. Each contractor budget separates case management/administration costs into six categories and the CD allocates these costs to several federal programs. Case management services and resource development costs are allocated to the Foster Care administration and training programs, respectively. Treatment services, crisis fund expenses, and special expenses are allocated to the Social Services Block Grant (SSBG) program. Finally, general administration costs are allocated to the Social Services cost pool for distribution to several federal programs (Temporary Assistance for Needy Families, Foster Care, Adoption Assistance, Medical Assistance, and SSBG). Of $58 million paid to the contractors during the year ended June 30, 2010, approximately $27 million ($13 million federal funds) was for case management/ administration services.

Although contractors submit monthly reports of actual costs, the DSS does not use this information to allocate case management/administration costs to the specific federal programs as noted above. The DSS did not re-evaluate their cost allocation methodology during subsequent contract renewal periods and has not performed procedures to determine if budget-based allocations are representative of actual costs incurred. Our review of all state fiscal year 2010 monthly expenditure reports for three contractors noted the budgeted cost allocations did not appear representative of actual costs. Each contractor spent more than budgeted for some cost categories and less than budgeted for other cost categories. For example, our review of one contractor noted $333,904 was allocated to the Foster Care (training) program during state fiscal year 2010 for resource development costs, while the contractor reported actual expenditures for that activity totaling only $165,336. As a result, in state fiscal year 2010, $168,568 ($76,702 federal

share) more was allocated to the Foster Care program than actually spent by this contractor for that category. The DSS did not review or adjust the allocations for this contractor to ensure future allocations are more representative of actual costs.

A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received, pursuant to OMB Circular A-87, Attachment A, Section C. Costs charged to a federal program in excess of that program's allocable share would be questionable; however, such costs may be allocable to another federal program(s). As a result, questioned costs resulting from these allocation procedures are likely but were not determined. Without periodically analyzing actual cost data and allocating costs based on such data, the DSS cannot ensure the costs are allowable and allocable to the various federal programs.

WE RECOMMEND the DSS, through the CD, establish procedures to ensure all payments to performance based case management contractors are allocated to federal programs in accordance with federal regulations.

AUDITEE'S RESPONSE

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

2010-18. Foster Care Eligibility and Assistance Payments

Federal Agency:	Department of Health and Human Services
Federal Program:	93.658 Foster Care - Title IV-E
	2009 - G0901MO1401 and 2010 - G1001MO1401
	93.658 ARRA-Foster Care - Title IV-E
	2009 - G0901MO1402 and 2010 - G1001MO1402
State Agency:	Department of Social Services (DSS) - Children's Division (CD)
Questioned Costs:	$8,192

Controls over eligibility and maintenance payments are not sufficient; and as a result, payments were made on behalf of ineligible children, and some payments were not allowable or not supported by adequate documentation. During the year ended June 30, 2010, the DSS made Foster Care maintenance payments totaling over $23 million for children in state custody. These payments were made on behalf of an average of 2,970 children each month.

The Foster Care program provides 24-hour substitute care for children under the jurisdiction of the state who need temporary placement and care outside their homes. To be eligible for benefits under the program, requirements outlined at 42 USC 672 must be met. Pursuant to 42 USC 675(4)(A), funds may be expended for Foster Care maintenance

payments to licensed foster parents and residential facilities on behalf of eligible children. These maintenance payments cover costs including food, clothing, shelter, daily supervision including child care, school supplies, personal incidentals, liability insurance, and certain transportation. The U.S. Department of Health and Human Services, Administration of Children and Families (ACF), Child Welfare Policy Manual provides that the costs of medical care are not allowable Foster Care expenses. In addition, payments must comply with OMB Circular A-87, Attachment A, which requires costs to be adequately documented.

To test compliance with these requirements, we sampled eligibility, expenditure, and foster parent/residential facility license documentation for 60 Foster Care children. We reviewed all state fiscal year 2010 payments made on behalf of these children, except for child care payments for which we reviewed one payment for each applicable child. Maintenance payments totaling approximately $348,600 were made on behalf of these children during fiscal year 2010. We noted the following:

A. For 2 of 60 (3 percent) cases reviewed, payments were made on behalf of children ineligible for Foster Care benefits due to inaccurate eligibility determinations made by the DSS Family and Children Electronic System (FACES). For these cases, DSS eligibility specialists entered various eligibility data in the FACES and determined the children were ineligible for benefits. However, based on this data, the FACES incorrectly concluded the children were eligible for Foster Care benefits and overrode the previous determination of the eligibility specialist. As a result, payments associated with these cases were incorrectly charged to the Foster Care program.

   In one case, the eligibility specialist determined the child was ineligible upon entering state custody in April 2009; however, the FACES incorrectly determined the child was eligible and began charging all related payments to the Foster Care program. In March 2010, when the eligibility specialist performed an eligibility re-determination for the case, the specialist discovered the error on the system and the unallowable costs charged to the Foster Care program, and corrected the eligibility status on FACES. In June 2010, the eligibility specialist initiated recoupment of federal funds; however, the costs associated with child care had not been recouped as of January 2011. Similarly, for another case in which the child entered state custody in September 2007, the FACES incorrectly determined the child was eligible. Eligibility specialist re-determinations in March 2008 and August 2009 concluded the child was not eligible; however, the eligibility specialist did not discover the error on the system or the unallowable costs. When we requested the case file, the eligibility supervisor discovered the error and unallowable costs, corrected the eligibility status on FACES, and initiated recoupment of federal funds.

   The FACES, which was fully implemented as of August 2010, is designed to validate eligibility decisions made by the eligibility specialists based on information entered by the eligibility specialists and case workers. Although

eligibility specialists perform initial eligibility decisions and enter those decisions on the system, the system can override those decisions and makes the final eligibility determination. The system reviews eligibility each time certain new information is entered or certain existing information is revised. DSS officials acknowledged system design issues have caused some inaccurate eligibility decisions and that staff have had to correct these decisions on the system. DSS officials also indicated they are currently investigating the situation to identify and correct the design problems. In the meantime, the DSS relies on several procedures to identify and correct similar inaccurate eligibility determinations: 1) eligibility specialists' review and follow up on FACES daily batch reports which identify system eligibility determinations, 2) supervisory review of eligibility specialist and system eligibility decisions on a test basis, and 3) eligibility re-determinations performed by eligibility specialists.

Fiscal year 2010 payments totaled $3,242 for these two ineligible children. We question the federal share, or $2,282 (70.38 percent). Subsequent to our review, the DSS recouped some of these payments (by reducing subsequent federal reimbursement requests) totaling $435 on the second case.

B. For 15 of 60 (25 percent) cases reviewed, 33 transportation reimbursements to foster parents were incorrectly recorded as maintenance payments, and reimbursed at the higher federal financial participation percentage (70.38 percent) for maintenance instead of the administrative percentage (50 percent). These reimbursements were for transportation to court hearings, case meetings, or routine medical appointments which are allowed only at the administrative reimbursement percentage. The DSS records all transportation payments claimed to the Foster Care program as maintenance payments. DSS officials indicated they were not aware certain transportation costs were reimbursable only at the administrative rate.

Foster Care program administrative, training, and maintenance costs are reimbursed at different federal financial participation percentages. The percentage for maintenance costs is the Federal Medical Assistance Percentage, which averaged 70.38 percent for Missouri in state fiscal year 2010. The percentage for administrative costs is 50 percent. Reasonable travel for transporting children for parental or sibling visitation or to attend the same school attended before placement in Foster Care are allowable maintenance costs per 42 USC 675(4). Sections 8.3B.1 and 8.1B of the ACF Policy Manual provide that foster parent travel to attend judicial reviews or case conferences/meetings, or to transport a child to a medical appointment are not allowable maintenance payments, but are allowable administrative costs.

For these 15 cases, transportation payments totaling $1,540 were incorrectly reimbursed at the higher maintenance percentage. We question $314 (20.38 percent), the federal share of the difference between the amount paid at the maintenance percentage and the administrative percentage.

C. For 17 of 60 (28 percent) cases reviewed, including 5 cases noted in Part B above, Foster Care maintenance payments were not allowable and/or not supported by adequate documentation. We noted the following:

- Sufficient documentation, such as invoices or other supporting documentation, could not be located for some payments for six cases. Invoices or other supporting documentation are required for certain payments, such as child care, clothing, and transportation.

- Payments were made to unlicensed foster parents for three cases.

  Payments were made to two foster parents for the same time period for one case.

- For two cases, payments were made to a residential treatment facility and a child care facility for time periods when the child was not in Foster Care.

- A payment for medical care was made for one case, although this expense is not allowed per federal regulation.

- Payments to child care providers for seven cases were not supported by adequate documentation and/or were not in compliance with DSS policies. Some provider invoices did not agree to attendance records, some attendance records did not include arrival/departure times, some payments were not in compliance with DSS policies for absences and holidays, and some payments were made at incorrect daily rates.

For these 17 cases, payments totaling $7,951 were unallowable and/or unsupported by adequate documentation. We question the federal share, or $5,596 (70.38 percent). Subsequent to our review, the DSS recouped some of these payments (by reducing subsequent federal reimbursement requests) totaling $979.

Failure to ensure Foster Care payments are made on behalf of eligible children, allowable, reimbursed at the appropriate federal percentage, and adequately supported can result in federal reimbursements for unallowable costs. Payments associated with known questioned costs represented over 3 percent of payments reviewed. If similar errors were made on the remaining population of Foster Care maintenance payments, questioned costs could be significant.

Conditions similar to A and C were noted in our prior audits of the Foster Care program.

WE RECOMMEND the DSS through the CD, resolve the questioned costs with the grantor agency, and:

A. Continue working to identify and correct FACES programming issues and strengthen controls over eligibility determinations to ensure payments are made on behalf of eligible children.

B. Implement controls to ensure transportation payments are reimbursed at the proper federal financial participation percentage.

C. Ensure all Foster Care payments are allowable and supported by adequate documentation.

AUDITEE'S RESPONSE

We agree with the auditor's findings. Our Corrective Action Plan includes our planned actions to address the findings.

2010-19. Residential Facility Training Reimbursements

Federal Agency:	Department of Health and Human Services
Federal Program:	93.658 Foster Care - Title IV-E 2009 - G0901MO1401 and 2010 - G1001MO1401
State Agency:	Department of Social Services (DSS) - Children's Division (CD)
Questioned Costs:	$19,467

The CD has not established sufficient procedures to review residential facility training reimbursements. As a result, reimbursements to these facilities were not always supported by sufficient documentation that training costs were allowable, and some reimbursed training costs appeared unallowable.

Residential facilities provide specialized care for children who need more structure and intervention than a foster home can provide. The DSS has contracts with 29 of the 125 residential facilities to reimburse part of the costs of training facility staff. Contracts with these facilities outline specific allowable and unallowable training activities as provided by federal regulations and guidelines. Facilities are required to submit a training report for each training activity claimed for reimbursement. The DSS reimbursed the residential facilities a percentage of their training costs claimed, based on an allocation methodology outlined in the contracts. During state fiscal year 2010, this percentage was approximately 67 percent in the first three quarters and 60 percent in the fourth quarter. Payments to the facilities for training totaled approximately $383,000 during fiscal year 2010.

In response to Report No. 2009-25, *State of Missouri, Single Audit, Year Ended June 30, 2008*, issued in March 2009, finding 2008-7, and a recent U.S. Department of Health and

Human Services review of training costs for residential facilities, the DSS revised the facility contracts to better clarify the types of allowable and unallowable activities and revised the training report form to require facilities to identify and link training costs to those activities allowed in the contract. However, the CD review procedures were not sufficient to prevent and/or detect some unsupported and/or unallowable reimbursements.

We reviewed selected training reports and supporting documentation for reimbursements made to seven residential facilities during fiscal year 2010. Of the $30,656 in reimbursements reviewed, payments totaling $25,957 (85 percent) were unsupported and/or unallowable, of which we question $19,467 claimed as the federal share.

Numerous training reports and supporting documentation were not sufficient to show the training and related costs were for allowable Foster Care training activities. Examples of these costs include salaries and benefits, travel expenses, conference registration fees, a laptop computer, books, and supplies. As noted in the prior audit, the DSS does not require facilities to submit invoices or other documentation supporting the training costs claimed. While some facilities typically attached supporting documentation such as invoices, receipts, programs or agendas, and attendance logs to the training reports, most facilities did not. Additionally, some facilities submitted an old version of the training report that did not require indication that the training activity complied with the contract. To be allowable under federal awards, costs must be adequately documented, pursuant to 2 CFR, Part 225, Appendix A, Section C.

In addition, some training activities reimbursed appeared unallowable. For example, one facility was reimbursed costs for training sessions on leadership and volunteer management and books on office politics and amateur radio, and another facility was reimbursed costs of a new employee orientation. Many of these costs are prohibited under the residential facility contract. Section 8.1h of the ACF Child Welfare Manual also indicates training activities must be closely related to one of the examples cited in 45 CFR, Section 1356.60; however, these training activities do not appear reimbursable under this guidance.

The payments reviewed contained no indication CD staff had requested additional information or documentation supporting the training costs claimed. Without sufficient review procedures and adequate supporting documentation, the CD cannot ensure residential facility training costs claimed are for allowable Foster Care activities. The CD should ensure training activities are in compliance with federal regulations, and supported by sufficient documentation.

WE RECOMMEND the DSS through the CD, strengthen residential facility training reimbursement review procedures to ensure training activities reimbursed are for allowable activities outlined in federal regulations and are adequately supported. In addition, the DSS should resolve the questioned costs with the grantor agency.

AUDITEE'S RESPONSE

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

2010-20.	**Vocational Rehabilitation Program**

Federal Agency:	Department of Education
Federal Program:	84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States 2009 - H126A090037 and 2010 - H126A100037
State Agency:	Department of Social Services (DSS) - Family Support Division (FSD) - Rehabilitation Services for the Blind (RSB) and Division of Finance and Administrative Services (DFAS)
Questioned Costs:	$46,035

The FSD improperly charged the Vocational Rehabilitation (VR) program for personnel costs totaling $58,494, of which we question the federal share of $46,035 (78.7 percent). For the fiscal year ended June 30, 2010, the DSS claimed $3,844,231 as the federal share of personnel costs, or 40 percent of the total federal share of VR program expenditures. Additional improvement in the policies and procedures for the allocation of personnel costs are needed.

Personnel costs for employees who work on multiple federal awards or cost objectives are to be allocated to the various programs according to the personnel activity reports prepared by those employees. Personnel costs consist of salaries, fringe benefits and indirect costs. The RSB is responsible for allocating the personnel costs to the various programs. The DFAS, based upon the allocations reported by the RSB, records the costs to the various programs in the financial accounting system.

- For the period January 1, 2010, to June 30, 2010, the RSB reported and the DFAS recorded personnel costs to the VR program for 13 employees whose personnel activity reports were correctly prepared but for whom the RSB used an incorrect allocation formula. The incorrect allocation formula appeared to be caused by inadvertent and undetected overwriting of some underlying formulas in the monthly spreadsheets used by RSB personnel to report the allocations. As a result, those personnel costs were not properly allocated and the VR grant was incorrectly charged $12,944 for work related to other programs. We question the federal share, or $10,187 (78.7 percent).

- For the period April 1, 2010, to June 30, 2010, the RSB reported and the DFAS recorded personnel costs, totaling $45,550, to the VR program for four employees who worked on multiple programs. Personnel activity reports were prepared by these employees; however, costs were not allocated according to the activity

reports. One employee who worked exclusively on another program was hired during this period but the RSB failed to include the related costs in the allocation process and all costs were improperly charged to the VR program. The other three employees were children's specialists. The federal oversight agency, U.S. Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration (RSA), in a report issued in February 2010, had determined that children's specialists provide little, if any, services that are within the scope of the VR program and the related expenditures for services outside the scope of the VR program were unallowable under Section 111(a)(1) of the Rehabilitation Act of 1973, 34 CFR, Section 361.3, and OMB Circular A-87. After the RSA report was issued, the RSB revised the personnel activity reports for these employees to accurately record their time as working on other programs and RSB reported the related costs to DFAS as costs chargeable to the other programs. However, there appeared to be a breakdown in communication and when the DFAS raised concerns about which program should be charged for those costs, the RSB official who had prepared the allocation report incorrectly indicated they should be charged to the VR program. We question the federal share, or $35,848 (78.7 percent) for these personnel costs improperly charged to the VR program for this period.

- The FSD and RSB have established written policies and procedures for the allocation of personnel costs; however, the policies lacked sufficient detail, and as a result, the procedures did not ensure personnel costs are properly allocated to all programs.

The OMB Circular A-87, Attachment B, Section 8 requires the allocation of personnel costs for employees who work on multiple activities or cost objectives to be supported by personnel activity reports. Further, those reports must reflect an after-the-fact distribution of the actual activity of each employee, account for the total activity for which each employee is compensated, be prepared at least monthly, coincide with one or more pay periods, and be signed by the employee.

In response to similar findings in our prior two audit reports, the FSD has previously taken corrective action to implement procedures that have resulted in improved documentation of personnel costs for the VR program within the RSB. While substantial improvement has been made, further improvements are needed.

WE RECOMMEND the DSS through the FSD and DFAS resolve the questioned costs with the grantor agency. In addition, the FSD and RSB should develop comprehensive written policies and procedures to ensure personnel costs for employees who work on multiple federal awards or cost objectives are allocated in accordance with federal laws and OMB Circular A-87.

AUDITEE'S RESPONSE

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

2010-21. Unallowable Costs and Maintenance of Effort

Federal Agency:	Department of Health and Human Services
Federal Program:	93.558 Temporary Assistance for Needy Families 2009 - G0901MOTANF and 2010 - G1002MOTANF
State Agency:	Department of Social Services (DSS) - Family Support Division (FSD)
Questioned Costs:	$29,638,870

The DSS does not have adequate controls in place to ensure costs charged to the Temporary Assistance for Needy Families (TANF) program meet federal requirements. The DSS charged unallowable foster care, adoption assistance, and subsidized guardianship costs totaling over $29.6 million to the TANF program. The DSS included unallowable educational program costs as qualifying under the maintenance of effort (MOE) requirement for the TANF program and, as a result, DSS failed to meet the MOE funding requirements by at least $30.9 million. In addition, for the quarter ended September 30, 2010, the DSS charged unallowable scholarship programs costs totaling nearly $18.5 million directly to the TANF program.

The four purposes of the TANF program as stated in 45 CFR, Section 260.20 include: (1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; (2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; (3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and (4) encourage the formation and maintenance of two-parent families.

A. The DSS charged unallowable state foster care, adoption assistance, and subsidized guardianship costs to the TANF program. Federal regulation, 45 CFR, Section 263.11, includes a grandfather clause allowing states to continue to charge expenditures previously authorized under certain federal programs which are now obsolete. Such expenditures are referred to as prior approved program costs. The DSS identified the foster care, adoption assistance and subsidized guardianship costs as authorized under the IV-A Emergency Assistance (EA) Plan in effect on September 30, 1995. However, EA that may be charged as a prior approved program cost is limited by the 1995 IV-A EA plan, to a maximum duration of 365 days or less as necessary to alleviate the emergency condition, and must be authorized within a single 30-day period no less than 12 months after the beginning of the family's last EA authorization period.

The DSS started charging certain child welfare expenditures in state fiscal year 2006 including some foster care, adoption assistance, and subsidized guardianship under the TANF program. Expenditures charged do not appear to meet the criteria for emergency assistance. The foster care, adoption assistance, and guardianship expenditures can and often do extend beyond 12 months and do not necessarily correspond to an emergency or an emergency assistance authorization. While it is clear that some expenditures for some families within those categories would meet the requirements as a prior approved program cost, the DSS does not have a methodology to track which specific foster care, adoption assistance and guardianship expenditures meet the emergency assistance criteria and were authorized as required.

The foster care, adoption assistance, and subsidized guardianship costs charged included non-emergency assistance, and the costs charged for emergency assistance are not separately identified; therefore all costs are unallowable. We question all state fiscal year 2010 costs charged for foster care, adoption assistance, and subsidized guardianship and charged to the TANF program, totaling $29,638,870 (100 percent federal share).

B. The DSS included unallowable educational expenditures totaling approximately $50.7 million in the amounts reported for the annual MOE requirement. MOE is the minimum amount of funding the state must expend from other funding sources as a condition of receiving TANF funding each year. Qualifying activities provided to TANF eligible families may be included in MOE. In addition, qualifying activities provided to families who are not eligible for participation in the TANF program may be included in MOE only if those activities are closely related to the promotion of healthy marriages and responsible fatherhood. The MOE must be at least as much as the applicable percentage of the 1994 base year expenditures. The applicable threshold percentage of the base, which is the amount of non-federal funds the state spent in fiscal year 1994 on AFDC ($160.1 million), for each fiscal year is 80 percent ($128.1 million), or 75 percent ($120.1 million) if the state meets the work participation rate requirements for the fiscal year. This is termed “basic MOE” and the requirement is based on the federal fiscal year.

MOE expenditures must be made on behalf of eligible TANF families pursuant to 42 USC 609(a)(7)(B)(i)(IV). Eligible families are defined in 45 CFR, Section 263.2, as families who meet the income and resource standards and other eligibility criteria defined in the state TANF plan. For federal fiscal years 2006 through 2008 only, an exception was made whereby states could claim MOE for certain expenditures directed toward any family regardless of financial need or eligibility, if the expenditure was reasonably expected to accomplish TANF purposes 3 or 4, which relate to preventing and reducing out-of-wedlock pregnancies and encouraging the formation and maintenance of two-parent families. For federal fiscal year 2009 and forward, this policy has been revised and states are only allowed to claim specific activities for families who are not

TANF eligible if the expenditure is closely related to the promotion of healthy marriages and responsible fatherhood as defined in Administration for Children and Families (ACF) directive TANF-ACF-PI-2008-10 issued October 23, 2008.

We reviewed all sources of MOE claimed for federal fiscal year 2009 and noted three educational and three scholarship programs claimed do not appear to be allowable sources of MOE. These programs are operated by the Missouri Department of Elementary and Secondary Education and Missouri Department of Higher Education. The DSS began including these educational and scholarship programs in MOE in 2007.

- Three educational programs, Character Education, Parents as Teachers, and the Missouri Pre-School Program, appear to fall under the category of early childhood education programs which have been deemed by the ACF as meeting TANF purposes 3 and 4. However, in order for these educational program activities to be includable in MOE, the activities must be provided to TANF eligible families or, for families who are not eligible to participate in the TANF program, those programs must be closely related to the promotion of healthy marriages and responsible fatherhood. The DSS does not have a methodology to track which expenditures within these three programs benefit only TANF eligible families. The DSS has also not determined and documented how these three programs are closely related to the promotion of healthy marriages and responsible fatherhood for families not eligible for TANF participation. Therefore, the DSS is unable to substantiate which, if any, expenditures for these three educational programs are allowable sources of MOE. For these three programs, the DSS claimed unallowable costs totaling approximately $30.8 million in federal fiscal year 2009.

- The three scholarship programs claimed as MOE are A + Schools, Bright Flight Scholarships, and Ross-Barnett Scholarships. Scholarship programs have not been deemed as meeting TANF purposes 3 or 4 by the ACF. In addition, the DSS has not determined and documented how these programs meet TANF purposes 3 and 4 or the more restrictive criteria, promotion of healthy marriages and responsible fatherhood. Therefore, the DSS is unable to substantiate which, if any, expenditures for these three scholarship programs are allowable MOE costs. For these three programs, the DSS claimed unallowable costs totaling approximately $19.9 million in federal fiscal year 2009.

For federal fiscal year 2009, DSS reported MOE expenditures of $89.2 million, excluding the unallowable educational program costs of $50.7 million. The DSS has not yet received confirmation from the ACF regarding whether state TANF participants as a whole met the required work participation rate for federal fiscal year 2009 necessary to establish the lower 75 percent MOE threshold. Depending on which threshold is determined applicable, it appears allowable reported TANF

MOE expenditures are short of the MOE requirement by either $30.9 million or $38.9 million. For federal fiscal year 2008, the work participation rate requirement was not met, resulting in an 80 percent MOE threshold. Under 45 CFR, Section 263.8, the failure to meet the MOE requirement may result in a penalty, which is a dollar for dollar reduction in the TANF grant award for the subsequent year.

It appears there are other state costs that could have been included in the TANF MOE in lieu of the unallowable educational program costs. After we brought our concerns about failure to meet the TANF MOE requirement to the attention of DSS officials, several other programs were reported for the quarter ended September 30, 2010, that the DSS indicated qualify as MOE. In addition, the DSS shifted some educational program costs to direct costs of the TANF program. As reported in the following section, those educational program costs do not appear to be allowable direct costs of the program.

C. For the quarter ended September 30, 2010, DSS charged costs to the TANF program, totaling $18,493,665, related to the three scholarship programs: A+ Schools, Bright Flight Scholarships, and Ross-Barnett Scholarships. According to the TANF Funding Guide, the ACF indicates TANF expenditures may include expenditures for TANF eligible families that serve to meet any of the four purposes of the TANF program. For families that are not TANF eligible, the funded activities must serve to meet TANF purposes 3 or 4, which relate to preventing and reducing out-of-wedlock pregnancies and encouraging the formation and maintenance of two-parent families. The DSS reported the scholarship programs meet TANF purposes 3 and 4; however, the DSS has not determined and documented there is any correlation between those programs and any of the four TANF purposes.

DSS officials stated a federal ACF official suggested moving the scholarship program costs from MOE to the TANF program as direct costs, but no documentation was available to support the discussion or decision. The costs of the three scholarship programs are now directly reimbursed by the TANF program whereas before they were counted only towards the MOE requirement. These scholarship program costs charged to the TANF program, totaling $18,493,665 (100 percent federal share) in state fiscal year 2011 do not appear allowable.

D. The DSS control system has not been effective in ensuring the types of costs charged to the TANF program or recorded as TANF MOE meet all federal regulatory and grant requirements, resulting in unallowable costs and unqualified sources of MOE claimed against the federal TANF grant. Such a control system should include formal evaluations, periodic re-evaluations, and management review of the related federal regulations and expenditure categories to ensure expenditures charged to the TANF program or recorded as TANF MOE meet all federal regulatory and grant requirements.

WE RECOMMEND the DSS:

A. Ensure prior approved program costs charged to the TANF program comply with federal regulations. In addition, the DSS should resolve the questioned costs with the grantor agency.

B. Ensure expenditures claimed as MOE are allowable and resolve the potential penalty with the grantor agency.

C. Ensure program costs charged to the TANF program for state fiscal year 2011 comply with federal regulations.

D. Establish a formal control system to ensure the types of costs charged to the TANF program or recorded as TANF MOE meet all federal regulatory and grant requirements.

AUDITEE'S RESPONSE

We disagree with the auditor's findings. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

2010-22. Work Verification Activities

Federal Agency: Department of Health and Human Services
Federal Program: 93.558 Temporary Assistance for Needy Families
2009 - G0901MOTANF and 2010 - G1002MOTANF
State Agency: Department of Social Services - Family Support Division (FSD)

The FSD did not have adequate controls in place to ensure compliance with the Temporary Assistance for Needy Families (TANF) Work Verification Plan in effect for state fiscal year 2010 and, as a result, the FSD has less assurance the data used to calculate the work participation rate is accurate.

The FSD contracted with the Missouri Department of Economic Development - Division of Workforce Development (DWD) to perform many of the required TANF work activities functions. These duties included case management, enrollment and assistance to TANF recipients who are required to participate in eligible work activities, and reporting participant noncompliance and hours of participation to the FSD. The DWD contracted with regional workforce investment boards (WIBs) to provide those functions at the local level. The FSD provided approximately $18 million in federal TANF funding to the DWD, which in turn passed through approximately $17 million to the WIBs as subrecipients.

Under 45 CFR, Section 265.3, states are required to submit quarterly TANF Data Reports which provide information regarding TANF recipients and work activities. The U.S.

Department of Health and Human Services, Administration for Children and Families, uses the TANF Data Reports to calculate the state work participation rate each fiscal year. In addition, under 45 CFR Section 261.62, the FSD is required to have a Work Verification Plan which includes requirements to maintain adequate documentation, verification, and internal control procedures to ensure the accuracy of the data used in calculating work participation rates. In doing so, the FSD must have in place procedures to identify TANF recipients who are work-eligible, identify work activities that may count for work participation rate purposes, determine how to count and verify reported hours of work, and control internal data transmission and accuracy.

The FSD was not in compliance with certain work activity reporting requirements contained in the Work Verification Plan in effect for state fiscal year 2010. We obtained the April 2010 work verification report "Required to Serve" which included data on the status of each individual's compliance with the work participation requirements and number of hours of participation in the various work related activities. Of the 19,772 TANF recipients included in the report, 6,957 individuals had at least an hour of work activity reported. We judgmentally selected 25 individuals with reported work activity for testing. We noted 4 (16 percent) of the individuals tested for which the work participation hours reported were not in accordance with the Work Verification Plan. For one individual, the hours of participation were not supported by required documentation and some hours were based upon a projection the individual would perform certain activities; however, the individual had notified the WIB they had ceased participation in that activity. For another individual, the activities were reported as countable although the activity did not meet the criteria outlined in the Work Verification Plan. These two individuals were reported as compliant with the work activity requirements when they failed to meet those requirements. Another individual was correctly reported as non-compliant with the work requirements; however, 8 of the 9 hours reported were not supported by required documentation. For another individual, the hours of work activity were under reported, resulting in this individual being reported as non-compliant when the individual had actually met the work requirements. The net effect of the 4 errors was an overstatement of the work participation compliance rate by 4 percent for this group of 25 individuals.

The work participation data was recorded at the local level by subcontractors of the WIBs. The DWD indicated they had taken several actions to increase the accuracy of the work participation data at the local level, including revising policies and forms, generating and reviewing monthly reports, conducting desk reviews of files, providing training opportunities at the local level, and updating the computer applications and systems used to record the work verification hours. The DWD conducted periodic on-site monitoring visits of the WIBs which included case reviews to determine the WIBs and their subcontractors were adequately performing verification activities. We obtained a summary report from the DWD of the most recent round of monitoring visits conducted at the 14 regional WIBs. The DWD report identified several of the WIBs were not complying with the work verification requirements. The report also indicated many of the errors noted by the DWD were corrected on a case by case basis. However, based upon our test results, it appears DWD on-site monitoring procedures were not effective in

reducing non-compliance with work verification requirements at the local level. Neither the FSD nor the DWD had adequate controls in place to identify and ensure correction of the underlying problems at the local level. FSD officials indicated the FSD did not receive or review DWD monitoring reports, but relied upon the DWD to ensure the local agencies were complying with the work verification requirements. As of July 1, 2010, the FSD resumed administration of the TANF work activities that had been performed by the DWD and contracted directly with community organizations to perform the related activities at the local level. The FSD will be responsible for monitoring compliance with the Work Verification Plan.

The failure to maintain adequate internal controls to ensure accurate data is reported for measurement of work participation could result in a penalty, under 45 CFR, Section 261.65, of not less than 1 percent and not more than 5 percent of the annual grant amount.

WE RECOMMEND the FSD strengthen controls to ensure work participation activities are adequately documented, verified, and reported in accordance with the FSD Work Verification Plan.

AUDITEE'S RESPONSE

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

2010-23.	**Salary Certifications**

Federal Agency:	Department of Health and Human Services
Federal Program:	93.563 Child Support Enforcement 2009 - G0904MO4004 and 2010 - G1004MO4004
State Agency:	Department of Social Services (DSS) - Family Support Division (FSD) - Child Support Enforcement (CSE) and Division of Finance and Administrative Services (DFAS)
Questioned Costs:	$83,289

The FSD did not always prepare required salary certifications for employees working solely on the CSE program. For the year ended June 30, 2010, the DSS claimed $26,027,059 as the federal share of personnel costs, or 56 percent of the total federal share of CSE program expenditures.

Salary certifications were not prepared for 15 of about 870 FSD employees whose personnel costs were charged 100 percent to the CSE program for the period of July 2009 to September 2009. The federal share of personnel costs charged to the CSE program for that quarter was $6,698,192, or 66 percent of total costs. The FSD used a report of employees whose personnel costs were charged to the program for the last payroll period in the first certification period, April 2009 through September 2009, to identify

employees for whom certifications were required. That report did not include 14 employees that either terminated or transferred from a child support position prior to the last payroll of the reporting period. In addition, one employee's position code was not included as a child support enforcement position for the report. Salary costs for these 15 employees were charged on the quarterly cost allocation plan; however, due to the incompleteness of the personnel report used to generate the list of employees for whom certifications were required, the employees were not certified. Personnel costs charged to the CSE grant for these 15 employees totaled $126,196, of which we question the federal share of costs totaling $83,289 (66 percent).

In response to a similar finding in our prior audit report, improvements were made to the certification procedures and for the second certification period, October 2009 through March 2010, all employees charged to the CSE program were properly certified. The FSD has developed written policies and procedures and implemented those procedures for the certification period of April 2010 to September 2010. The new procedures should ensure salary certifications are prepared as required in future periods.

The OMB Circular A-87 requires that charges for salaries and related salary costs of employees who work solely on a single federal award or cost objective be supported by periodic certifications that the employees worked solely on that program. These certifications are required to be prepared at least semi-annually and signed by either the employee or a supervisor having specific knowledge of the work performed by the employee. According to FSD officials, CSE employees work solely on the CSE program. Without accurate and complete certifications, the FSD has not fully substantiated the salary costs charged to the various federal programs.

WE RECOMMEND the DSS through the FSD and DFAS resolve the questioned costs with the grantor agency.

AUDITEE'S RESPONSE

We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

2010-24.	**Section 1512 Reporting**

Federal Agency:	Department of Health and Human Services
Federal Program:	93.710 ARRA - Community Services Block Grant 2009 - 0901MOCOS2
State Agency:	Department of Social Services (DSS) - Family Support Division (FSD) and the Division of Finance and Administrative Services (DFAS)

The DSS does not have adequate controls and procedures in place to ensure Section 1512 reports are complete and accurate for the Community Services Block Grant (CSBG)

program. In addition, the DSS does not have a formal written plan in place for the Section 1512 reporting process. ARRA CSBG funds are passed through to subrecipients, consisting of 20 Community Action Agencies throughout the state. During state fiscal year 2010, the DSS disbursed approximately $21 million in ARRA funds to subrecipients.

Section 1512 of the ARRA requires comprehensive reporting for certain ARRA awards to promote transparency and accountability over the use of such funds. This section requires various data elements to be reported on a quarterly basis by prime recipients detailing the use of ARRA funds including the total grant award, the amount received and expended, and certain elements for vendor payments and subawards. Additionally, prime recipients are required to report on planned projects and activities, including the status of project completion and an estimate of direct jobs created or retained. Prime recipients may solicit information for some data elements from subrecipients and vendors to help meet Section 1512 reporting requirements. Additionally, in some cases, prime recipients may delegate certain direct reporting duties to their subrecipients, although the state of Missouri, as the prime recipient of these funds, has not delegated such responsibilities.

A. The DSS does not have adequate controls and procedures in place to ensure program information is accurately entered into the overall Section 1512 report or to provide assurance Section 1512 report information submitted by subrecipients of the CSBG program is complete and accurate.

On a quarterly basis, each subrecipient submits a completed reporting template to the CSBG program unit within FSD to provide program information required for Section 1512 reporting purposes, such as vendor activity, jobs created and retained, and expenditure data. Once information is received, the CSBG program unit compares expenditure information to SAM II and reviews the data for reasonableness. The reporting templates are then placed on a shared drive and DFAS personnel enter the data into the state's Section 1512 reporting system (STIM 360). DFAS personnel perform a review to ensure information entered agrees to information received from subrecipients; however, procedures performed were not sufficient. Our review of information submitted by four subrecipients during the quarter ended March 31, 2010, noted the following:

- Four vendors were reported by subrecipients as receiving payments exceeding $25,000; however, these vendors were not included by the DFAS in the overall Section 1512 report for the quarter. Payments to these vendors totaled approximately $222,000 during the quarter ended March 31, 2010.

- Two vendors were reported by subrecipients as receiving payments exceeding $25,000 during the quarter; however, the payments were not added to the cumulative amounts previously reported by the DFAS for these vendors. This resulted in an understatement totaling approximately $80,400 for subrecipient vendor payments to date.

DFAS personnel indicated these errors were the result of human error. Additionally, personnel indicated that enhanced procedures have been established since this reporting period to help prevent and detect future errors.

Some elements submitted by subrecipients, such as subaward identifying numbers, award amounts, and project descriptions, are consistent each quarter and are prepopulated in STIM 360 from prior quarters, requiring little oversight from DSS on a quarterly basis. For other elements, FSD and DFAS personnel review information submitted for reasonableness and compare expenditure data to SAM II; however, the FSD relies on the accuracy and completeness of much of the other information submitted by the subrecipients, such as jobs created or retained and vendor payments, for each quarterly report. The FSD conducts a site-visit for each subrecipient once every 3 years; however, state fiscal year 2010 reviews did not include a review of documentation supporting the data submitted by subrecipients and relied on for Section 1512 reporting. According to FSD personnel, they are currently working on a plan to include Section 1512 data elements as part of future on-site monitoring visits.

OMB Memorandum M09-21 states the DSS, as prime recipient, is ultimately responsible for the reporting of all data required by Section 1512 of the ARRA. Additionally, the prime recipients, as owners of the data submitted, have the principal responsibility for the quality of the information submitted. Without adequate and timely monitoring procedures in place over the data submitted by subrecipients, the DSS has less assurance the information included in the Section 1512 reports for the CSBG program is complete and accurate.

B. The DSS does not have a formal written plan in place to address the agency's Section 1512 reporting process for the CSBG program. The DSS does have some written reporting procedures outlining minimal steps to take up to the first 5 days of the reporting period and the DSS has a checklist documenting some overall guidelines and procedures to follow in preparing quarterly Section 1512 reports. However, the written procedures and the checklist do not document specific steps or an overall work plan to ensure the accuracy and completeness of Section 1512 reports, such as monitoring subrecipient submitted data through on-site visits or desk reviews, or by comparing expenditure information to SAM II. Additionally, although the written procedures and checklist provide some guidelines and procedures over the reporting process, there is no indication the checklist is actually being used.

A formal written plan would help ensure Section 1512 reports are complete and accurate. The plan should, at a minimum, document the flow of information, define the responsibilities of subrecipients and various program personnel, and include procedures for ensuring the accuracy and completeness of all Section 1512 reporting elements. Without a formal written plan in place, the DSS has less assurance the various reporting responsibilities, such as data collection and

verification, have been relayed to and understood by all parties of the reporting process.

WE RECOMMEND the DSS through the FSD and the DFAS:

A. Establish procedures over the CSBG program to ensure the accuracy and completeness of Section 1512 reports and ensure timely reviews of data submitted by the subrecipients for Section 1512 reporting.

B. Establish a formal written plan for Section 1512 reporting.

AUDITEE'S RESPONSE

A. We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

B. We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

2010-25. Provider Eligibility and Improper Payments

Federal Agency:	Department of Health and Human Services
Federal Program:	93.778 Medical Assistance Program 2009 - 0905MO5028 and 0905MO5048 2010 - 1005MO5MAP/XIX-MAP10 and 1005MO5ADM/XIX-ADM10 93.778 ARRA - Medical Assistance Program 2009 - 0905MOARRA 2010 - 1005MOARRA
State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD)
Questioned Costs:	$122

Lack of adequate internal controls over Medicaid provider eligibility resulted in noncompliance with federal laws and regulations and improper payments to a provider totaling $164 related to the above reference program. The Medical Assistance Program, also known as Medicaid, is administered by the MHD.

The MHD has not established controls to detect expired Medicaid provider licenses or to prevent, detect, and correct payments to providers who were deceased prior to the date the reimbursement claim indicated medical services were provided. As a result, the MHD improperly paid $164 during the year ended June 30, 2010, for three claims submitted for one Medicaid provider who was deceased prior to the reported date of service. During our review of 25 claims paid to Medicaid providers during the year June 30, 2010, we

were unable to verify on the Missouri Division of Professional Registration (PR) website whether this provider was licensed as of the date the claim was paid. In addition, we noted the provider's license on file with the MHD expired in 2004, and there was no evidence the MHD had ensured this provider was licensed after the date of expiration. At our request, MHD personnel contacted PR personnel who indicated this provider was deceased, thus his license had been removed from the PR website following his death in December 2009, and his license would have expired on January 31, 2011. The MHD provided us documentation of all claims submitted for this provider after the date of his death. Five claims were submitted, with three claims paid and two claims denied (although denials were not due to the death of the provider). Therefore, we question the federal share of the three claims paid for which the reported dates of services were after the provider's date of death, or $122 (74.43 percent).

In addition, the MHD has not established controls to ensure providers continually meet federal requirements for disclosure of convictions of criminal offenses against Medicare, Medicaid, or the Title XX services program. According to MHD personnel, unless a provider submits revised disclosure information or the MHD is notified of exclusions by the U.S. Department of Health and Human Services, Office of Inspector General, the MHD is unaware of changes which may need to be disclosed.

In order to receive Medicaid payments, providers of medical services must be licensed in accordance with federal, state, and local laws and regulations as outlined in 42 CFR Sections 431.107 and 447.10 and Section 1902(a)(9) of the Social Security Act. In addition, providers must make disclosures to the state of convictions of criminal offenses against Medicare, Medicaid, or the title XX services program, as required by 42 CFR Part 455, Subpart B, Sections 455.100 through 455.106.

Without controls and procedures in place to identify deceased providers, detect expired licenses, and ensure disclosures required by federal requirements are current, the MHD cannot ensure all enrolled Medicaid providers remain eligible for participation in the Medicaid program and that improper payments will be detected and corrected in a timely manner. The improper medical payments associated with known questioned costs identified above represent payments made to 1 of 25 providers, or approximately 4 percent of Medicaid providers reviewed. It is unclear if similar improper payments have been made to the remaining population of Medicaid providers; however, additional questioned costs are possible.

WE RECOMMEND the MHD develop procedures to ensure providers meet required criteria to be eligible Medicaid providers, including periodically verifying provider licenses, obtaining updated provider disclosures, and ensuring timely detection of deceased providers, to aid in the prevention and correction of improper claims paid. In addition, the MHD should resolve the questioned costs with the grantor agency.

AUDITEE'S RESPONSE

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Additional State Auditor's Reports:

The Missouri State Auditor's Office regularly issues management reports on various programs, agencies, divisions, and departments of the state of Missouri. Some of these management reports include issues relating to the administration of federal programs. The following reports relate to federal programs and were analyzed to determine if any issues noted in these reports were required to be reported in this Schedule of Findings and Questioned Costs in accordance with Section .510(a) of OMB Circular A-133.

Report Number	Report Name
2010-88	Higher Education/Higher Education Governance Structure and Coordination
2010-99	Insurance, Financial Institutions, and Professional Registration/Insurance
2010-122	Labor and Industrial Relations/Misclassified Worker Investigation Procedures
2010-161	Public Safety/Office of Adjutant General

All reports are available on the Missouri State Auditor's Office website: http://auditor.mo.gov.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

STATE OF MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all audit findings in the prior audit for the year ended June 30, 2009, and the findings from the prior audits for the years ended June 30, 2008 and 2007, except those that were listed as corrected, no longer valid, or not warranting further action. This section includes the Summary Schedule of Prior Audit Findings, which is prepared by the state's management.

Circular A-133 requires the auditor to follow-up on these prior audit findings; perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and report as a current year finding, when the auditor concludes the Summary Schedule of Prior Audit Findings materially misrepresents the status of any prior audit findings.

The disposition of the findings from the year ended June 30, 2008, is as follows:

Findings numbered 1, 3, 4, 7B, and 8C were corrected.

Findings numbered 2A, 2B, 5, 6, 7A, 8A, 8B, 9A, 9B, and 10 are included in the Summary Schedule of Prior Audit Findings.

For the year ended June 30, 2007, all findings were corrected, no longer valid, or did not warrant further action, except for finding number 12, which is included in the Summary Schedule of Prior Audit Findings.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2007-12. Subrecipients

Federal Agency: Department of Agriculture
Department of Health and Human Services

Federal Program: 10.561 State Administrative Matching Grants for Food Stamp Program
2005, 2006, and 2007 - IS251443
2006 and 2007 - IE251843 and IS252043
93.556 Promoting Safe and Stable Families
2006 - G0601MO00FP and 2007 - G0701MO00FP
93.558 Temporary Assistance for Needy Families
2006 - G0601MOTANF and 2007 - G0701MOTANF
93.566 Refugee and Entrant Assistance - State Administered Programs
2006 - G06AAMO7100, 2007 - G07AAMO7100,
2006 - G06AAMO7110, and 2007 - G07AAMO7110
93.568 Low-Income Home Energy Assistance
2006 - G06B1MOLIEA and 2007 - G07B1MOLIEA
93.575 Child Care and Development Block Grant
2006 - G0601MOCCDF and 2007 - G0701MOCCDF
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
2006 - G0601MOCCDF and 2007 - G0701MOCCDF
93.658 Foster Care - Title IV-E
2006 - G0601MO1401 and 2007 - G0701MO1401
93.659 Adoption Assistance
2006 - G0601MO1407 and 2007 - G0701MO1407
93.667 Social Services Block Grant
2006 - G0601MOSOSR and 2007 - G0701MOSOSR
93.674 Chafee Foster Care Independent Living
2006 - G0601MO1420 and 2007 - G0701MO1420
93.778 Medical Assistance Program
2006 - 06-05MO5028 and 2007 - 07-05MO5028
2006 - 06-05MO5048 and 2007 - 07-05MO5048

State Agency: Department of Social Services (DSS) - Division of Budget and Finance (DBF)

The DSS did not consider certain entities, such as local community partnerships, to be subrecipients. Our review of expenditures noted payments to several entities which appeared to be subrecipients. However, the Schedule of Expenditures of Federal Awards (SEFA) prepared by the DBF reported payments to these entities for these programs as vendors, rather than "amounts provided to subrecipients", and these entities were not furnished applicable federal regulations and required to obtain an audit in accordance with OMB Circular A-133, when needed.

Recommendation:
The DSS-DBF classify appropriate entities as subrecipients and report funds provided to subrecipients correctly on the SEFA. The subrecipients should be appropriately notified of grant funding sources and regulations and should be required to obtain A-133 audits, where applicable.

Status of Finding:
The DSS developed a tool that we are using to determine whether contractors are vendors or subrecipients. The community partnerships were notified that they are now considered subrecipients and as such are expected to have an A-133 audit conducted for their fiscal year ending on or after June 30, 2011.

Contact Person: Roger Backes
Phone Number: (573) 751-2170

2008-2A. Capital Assets

Federal Agency: Department of Defense
Federal Program: 12.401 National Guard Military Operations and Maintenance Projects
2007 - DAHA23-07-2-1000 and 2008 - DAHA23-08-2-1000
State Agency: Department of Public Safety - Adjutant General (AG)

Some assets purchased during fiscal year 2008 were not properly accounted for in the AG's capital asset tracking system and were not assigned a property tag or capital asset number. In addition, the AG did not perform adequate periodic inventories to ensure capital assets were retained and used appropriately.

Recommendation:
The AG ensure all equipment is properly entered into the capital asset tracking system and assigned a property tag number. In addition, develop and implement a process to ensure capital assets are appropriately accounted for on the annual physical inventories. The inventories should be completed by someone without physical custody of the assets, or at a minimum, reviewed by someone independent.

Status of Finding:
The AG's fixed asset accountability process was revised in 2009. Additional AG staff has been and will continue to be assigned to assist with the reconciliation of fixed assets.

The state property manager, during the months of January - March, will provide a copy of the inventory record to each Hand Receipt Holder at the various off-site locations. The Hand Receipt Holder will sign the inventory record confirming that a physical inventory has been conducted and that all discrepancies have been annotated and return a copy of the inventory record to the State Property Manager. The State Property Manager will sign the inventory record acknowledging receipt and verify that the Hand Receipt Holder signed the document. All inventory records will be presented to the State Logistics

Manager who will also sign the inventory record confirming an inventory record has been received from Hand Receipt Holder and the State Property Manager has signed. A schedule has been established to verify a physical inventory at a minimum of 10 percent of the AG National Guard armories and federal/state agreement facilities to ensure assets are accounted for appropriately. The AG State Property Manager will conduct these inventories and the State Resource Logistics Manager will initial documents upon review and provide oversight.

Contact Person: Jill Delgado
Phone Number: (573) 638-9574

2008-2B. Capital Assets

Federal Agency: Department of Defense
Federal Program: 12.401 National Guard Military Operations and Maintenance Projects
2007 - DAHA23-07-2-1000 and 2008 - DAHA23-08-2-1000
State Agency: Department of Public Safety - Adjutant General (AG)

AG personnel did not complete reconciliation between the expenditure and capital asset records in the SAM II system.

Recommendation:
The AG ensure the capital asset reconciliation is completed to identify all capital assets and ensure the capital asset records are accurate.

Status of Finding:
Prior year fixed asset records continue to be researched and corrected. As of October 27, 2010, approximately 50 percent of outstanding fixed assets records for the federal fund have been reconciled. The previously stated revisions to existing policies have proven beneficial in the accountability of fixed assets and additional staff will continue to be assigned this duty until fixed asset accounts are reconciled.

Contact Person: Jill Delgado
Phone Number: (573) 638-9574

2008-5. Subrecipients

Federal Agency: Department of Agriculture
Department of Health and Human Services
Federal Program: 10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
2007 - IS251443, IE251843, and IS252043
2008 - IS251443, IS802643, and IS803643

93.556 Promoting Safe and Stable Families
2007 - G0701MO00FP and 2008 - G0801MOFPSS
93.558 Temporary Assistance for Needy Families
2007 - G0701MOTANF and 2008 - G0802MOTANF
93.566 Refugee and Entrant Assistance - State Administered Programs
2007 - G07AAMO7100 and G07AAMO7110
2008 - G08AAMO7100 and G08AAMO7110
93.568 Low-Income Home Energy Assistance
2007 - G07B1MOLIEA and 2008 - G08B1MOLIEA
93.575 Child Care and Development Block Grant
2007 - G0701MOCCDF and 2008 - G0801MOCCDF
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
2007 - G0701MOCCDF and 2008 - G0801MOCCDF
93.658 Foster Care - Title IV-E
2007 - G0701MO1401 and 2008 - G0801MO1401
93.659 Adoption Assistance
2007 - G0701MO1407 and 2008 - G0801MO1407
93.667 Social Services Block Grant
2007 - G0701MOSOSR and 2008 - G0801MOSOSR
93.674 Chafee Foster Care Independence Program
2007 - G0701MO1420 and 2008 - G0801MO1420
93.778 Medical Assistance Program
2007 - 0705MO5028 and 0705MO5048
2008 - 0805MO5028 and 0805MO5048

State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)

The DSS did not consider certain entities, such as local community partnerships, to be subrecipients. Our review of expenditures noted payments to several entities which appeared to be subrecipients. However, the Schedule of Expenditures of Federal Awards (SEFA) prepared by the DFAS reported the payments to these entities for these programs as payments to vendors, rather than "amounts provided to subrecipients", and these entities were not furnished applicable federal regulations and were not required to obtain A-133 audits, when needed.

Recommendation:

The DSS through the DFAS, classify appropriate entities as subrecipients and report funds provided to subrecipients correctly on the SEFA. The subrecipients should be appropriately notified of grant funding sources and regulations and should be required to obtain A-133 audits, where applicable.

Status of Finding:

The DSS developed a tool that we are using to determine whether contractors are vendors or subrecipients. The community partnerships were notified that they are now considered

subrecipients and as such are expected to have an A-133 audit conducted for their fiscal year ending on or after June 30, 2011.

Contact Person: Roger Backes
Phone Number: (573) 751-2170

2008-6. Foster Care - Court Contracts

Federal Agency: Department of Health and Human Services
Federal Program: 93.658 Foster Care - Title IV-E
2007 - G0701MO1401 and 2008 - G0801MO1401
State Agency: Department of Social Services (DSS) - Children's Division (CD)
Questioned Costs: $216,178

The DSS received federal reimbursement for administrative costs associated with services provided by juvenile officers and guardians ad litem, although such costs did not appear allowable in the Foster Care program. During the fiscal year 2008, the DSS claimed reimbursement of such costs totaling $432,356. We questioned the federal share of $216,178.

Recommendation:
The DSS through the CD, ensure Foster Care costs claimed for federal reimbursement are allowable Foster Care expenses. In addition, the DSS should resolve the questioned costs with the grantor agency.

Status of Finding:
The DSS-CD has ceased claiming Title IV-E on costs incurred under contracts with juvenile courts for guardian ad-litem services and for deputy juvenile officer services.

Status of Questioned Costs:
Questioned costs have not yet been resolved with the grantor agency.

Contact Person: Patrick Luebbering
Phone Number: (573) 751-4206

2008-7A. Foster Care - Residential Facilities

Federal Agency: Department of Health and Human Services
Federal Program: 93.658 Foster Care - Title IV-E
2007 - G0701MO1401 and 2008 - G0801MO1401
State Agency: Department of Social Services (DSS) - Children's Division (CD)
Questioned Costs: $9,511

Reimbursements to residential facilities for training expenses were not always supported by sufficient documentation that the expenditures were allowable, and some training costs reimbursed appeared unallowable. Of the $34,100 in reimbursements reviewed, payments totaling $12,875 were unallowable and/or unsupported, of which we questioned $9,511 claimed as the federal share.

Recommendation:
The DSS through the CD, continue to ensure training activities reimbursed are for allowable activities outlined in federal regulations. In addition, the DSS should resolve the questioned costs with the grantor agency.

Status of Finding:
Beginning July 1, 2008, a new contract was issued for training reimbursement. The division has considerably changed the review process for these invoices, requiring documentation from the agencies of how their requests for training reimbursement meet the federal definition. The CD believes, subsequently, those costs being reimbursed are appropriate.

Status of Questioned Costs:
Questioned costs have not yet been resolved with the grantor agency.

Contact Person: Patrick Luebbering
Phone Number: (573) 751-4206

2008-8A. Foster Care - Eligibility and Assistance Payments

Federal Agency: Department of Health and Human Services
Federal Program: 93.658 Foster Care - Title IV-E
2007 - G0701MO1401 and 2008 - G0801MO1401
State Agency: Department of Social Services (DSS) - Children's Division (CD)
Questioned Costs: $2,790

The DSS did not maintain sufficient documentation to support eligibility or did not comply with federal requirements for some cases. For one case reviewed, the DSS could not locate a court order indicating the removal of the child from the home was in the child's best interest. Payments relating to this case, totaling $4,484, were charged to the Foster Care program. We questioned the federal share of $2,790. In addition, for other cases reviewed, the DSS did not comply with federal requirements and file or join a petition to file for termination of parental rights (TPR) or document compelling reasons for not pursuing termination; or TPR was not initiated within the required timeframe.

Recommendation:
The DSS through the CD resolve the questioned costs with the grantor agency, and ensure Foster Care judicial determinations contain specific language required by federal regulations, and that petitions to terminate parental rights are filed for parents whose

children are in custody for 15 of the most recent 22 months or compelling reasons for not filing the petition are documented.

Status of Finding:
A Practice Alert was issued to all CD staff on July 15, 2009, informing staff that they must obtain a copy of the initial court order indicating that removal from the home was in the child's best interest and file the order in the case record. The Practice Alert also states that when TPR is required, CD staff must file or join a petition for TPR, or document compelling reasons for not pursing termination within required timeframes.

Status of Questioned Costs:
Questioned costs have not yet been resolved with the grantor agency.

Contact Person: Melody Yancey
Phone Number: (573) 522-5062

2008-8B. Foster Care - Eligibility and Assistance Payments

Federal Agency: Department of Health and Human Services
Federal Program: 93.658 Foster Care - Title IV-E
2007 - G0701MO1401 and 2008 - G0801MO1401
State Agency: Department of Social Services (DSS) - Children's Division (CD)
Questioned Costs: $1,747

Sufficient documentation, such as invoices or other supporting documentation, could not be located for some payments for some cases where payment documentation was required. In addition, for some cases, the benefit payments exceeded the annual clothing allowance, and for another case, the maintenance payments were incorrectly calculated. For these cases, payments totaling $2,807 were unallowable and/or unsupported by adequate documentation. We questioned the federal share of $1,747.

Recommendation:
The DSS through the CD resolve the questioned costs with the grantor agency, and ensure Foster Care payments are allowable and supported by adequate documentation.

Status of Finding:
Memo CD09-92 was issued to all staff on September 24, 2009, reminding staff that sufficient documentation must be attached to all payment requests. The Payment Handbook was also updated to include information on appropriate documentation.

Status of Questioned Costs:
Questioned costs have not yet been resolved with the grantor agency.

Contact Person: Melody Yancey
Phone Number: (573) 522-5062

2008-9A. Vocational Rehabilitation Program

Federal Agency: Department of Education
Federal Program: 84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States 2007 - H126A0700372 and 2008 - H126A080037B
State Agency: Department of Social Services - Family Support Division (FSD) - Rehabilitation Services for the Blind (RSB)
Questioned Costs: $3,444,779

The FSD did not establish procedures to ensure adequate supporting documentation was prepared for personnel costs charged to the Vocational Rehabilitation (VR) grant. Personnel costs charged to the VR grant during state fiscal year 2008 for which the supporting documentation was inadequate or not prepared totaled $4,377,102 of which we questioned the federal share of costs totaling $3,444,779.

Recommendation:

The FSD resolve the questioned costs with the grantor agency. In addition, the FSD should develop written policies and procedures to ensure salary certifications are prepared for all employees who work solely on a single program and personnel activity reports are prepared for employees who work on multiple federal awards or cost objectives in accordance with OMB Circular A-87.

Status of Finding:

The FSD has modified the certification process for personnel who worked solely in a single grant program and implemented personnel activity reporting (time studies) for those who work in multiple grants. FSD now ensures that all staff claimed 100 percent to the VR grant are verified through the certification process, effective in March 2009. FSD also ensures that any staff employed in a position that is claimed 100 percent to a grant (VR OIB) at any time during the review period is included in the certification process. Written procedures have been provided to affected staff to ensure they are clear on the certification process. FSD ensures that staff allocation claims for those employees not claimed 100 percent working to a specific grant in the FSD-RSB program are based on the employee activity reports effective July 1, 2009.

Status of Questioned Costs:

This finding is the subject of continued discussion with the grantor agency, but no final resolution has been achieved as of the date of this report.

Contact Person: Mark Laird
Phone Number: (573) 751-4249

2008-9B. Vocational Rehabilitation Program

Federal Agency: Department of Education
Federal Program: 84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States
2007 - H126A0700372 and 2008 - H126A080037B
State Agency: Department of Social Services - Family Support Division (FSD) - Rehabilitation Services for the Blind (RSB)

The FSD-RSB did not adequately document annual reviews of Individualized Plans for Employment (IPE) relating to the Vocational Rehabilitation (VR) grant.

Recommendation:
The FSD document annual reviews of IPE for VR recipients on the IPE forms as required by RSB policy.

Status of Finding:
RSB has emphasized to vocational rehabilitation counseling staff, their supervisors and the rehabilitation assistants who work on case file documents and through on-site training the need for clear documentation verifying the requirement of the review of each eligible individual's IPE as often as necessary, but at least once every twelve months to assess the individual's progress in achieving the identified employment outcome, with an emphasis on using the IPE document to verify the requirement has been met. RSB central office management staff has focused attention on meeting the requirement and the documentation that the requirement has been met during discussions with field offices regarding any authorized service requiring higher level approval prior to approval.

RSB is in the process of implementing an automated case management system, expected to be operational by mid FY 2011. The system will capture the IPE completion date and generate an alert to counseling staff in advance of the annual anniversary date.

Contact Person: Mark Laird
Phone Number: (573) 751-4249

2008-10. Medical Assistance Program

Federal Agency: Department of Health and Human Services
Federal Program: 93.778 Medical Assistance Program
2007 - 0705MO5028 and 0705MO5048
2008 - 0805MO5028 and 0805MO5048
State Agency: Department of Social Services (DSS) - Family Support Division (FSD) and MO HealthNet Division (MHD)
Questioned Costs: $2,048

Various documentation detailing eligibility of recipients, payments to providers, and payment overrides could not be located related to the above referenced program.

A. Eligibility documentation could not be located by FSD for one Medicaid case file reviewed. Medical payments made on behalf of the client during the year ended June 30, 2008, totaled $3,297. We questioned the federal share of the total payments or $2,048.

B. Medicaid Eligibility Quality Control System documentation could not be located and/or was not adequate for some cases reviewed.

C. Medicaid payment override documentation could not be located for one case file reviewed.

D. Medicaid payment documentation could not be located by the MHD for one Program Integrity Unit's post payment case file reviewed.

Recommendation:

The DSS through the FSD and MHD ensure complete case files are maintained and/or documentation is adequate to ensure compliance with applicable federal requirements related to the Medicaid program. In addition, the FSD should resolve questioned costs with the grantor agency.

Status of Finding:

A&B. The FSD still does not agree that missing documentation, per se, would make costs questionable, and contends that, given eligibility determination information is maintained electronically in the Family Assistance Management Information System, the lack of a "hard case record" does not affect the eligibility. The agency is in the process of devising a memorandum to remind staff that it is good practice to maintain the hard case record for review purposes.

C. MHD's Participant Services Unit implemented new procedures for tracking, monitoring and retaining claim payment override documentation in December 2008.

D. MHD's Program Integrity Unit modified the procedures for the State Audit Sample and updated the tracking system in March 2009.

Status of Questioned Costs:

Questioned costs will be adjusted on the September 30, 2010, quarterly report.

Contact Person: Sandra Nelson and Lynn Hebenheimer
Phone Number: (573) 751-3124 and (573) 526-6806

2009-1. Untimely Teacher Loan Forgiveness Payments

Federal Agency: Department of Education
Federal Program: 84.032 Federal Family Education Loans - Guaranty Agencies
State Agency: Department of Higher Education (DHE)
Questioned Costs: $502,851

The DHE did not have adequate controls in place to ensure payments were made to lenders within the 45 days required by program regulations for teacher loan forgiveness (TLF) claims. During the year ended June 30, 2009, payments totaling approximately $2.25 million were made for 311 TLF claims. We questioned the federal share of 75 untimely payments, or $502,851.

Recommendation:
The DHE work with the loan servicer to establish adequate controls and monitoring procedures to ensure TLF payments are made in a timely manner in accordance with federal regulations. In addition, the DHE should resolve the questioned costs with the grantor agency.

Status of Finding:
The DHE's loan servicer implemented procedures to ensure that eligible TLF claims are paid within 45 days of receipt. In addition, the DHE updated its internal procedures and now reviews all approved TLF claims weekly to verify the lender was paid within 45 days.

Status of Questioned Costs:
The DHE disagreed with the questioned costs. To date, the U.S. Department of Education has not followed up with the DHE on this audit finding or required any action relating to the questioned costs.

Contact Person: Carla Hancock
Phone Number: (573) 522-1363

2009-2A. Benefit Payments

Federal Agency: Department of Labor
Federal Program: 17.225 Unemployment Insurance
17.225 ARRA - Unemployment Insurance
2008 - UI-16756-08-55-A-29
2009 - UI-18030-09-55-A-29
State Agency: Department of Labor and Industrial Relations (DLIR)
Questioned Costs: $300

Controls and procedures related to the computer system used to manage unemployment benefits were not adequate. Due to a programming error, the computer system did not

accurately calculate the maximum benefit amount for Third Tier benefits, and documentation was not maintained to demonstrate what was done to correct the errors. We questioned the federal share of $300 (100 percent) for the error noted during our review.

Recommendation:

The DLIR resolve questioned costs with the grantor agency, and work with Office of Administration Information Technology Services Division (ITSD) to reanalyze all the changes made recently to the programming to determine if there are other issues affecting payments to claimants. In addition, the DLIR should work with the ITSD to ensure programming changes are properly tested and accurate. Also, the DLIR should work with the ITSD to ensure documentation is maintained of corrections and changes made to computer programming, the claimants affected by the changes, and the dollar amount associated with the changes.

Status of Finding:

The Department has resolved the questioned costs with the U.S. Department of Labor (USDOL). The USDOL's Final Determination regarding this finding was issued September 23, 2010. In this determination, the USDOL found that the corrective action plan submitted should be sufficient to address the issues noted by the auditor. The actions planned included a reemphasis on testing and verification of programming changes prior to implementation and the development of a records retention methodology and process which includes documenting and maintaining an audit trail for changes made.

Status of Questioned Costs:

The questioned costs of $300 were allowed by the USDOL.

Contact Person: Spencer Clark
Phone Number: (573) 751-3366

2009-2B. Benefit Payments

Federal Agency: Department of Labor
Federal Program: 17.225 Unemployment Insurance
17.225 ARRA - Unemployment Insurance
2008 - UI-16756-08-55-A-29
2009 - UI-18030-09-55-A-29
State Agency: Department of Labor and Industrial Relations (DLIR)

Controls and procedures related to the computer system used to manage unemployment benefits were not adequate. For two accounts reviewed, we noted benefits from a previous level were initially exhausted, but due to identifying the claimants' failure to report wages earned, overpayments of benefits totaling $944 were detected. Since these overpayments were made from a level that was previously exhausted, when repaid or recouped, that previous level's benefits would no longer actually be exhausted. As a result

the potential existed that these benefits would not subsequently be paid to the claimants when owed.

Recommendation:
The DLIR ensure overpayments caused by the claimant's failure to report wages are properly reviewed and handled, and any benefits due to the claimant are paid.

Status of Finding:
In its Final Determination issued September 23, 2010, the U.S. Department of Labor indicated that it is unclear whether planned actions to address this finding will be sufficient to prevent the issues from recurring. However, since that time, the Office of Administration Information Technology Services Division developed a program to identify all claims that had a balance restored to a previous level of benefits. The necessary adjustments to these claims will be made as soon as workload allows.

Contact Person: Spencer Clark
Phone Number: (573) 751-3366

2009-2C. Benefit Payments

Federal Agency: Department of Labor
Federal Program: 17.225 Unemployment Insurance
17.225 ARRA - Unemployment Insurance
2008 - UI-16756-08-55-A-29
2009 - UI-18030-09-55-A-29
State Agency: Department of Labor and Industrial Relations (DLIR)
Questioned Costs: $1,980

A monthly report of overpayments, generated by the computer system, did not include some overpayments of Extended Benefits (EB). Our review noted an EB overpayment of $1,980 (which includes $150 overpayment of Federal Additional Compensation) made to one claimant was not identified and not included in the report. We questioned the federal share of $1,980 (100 percent).

Recommendation:
The DLIR resolve questioned costs with the grantor agency, and develop procedures to ensure all overpayments are included in the overpayment report so that overpayments can be investigated and collection can be pursued.

Status of Finding:
The DLIR has resolved the questioned costs with the U.S. Department of Labor (USDOL). The USDOL's Final Determination regarding this finding was issued September 23, 2010. In this determination, the USDOL found that the corrective action plan submitted should be sufficient to address the issues noted by the auditor. The DLIR has corrected the monthly report of overpayments on state EB caused by non-monetary

determinations. The DLIR worked with the Office of Administration Information Technology Services Division and identified all claims that were originally omitted from the report and has taken appropriate steps to investigate for possible overpayments and recovery. The DLIR considers this finding corrected and believes no further corrective action is needed.

Status of Questioned Costs:
The questioned costs of $1,980 were allowed by the USDOL.

Contact Person: Spencer Clark
Phone Number: (573) 751-3366

2009-3. Reporting

Federal Agency: Department of Labor
Federal Program: 17.225 Unemployment Insurance
17.225 ARRA - Unemployment Insurance
2008 - UI-16756-08-55-A-29
2009 - UI-18030-09-55-A-29
State Agency: Department of Labor and Industrial Relations (DLIR)

Due to inadequate procedures and a lack of oversight, reports necessary to comply with federal reporting requirements were not submitted timely. Available tracking reports were apparently not used to ensure compliance in filing reports timely.

Recommendation:
The DLIR improve procedures to ensure applicable reports are filed with the U.S. Department of Labor (USDOL) within the required timeframe. The DLIR should ensure adequate oversight over the reporting process and utilize the tracking reports to monitor the timeliness of reports.

Status of Finding:
In its Final Determination issued September 23, 2010, the USDOL indicated that this finding remains uncorrected. The DLIR reassigned staff and provided instruction on the timely filing of reports. In order to fully demonstrate that the issue has been addressed, the DLIR must submit a subsequent audit report that does not contain findings related to this issue.

Contact Person: Spencer Clark
Phone Number: (573) 751-3366

2009-4A. Subrecipient Monitoring

Federal Agency: Department of Energy
Federal Program: 81.042 Weatherization Assistance for Low-Income Persons
2008 - DE-FG-450R530683
81.042 ARRA - Weatherization Assistance for Low- Income Persons
2009 - DE-EE0000151
State Agency: Department of Natural Resources (DNR)

Improvements were needed in the monitoring of subrecipient activities to ensure expenditures by subrecipients were allowable. The DNR did not receive itemized listings or supporting documentation prior to reimbursing subrecipients for program expenditures. A computerized reporting system (MOWAP) was not yet operational. In addition, monitoring policies and procedures did not ensure a sufficient number and amount of expenditures were reviewed during monitoring visits and the documentation of the actual expenditures reviewed was inadequate.

Recommendation:
The DNR continue to work on the implementation of the MOWAP system and establish procedures for timely review of supporting documentation for expenditures reimbursed to subrecipients. In addition, the DNR should strengthen internal controls by establishing more comprehensive procedures for on-site monitoring of subrecipient expenditures including a consistent methodology for selecting representative samples of all significant types of subrecipient expenditures, and ensuring specific expenditures reviewed are adequately documented.

Status of Finding:
Corrective action taken and fully implemented. U.S. Department of Energy did not follow up on this finding.

Contact Person: Joe Gassner
Phone Number: (573) 751-7657

2009-4B. Subrecipient Monitoring

Federal Agency: Department of Energy
Federal Program: 81.042 Weatherization Assistance for Low-Income Persons
2008 - DE-FG-450R530683
81.042 ARRA - Weatherization Assistance for Low-Income Persons
2009 - DE-EE0000151
State Agency: Department of Natural Resources (DNR)

The DNR did not adequately document its review of subrecipient compliance with state purchasing laws or ensure identified noncompliance was corrected in a timely manner. In

addition, monitoring files contained no documentation regarding a review of subrecipient compliance with federal suspension and debarment requirements.

Recommendation:
The DNR ensure subrecipient monitoring includes a more thorough review of compliance with bidding procedures, and perform more timely follow-up procedures for known noncompliance. In addition, the DNR should ensure monitoring for subrecipient compliance with federal suspension and debarment regulations is performed and documented.

Status of Finding:
Corrective action taken and fully implemented. U.S. Department of Energy did not follow up on this finding.

Contact Person: Joe Gassner
Phone Number: (573) 751-7657

2009-4C. Subrecipient Monitoring

Federal Agency: Department of Energy
Federal Program: 81.042 Weatherization Assistance for Low-Income Persons
2008 - DE-FG-450R530683
81.042 ARRA - Weatherization Assistance for Low-Income Persons
2009 - DE-EE0000151
State Agency: Department of Natural Resources (DNR)

The DNR did not review subrecipient audit reports on a timely basis to ensure compliance with the Single Audit Act and OMB Circular A-133.

Recommendation:
The DNR adopt policies and procedures to ensure subrecipient audits are reviewed in a timely manner.

Status of Finding:
Corrective action taken and fully implemented. U.S. Department of Energy did not follow up on this finding.

Contact Person: Kendall Blythe
Phone Number: (573) 751-1348

2009-5. Reporting

Federal Agency: Department of Defense
Federal Program: 12.401 National Guard Military Operations and Maintenance Projects
2008 - DAHA23-08-2-1000 and 2009 - DAHA23-09-2-1000
State Agency: Department of Public Safety - Adjutant General (AG)

While the AG had a system in place to track fiscal year closeout reports and related due dates, AG personnel did not use this data to help ensure closeout reports were actually submitted to the federal government by the dates due or that requests for extensions were filed if necessary. As a result, several closeout reports and requests for extensions were not submitted timely.

Recommendation:
The AG establish procedures to ensure closeout reports are submitted by the date due or when necessary, and deadline extensions are obtained and met.

Status of Finding:
Extensions and closeout reports are now being accomplished in a timely manner.

Contact Person: Jill Delgado
Phone Number: (573) 638-9574

2009-6A. Capital Assets

Federal Agency: Department of Defense
Federal Program: 12.401 National Guard Military Operations and Maintenance Projects
2008 - DAHA23-08-2-1000 and 2009 - DAHA23-09-2-1000
State Agency: Department of Public Safety - Adjutant General (AG)

Some assets purchased during fiscal year 2009 were not properly accounted for in the AG's internal capital asset tracking system or the SAM II capital asset tracking system, and some assets did not receive a property tag and asset number. In addition, the AG did not perform physical inventories during fiscal year 2009 at any of the offsite locations housing the assets.

Recommendation:
The AG ensure all equipment is properly assigned a property tag number and entered into both the internal and SAM II capital asset tracking systems. In addition, the AG should ensure annual physical inventories are performed and continue to investigate the backlog of untagged capital assets.

Status of Finding:
The AG fixed asset accountability process was revised in 2009. Additional AG staff has been and will continue to be assigned to assist with the reconciliation of fixed assets.

The state property manager during the months of January - March, will provide a copy of the inventory record to each Hand Receipt Holder at the various off-site locations. The Hand Receipt Holder will sign the inventory record confirming that a physical inventory has been conducted and that all discrepancies have been annotated and return a copy of the inventory record to the State Property Manager. The State Property Manager will sign the inventory record acknowledging receipt and verify that the Hand Receipt Holder signed the document. All inventory records will be presented to the State Logistics Manager who will also sign the inventory record confirming an inventory record has been received from Hand Receipt Holder and the State Property Manager has signed. A schedule has been established to verify a physical inventory at a minimum of 10 percent of the AG National Guard armories and federal/state agreement facilities to ensure assets are accounted for appropriately. The AG State Property Manager will conduct these inventories and the State Resource Logistics Manager will initial documents upon review and provide oversight.

Contact Person: Jill Delgado
Phone Number: (573) 638-9574

2009-6B. Capital Assets

Federal Agency: Department of Defense
Federal Program: 12.401 National Guard Military Operations and Maintenance Projects
2008 - DAHA23-08-2-1000 and 2009 - DAHA23-09-2-1000
State Agency: Department of Public Safety - Adjutant General (AG)

AG personnel did not complete a reconciliation between the expenditure and capital asset records in the SAM II system. While a reconciliation was in progress, as of January 2010, approximately $1.2 million of the $3.8 million in capital asset expenditures from fiscal year 2002 through fiscal year 2009 was not reconciled.

Recommendation:
The AG ensure the capital asset reconciliation is completed to identify all capital assets and ensure the capital asset records are accurate.

Status of Finding:
Prior year fixed asset records continue to be researched and corrected. As of October 27, 2010 approximately 50 percent of outstanding fixed assets records for the federal fund have been reconciled. The previously stated revisions to existing policies have proven beneficial in the accountability of fixed assets and additional staff will continue to be assigned this duty until fixed asset accounts are reconciled.

Contact Person: Jill Delgado
Phone Number: (573) 638-9574

2009-7. Schedule of Expenditures of Federal Awards

Federal Agency: Department of Defense
Federal Program: 12.401 National Guard Military Operations and Maintenance Projects
2008 - DAHA23-08-2-1000 and 2009 - DAHA23-09-2-1000
State Agency: Department of Public Safety - Adjutant General (AG)

The AG did not have adequate procedures in place to prepare the Schedule of Expenditures of Federal Awards (SEFA) or to prevent and detect errors.

Recommendation:
The AG develop formal procedures to prepare a complete and accurate SEFA, including providing for appropriate supervisory reviews.

Status of Finding:
The AG has established internal procedures for the preparation of the SEFA schedule.

Contact Person: Jill Delgado
Phone Number: (573) 638-9574

2009-8. Veterans State Nursing Home Care Program

Federal Agency: Department of Veterans Affairs
Federal Program: 64.015 Veterans State Nursing Home Care
State Agency: Department of Public Safety - Missouri Veterans Commission (MVC)

Formal application and eligibility review policies and procedures of potential Veterans Nursing Homes (Homes) residents were in need of improvement. Prior to September 2008, eligibility reviews performed of potential residents were not documented, and therefore, the MVC could not demonstrate that its personnel verified resident eligibility prior to that time. Our review of the forms used to document eligibility reviews after September 2008 found Homes personnel were not always following the new policy. In addition, the MVC did not have written policies and procedures identifying acceptable documentation to verify the 180-day state residency requirement; therefore, the MVC could not effectively demonstrate compliance with the residency requirement.

Recommendation:
The MVC revise the Homes policies and procedures manual to reflect the use of the Pre-Admission Screening Form to document all eligibility reviews, including personnel required to perform the reviews, and formally establish acceptable proof of residency documentation. In addition, the Pre-Admission Screening Form should be updated to require all necessary reviewers' signatures, and acceptable proof of residency should be obtained for each applicant.

Status of Finding:

On May 1, 2010, the MVC implemented a policy and procedure to ensure all new applicants show that he/she lived in Missouri for 180 days and are eligible for placement in a Missouri Veterans Home. The policy includes specific documents which may be required to show proof of residency. The proof of residency is attached to the Waiting List Screening Tool. In addition, the policy and the Waiting List Screening Tool list the reviewers required to sign the screening tool to document their approval of the applicant's eligibility.

Contact Person: Omar Davis
Phone Number: (573) 522-4224

2009-9. Subrecipients

Federal Agency: Department of Agriculture
Department of Health and Human Services

Federal Program:
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
2008 and 2009 - IS251443, IE251843 and IS252043
93.556 Promoting Safe and Stable Families
2008 - G0801MO00FP and 2009 - G0901MO00FP
93.558 Temporary Assistance for Needy Families
2007 - G0701MOTANF, 2008 - G0801MOTANF, and
2009 - G0901MOTANF
93.575 Child Care and Development Block Grant
2008 - G0801MOCCDF and 2009 - G0901MOCCDF
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
2008 - G0801MOCCDF and 2009 - G0901MOCCDF
93.658 Foster Care - Title IV-E
2008 - G0801MO1401 and 2009 - G0901MO1401
93.659 Adoption Assistance
2008 - G0801MO1407 and 2009 - G0901MO1407
93.667 Social Services Block Grant
2008 - G0801MOSOSR and 2009 - G0901MOSOSR
93.674 Chafee Foster Care Independence Program
2008 - G0801MO1420 and 2009 - G0901MO1420
93.778 Medical Assistance Program
2008 - 0805MO5028 and 0805MO5048
2009 - 0905MO5028 and 0905MO5048

State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)

As noted in previous reports, the DSS did not consider certain entities to be subrecipients. Our review of expenditures noted payments to several entities which appeared to be

subrecipients. However, the Schedule of Expenditures of Federal Awards (SEFA) prepared by the DFAS reported payments to these entities for these programs as vendors, rather than "amounts provided to subrecipients;" and these entities were not furnished applicable federal regulations and required to obtain an audit in accordance with OMB Circular A-133, when needed.

Recommendation:

The DSS through the DFAS, classify appropriate entities as subrecipients and report funds provided to subrecipients correctly on the SEFA. The subrecipients should be appropriately notified of grant funding sources and regulations and should be required to obtain OMB Circular A-133 audits, where applicable.

Status of Finding:

The DSS developed a tool that we are using to determine whether contractors are vendors or subrecipients. The community partnerships were notified that they are now considered subrecipients and as such are expected to have an A-133 audit conducted for their fiscal year ending on or after June 30, 2011.

Contact Person: Roger Backes
Phone Number: (573) 751-2170

2009-10. Drawdown Controls

Federal Agency: Department of Agriculture
Department of Education
Department of Health and Human Services

Federal Program: 10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
2008 and 2009 - IS251443, IE251843, and IS252043
10.561 ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
2009 - 2009ID250343
10.568 Emergency Food Assistance Program (Administrative Costs)
2008 - IY810543
84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States
2007, 2008, and 2009 - H126A040037
93.558 Temporary Assistance for Needy Families
2007 - G0701MOTANF, 2008 - G0801MOTANF, and 2009 - G0901MOTANF
93.563 Child Support Enforcement
2008 - G0804MO4004 and 2009 - G0904MO4004
93.563 ARRA- Child Support Enforcement
2009 - G0904MO4002

93.568 Low-Income Home Energy Assistance
2008 - G08B1MOLIEA and 2009 - G09B1MOLIEA
93.659 Adoption Assistance
2008 - G0801MO1407 and 2009 - G0901MO1407
93.659 ARRA - Adoption Assistance
2009 - G0901MO1403
93.667 Social Services Block Grant
2008 - G0801MOSOSR and 2009 - G0901MOSOSR
93.778 Medical Assistance Program
2008 - 0805MO5028 and 0805MO5048
2009 - 0905MO5028 and 0905MO5048
93.778 ARRA - Medical Assistance Program
2009 - 0905MOARRA

State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)

Controls over drawdowns were in need of improvement. The procedures did not prevent and/or detect accounting errors and supervisory reviews of drawdowns were not performed. As a result several drawdowns were incorrectly recorded in SAM II.

Recommendation:

The DSS through the DFAS, ensure drawdown records are properly reconciled, reconciliations are documented, and differences are investigated. In addition, the DFAS should implement documented supervisory reviews of drawdown procedures.

Status of Finding:

An audit file of the drawdown reconciliation is being maintained and supervisory review of drawdowns to the letter of credit disbursements are conducted quarterly.

Contact Person: Roger Backes
Phone Number: (573) 751-2170

2009-11. Schedule of Expenditures of Federal Awards

Federal Agency: Department of Agriculture
Department of Education
Department of Health and Human Services

Federal Program: 10.568 Emergency Food Assistance Program (Administrative Costs)
2008 - IY810543
10.569 Emergency Food Assistance Program (Food Commodities)
10.569 ARRA - Emergency Food Assistance Program (Food Commodities)
84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States
2007, 2008, and 2009 - H126A040037

93.563 Child Support Enforcement
2008 - G0804MO4004 and 2009 - G0904MO4004
93.563 ARRA - Child Support Enforcement
2009 - G0904MO4002
93.568 Low-Income Home Energy Assistance
2008 - G08B1MOLIEA and 2009 - G09B1MOLIEA
93.658 Foster Care - Title IV-E
2008 - G0801MO1401 and 2009 - G0901MO1401
93.658 ARRA - Foster Care - Title IV-E
2009 - G0901MO1402
93.659 Adoption Assistance
2008 - G0801MO1407 and 2009 - G0901MO1407
93.659 ARRA - Adoption Assistance
2009 - G0901MO1403
93.667 Social Services Block Grant
2008 - G0801MOSOSR and 2009 - G0901MOSOSR
93.778 Medical Assistance Program
2008 - 0805MO5028 and 0805MO5048
2009 - 0905MO5028 and 0905MO5048
93.778 ARRA - Medical Assistance Program
2009 - 0905MOARRA

State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)

DFAS controls and procedures over the preparation of the Schedule of Expenditures of Federal Awards (SEFA) were not sufficient, and as a result, errors on the SEFA were not prevented and/or detected.

Recommendation:

The DSS through the DFAS, implement procedures to ensure the SEFA is complete and accurate.

Status of Finding:

Written procedures have been implemented to ensure the SEFA is accurate and complete.

Contact Person: Roger Backes
Phone Number: (573) 751-2170

2009-12. Cost Allocation Procedures

Federal Agency: Department of Health and Human Services
Federal Program: 93.558 Temporary Assistance for Needy Families
2007 - G0701MOTANF, 2008 - G0801MOTANF, and
2009 - G0901MOTANF

93.658 Foster Care - Title IV-E
2008 - G0801MO1401 and 2009 - G0901MO1401
93.659 Adoption Assistance
2008 - G0801MO1407 and 2009 - G0901MO1407
93.778 Medical Assistance Program
2008 - 0805MO5028 and 0805MO5048
2009 - 0905MO5028 and 0905MO5048

State Agency: Department of Social Services (DSS) - Division of Finance and Administration (DFAS)

Questioned Costs: $666,189

The DSS did not establish procedures to ensure all payments to Caring Communities partnerships were allowable and allocable to the various federal programs. Some of the costs associated with the partnerships were allocated through a cost pool based on the percentage of time worked by Children's Division employees on certain federal programs rather than based on actual services provided by the partnerships. As a result, we questioned $666,189, which was the federal portion of the costs allocated to these programs through the Social Services cost pool during the year ended June 30, 2009.

Recommendation:

The DSS, through the DFAS, resolve the questioned costs with the grantor agency, and establish procedures to ensure all payments to the Caring Communities partnerships are allowable and allocable to the various federal programs in accordance with OMB Circular A-87.

Status of Finding:

Reports for the four federal programs will be amended to remove the costs allocated from the Caring Communities contract. The decision to treat Caring Communities as subrecipients for future years will eliminate this issue for future periods.

Status of the Questioned Costs:

Questioned costs have not yet been resolved with the grantor agency.

Contact Person: Roger Backes
Phone Number: (573) 751-2170

2009-13. Procurement and Suspension and Debarment

Federal Agency: Department of Health and Human Services
Federal Program: 93.563 Child Support Enforcement
2008 - G0804MO4004 and 2009 - G0904MO4004
93.667 Social Services Block Grant
2008 - G0801MOSOSR and 2009 - G0901MOSOSR
State Agency: Department of Social Services (DSS)

The DSS did not ensure all entities paid more than $25,000 were not suspended or debarred, or otherwise excluded from receiving federal funds. For statewide contracts negotiated by the Office of Administration, the DSS did not ensure the vendor was not suspended or debarred before procuring goods and services with federal funds.

Recommendation:

The DSS implement procedures to ensure applicable purchases from statewide contracts are in compliance with federal suspension and debarment regulations.

Status of Finding:

The DSS has policies and procedures in place to ensure all contracts awarded under the procurement authority of DSS include suspension and debarment language and that appropriate certifications are in place before expenditures are made.

DSS performed a review of all contracts used by DSS, regardless of issuing authority, to ensure that vendors are not suspended or debarred from doing business with the federal government. This review was completed by October 1, 2010.

Additionally, as part of its annual contract renewal process, DSS will check the Excluded Parties List System or the file for certification documentation to ensure the vendor is in good standing before the contract is renewed.

Contact Person: Gina Jacobs
Phone Number: (573) 751-3870

2009-14A&B. Adoption Assistance - Eligibility and Assistance Payments

Federal Agency: Department of Health and Human Services
Federal Program: 93.659 Adoption Assistance
2008 - G0801MO1407 and 2009 - G0901MO1407
93.659 ARRA - Adoption Assistance
2009 - G0901MO1403
State Agency: Department of Social Services (DSS) - Children's Division (CD)
Questioned Costs: $41,357

Payments were made on behalf of ineligible children in two cases and many subsidy agreements appeared to have been backdated.

A. For 2 of 60 cases tested, payments were made on behalf of children ineligible for Adoption Assistance benefits because adoption subsidy agreements were not signed and in effect before or at the date of adoption. We questioned the federal share of $4,583.

B. For many additional cases, it appeared the subsidy agreements were not signed and in effect prior to or at the time of the adoption because the CD Director's

signature date was apparently backdated. We questioned the federal share of $36,774 related to ten cases tested.

Recommendation:

The DSS through the CD, resolve the questioned costs with the grantor agency and ensure all adoption subsidy agreements are signed prior to the adoption. In addition, the CD should pursue recoupment of the remaining overpayments.

Status of Finding:

A. The CD partially agrees with this finding. The CD maintains the children in question were eligible for state Adoption Assistance benefits. Because the agreements were not in place prior to the adoption, they could not be paid from Federal IV-E funds. When the CD was notified of this finding, the adoption assistance agreements were switched to state-only funded adoption assistance agreements, thereby preventing future payments from being made from federal funds. Past payments were recouped and assigned to state-only funding. As a corrective action, the CD has in place a IV-E eligibility unit charged with reviewing federal IV-E adoption subsidy eligibility as well as the date of the adoption finalization. When the start date of the adoption assistance agreement is later than the adoption finalization date, the agreements are to be charged to state-only funds.

B. The CD partially agrees. In May 2008, the matter of the possibility of backdating adoption assistance agreements consistent with the date of signature of the adoptive parents was addressed. Since May 2008, the CD has required staff to negotiate agreements 30 to 45 days prior to the required effective date to allow all parties to review and approve the agreement prior to finalization.

Status of the Questioned Costs:

A. Questioned costs of $6,776 ($4,583 federal share) were recouped during February 2010 and reflected on the March 31, 2010 quarterly report.

B. Questioned costs of $54,375 ($36,774 federal share) were adjusted on the September 30, 2010 quarterly report.

Contact Person: Amy Martin
Phone Number: (573) 526-8040

2009-14C. Adoption Assistance - Eligibility and Assistance Payments

Federal Agency: Department of Health and Human Services
Federal Program: 93.659 Adoption Assistance
2008 - G0801MO1407 and 2009 - G0901MO1407
93.659 ARRA - Adoption Assistance
2009 - G0901MO1403

State Agency: Department of Social Services (DSS) - Children's Division (CD)
Questioned Costs: $348

For 6 of 60 cases tested, adoption assistance payments were not allowable and/or not supported by adequate documentation. For two of the cases, a nonrecurring legal expense and a clothing expense were paid, although the expenses were not authorized in the subsidy agreements. In the remaining cases, child care attendance records could not be located or did not agree to provider invoices. We questioned the federal share of $348.

Recommendation:
The DSS through the CD, resolve the questioned costs with the grantor agency and ensure all payments are authorized in the subsidy agreements and supported by adequate documentation.

Status of Finding:
The CD partially agrees with this portion of the finding. The CD holds that the nonrecurring legal expenses were an eligible expense for the adoption assistance client, even though paid outside of the timeframe of the adoption assistance contract. Insofar as the identified clothing expense, the CD agrees the expense was erroneously paid out of adoption expenses, but maintains it was still an eligible foster care expense. The child care attendance record-keeping matters, if actually determined to be payment deficiencies, are a result of manual maintenance and possibly subject to human oversight.

Family and Children Electronic System (FACES) has been fully implemented as of July 31, 2010. The FACES resources and financial management system electronically identifies prior to payment that a billed/invoice service appears on the appropriate contract before allowing payment. For example, CLTH-clothing is not an allowable service on a subsidy agreement, therefore, if an invoice or payment request were submitted for clothing expenses for an adopted child, the system would disallow that payment. If an attempt was made to pay for that expense manually, the system requires a review of the contract and would disallow the payment. The checks and balances are in place to prevent a service that is not allowed from being paid in error.

Status of the Questioned Costs:
Questioned costs of $514 ($348 federal share) were adjusted on the September 30, 2010 quarterly report.

Contact Person: Amy Martin
Phone Number: (753) 526-8040

2009-15A. Vocational Rehabilitation Program

Federal Agency: Department of Education
Federal Program: 84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States
2007, 2008 and 2009 - H126A0080037
State Agency: Department of Social Services (DSS) - Family Support Division (FSD) - Rehabilitation Services for the Blind (RSB) and Division of Finance and Administrative Services (DFAS)
Questioned Costs: $1,623,730

Adequate supporting documentation was not always prepared for personnel costs, which consisted of salaries and related fringe benefits and indirect costs, charged to the Vocational Rehabilitation (VR) program grant for approximately 160 employees. Personnel costs were charged solely to the VR grant for some employees who performed duties related to other programs. Personnel costs charged to the VR grant during state fiscal year 2009 for which the supporting documentation was inadequate or not prepared totaled $2,063,188, of which we questioned the federal share of costs totaling $1,623,730 (78.7 percent).

Recommendation:

The DSS through the FSD and DFAS resolve the questioned costs with the grantor agency. In addition, the FSD should develop written policies and procedures to ensure salary certifications are prepared for all employees who work solely on a single program and personnel activity reports are prepared for employees who work on multiple federal awards or cost objectives in accordance with OMB Circular A-87.

Status of Finding:

The FSD has modified the certification process for personnel who worked solely in a single grant program and implemented personnel activity reporting (time studies) for those who work in multiple grants. FSD now ensures that all staff claimed 100 percent to the VR grant are verified through the certification process, effective in March 2009. FSD also ensures that any staff employed in a position that is claimed 100 percent to a grant (VR OIB) at any time during the review period is included in the certification process. Written procedures have been provided to affected staff to ensure they are clear on the certification process. FSD ensures that staff allocation claims for those employees not claimed 100 percent working to a specific grant in the FSD-RSB program are based on the employee activity reports effective July 1, 2009.

Status of the Questioned Costs:

This finding is the subject of continued discussion with the grantor agency, but no final resolution has been achieved as of the date of this report.

Contact Person: Mark Laird
Phone Number: (573) 751-4249

2009-15B. Vocational Rehabilitation Program

Federal Agency: Department of Education
Federal Program: 84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States
2007, 2008 and 2009 - H126A0080037
State Agency: Department of Social Services (DSS) - Family Support Division (FSD) - Rehabilitation Services for the Blind (RSB) and Division of Finance and Administrative Services

The FSD-RSB did not adequately document annual reviews of Individualized Plans for Employment (IPEs) for Vocational Rehabilitation (VR) recipients as required by federal regulations.

Recommendation:
The DSS through the FSD document annual reviews of IPE for VR recipients on the IPE forms as required by RSB policy.

Status of Finding:
RSB has emphasized to vocational rehabilitation counseling staff, their supervisors and the rehabilitation assistants who work on case file documents and through on-site training the need for clear documentation verifying the requirement of the review of each eligible individual's IPE as often as necessary, but at least once every 12 months to assess the individual's progress in achieving the identified employment outcome, with an emphasis on using the IPE document to verify the requirement has been met. RSB central office management staff has focused attention on meeting the requirement and the documentation that the requirement has been met during discussions with field offices regarding any authorized service requiring higher level approval prior to approval.

RSB is in the process of implementing an automated case management system, expected to be operational by mid part of FY 2011. The system will capture the IPE completion date and generate an alert to counseling staff in advance of the annual anniversary date.

Contact Person: Mark Laird
Phone Number: (573) 751-4249

2009-16. Child Support Enforcement - Reporting

Federal Agency: Department of Health and Human Services
Federal Program: 93.563 Child Support Enforcement
2008 - G0804MO4004 and 2009 - G0904MO4004
93.563 ARRA - Child Support Enforcement
2009 - G090404002

State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS) and Family Support Division - Child Support Enforcement (CSE)

The DFAS did not have adequate controls in place to ensure compliance with federal reporting requirements for the CSE program. As a result, total expenditures and the resulting share of expenditures were not correctly reported on the OCSE-396A federal reports for two of the four quarterly reports submitted for the activity for the year ended June 30, 2009. The DFAS did not have written procedures in place to ensure the correct preparation of the federal reports and did not maintain sufficient documentation to support their calculations for key numbers on the reports. Supervisory reviews were inadequate.

Recommendation:

The DSS, through DFAS, develop written procedures for preparation of federal reports, retain documentation to support amounts reported, and ensure adequate supervisory reviews are performed prior to submission of those reports. In addition, the DFAS should submit necessary adjustments on the next federal report to fully correct for the identified errors.

Status of Finding:

Procedures for completion of the Child Support reports have been condensed and institutionalized as part of a desk manual. Discussions are held each quarter between staff and the supervisor regarding accuracy of the reporting prior to each submission. Adjustments were made on the December 31, 2009, and March 31, 2010, quarterly reports for the identified errors.

Contact Person: Roger Backes
Phone Number: (573) 751-2170

2009-17. Child Support Enforcement - Salary Certifications

Federal Agency: Department of Health and Human Services
Federal Program: 93.563 Child Support Enforcement
2008 - G0804MO4004 and 2009 - G0904MO4004
93.563 ARRA - Child Support Enforcement
2009 - G090404002
State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS) and Family Support Division (FSD) - Child Support Enforcement (CSE)
Questioned Costs: $47,164

The FSD did not always prepare required salary certifications for employees working solely on the CSE program. For the year ended June 30, 2009, the DSS claimed $24,919,722 as the federal share of personnel costs, or 48 percent of the total federal

share of CSE program expenditures. We questioned the federal share of the salaries, fringe benefits, and indirect costs, totaling $47,164, for those employees excluded from the certification listing.

Recommendation:

The DSS through FSD, resolve the questioned costs with the grantor agency. In addition, the FSD should develop written policies and procedures to ensure salary certifications are prepared for all employees who work solely on a single program in accordance with OMB Circular A-87.

Status of Finding:

DSS disagrees with this finding. DSS conducts a salary certification every six months for individuals who work 100 percent on IV-D activities. This certification is on positions set up in the system and the staff in those positions at that time. As staff leave, the position is filled with different staff but the duties do not normally change. If there is a known change in duties, the FSD does look at whether the position is coded correctly. Therefore, the FSD believes that the current method used to certify based on the staff in those positions at that point in time serves to accurately reflect the job duties of that position over that period of time. The FSD and the DFAS have reviewed the certification process to ensure a periodic certification of all individual who work 100 percent on IV-D activities is conducted at least every six months.

DSS reviewed the entire process from beginning to end. Through this review of the process, DSS did make changes to include all employees under these positions over the six month period. This is done twice each year. Therefore, any employee who worked under a specific federal grant will be certified.

The basic process is as follows:

- A list of positions that are coded to a specific grant are provided to the DSS Human Resources (HR).
- HR provides a comprehensive list of any individuals (names) employed under the position codes.
- This list is sent to FSD.
- FSD then breaks the list out by program and location/supervisors.
- A list is then sent electronically to each supervisor/administrator to verify the individuals worked solely on the identified program.
- The supervisor/administrator then sends back an electronic message verifying that the individuals did work solely on the specified program.
- The information is then reviewed and approved by the Assistant Deputy Director in FSD.
- The information is then forwarded on to DFAS.

This is similar to the procedures set up after the 2006 audit. The only change to the procedure was to add every employee who worked under each position code at any time during the six months being reviewed. By adding to the list any employee who worked on the program at any time during the period, this provides a comprehensive list of any

individual claimed to the program. Therefore DSS is certifying both the position and all employees. While DSS made the change in response to the audit, as explained below, this change was not necessary to ensure a proper certification.

DSS/FSD still maintains that the certification process must be based on positions/position codes and not individual employees. Individual employees can and do change jobs/positions. However, each position is set up in the personnel system with job duties and codes tying them to the financial system. The job duties and codes remain the same until changed by central office. By using position codes to track personnel and performing a certification on these positions every six months to ensure that the duties are the same, DSS ensures that any employee who worked in that position was only working on a specific federal grant. Without position codes to track the positions that are coded to each federal grant, it would be impossible for DSS to track which individuals and positions are working on each program.

FSD does have written instructions/guidance for performing the salary certifications. The revised process was implemented for certifications for the period April - September 2010.

Status of the Questioned Costs:
The questioned costs have not yet been resolved with the grantor agency.

Contact Person: Patrick Luebbering
Phone Number: (573) 751-4206

2009-18. Medical Assistance Program

Federal Agency: Department of Health and Human Services
Federal Program: 93.778 Medical Assistance Program
2008 - 0805MO5028 and 0805MO5048
2009 - 0905MO5028 and 0905MO5048
93.778 ARRA - Medical Assistance Program
2009 - 0905MOARRA
State Agency: Department of Social Services (DSS) - Family Support Division (FSD) and MO HealthNet Division
Questioned Costs: $1,428

A redetermination was not conducted timely to determine the eligibility of a recipient related to the Medical Assistance program. The medical payments made on behalf of this client before the case was closed totaled $1,924 during the year ended June 30, 2009. We question the federal share of these payments or $1,428 (74.23 percent).

Recommendation:
The DSS through the FSD perform eligibility redeterminations when required to ensure compliance with applicable federal Medicaid program requirements. In addition, the FSD should resolve questioned costs with the grantor agency.

Status of Finding:
The FSD still considers timely eligibility reinvestigations a matter of priority and continues to strive for a 100 percent reinvestigation currency. As of May 2010, FSD was 99.4 percent current on reinvestigations.

Status of the Questioned Costs:
Questioned costs will be adjusted on the September 30, 2010, quarterly report.

Contact Person: Emily Rowe
Phone Number: (573) 526-0607

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Caldwell County, Missouri

The Office of the State Auditor, in cooperation with Caldwell County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Kevin G. Hudson, Certified Public Accountant, is attached.

Thomas A. Schweich
State Auditor

March 2011
Report No. 2011-10

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

CALDWELL COUNTY, MISSOURI
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE TWO YEARS ENDED
DECEMBER 31, 2009

Caldwell County, Missouri
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Independent Auditors' Report

To the County Commission of
Caldwell County, Missouri
Kingston, Missouri

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Caldwell County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as discussed in the 4th paragraph below, I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As discussed more fully in Note 1, the County prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The records of receipts and disbursements maintained by the County Treasurer and County Clerk contained some inaccuracies. Financial records maintained by the County Treasurer and the County Clerk, as well as the county's budget documents, did not agree. As a result, I was unable to satisfy myself with respect to the proper fund balance of the various County funds.

In my opinion, except for the effects of numerous inaccuracies between the county treasurer, county clerk and the county's budget documents as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2009 and 2008, and the respective changes in financial position-cash basis, thereof for the years then ended in conformity with the basis of accounting described in Note 1.

Independent Auditors' Report
(Concluded)

In accordance with *Government Auditing Standards,* I have also issued my report dated January 17, 2011, on my consideration of the County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the *Government Auditing Standards* and should be considered in assessing the results of my audit.

The Management's Discussion and Analysis, Schedule of Funding Progress for Missouri Local Government Employees Retirement System and budgetary comparison information as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required to accompany those financial statements. I have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on them.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements of Caldwell County, Missouri. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Original signed by auditor

Kevin G. Hudson, C.P.A.
Trenton, Missouri
January 17, 2011

The discussion and analysis of Caldwell County's financial performance provides an overall review of the County's financial activities for the years ended December 31, 2009 and 2008. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements, including the notes to the financial statements, to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2009 and 2008 are as follows:

- The county's total governmental expenditures exceeded total revenues by $472,962 for the year ended December 31, 2009 and the total revenues exceeded governmental expenditures by $632,417 for the year ended December 31, 2008.

- The county's governmental funds ended the year ended December 31, 2009 with a combined cash balance of $1,193,314 and the year ended December 31, 2008 with a combined cash balance of $1,666,276.

- County revenues for the year ended December 31, 2009 of $4,618,437 decreased by $2,153,804 over the county revenues for the year ended December 31, 2008 of $6,772,241.

- County expenditures for the year ended December 31, 2009 of $6,057,258 decreased by $2,060,811 over the county expenditures for the year ended December 31, 2008 of $8,118,069.

Overview of the Financial Statements

The contents of this report comply with the presentation requirements of Statement No.34 of the Governmental Accounting Standards Board, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments,* as applicable to the cash basis of accounting. The county's basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. The notes are an integral part of the government-wide and fund financial statements and provide more detail about the information presented in the statements. This report also contains other financial information in addition to the basic financial statements.

The county has elected to present its financial statements on the cash basis of accounting, a basis of accounting other than accounting principles generally accepted in the United States of America. "Basis of accounting" refers to when financial events are recorded. Under the cash basis of accounting, revenues are recorded when received rather than when earned, and expenditures are recorded when paid rather than when the related liabilities are incurred. Therefore, when reviewing the financial information and discussion in this report, the reader should recall the limitations resulting from use of the cash basis of accounting.

Government-Wide Financial Statements

The Government-Wide Statement of Net Assets and the Government-Wide Statement of Activities report information about the county as a whole. These statements present the county's net assets and show how they have changed. Over time, increases or decreases in the county's net assets are one indicator of whether its financial health or position is improving or deteriorating. However, to assess the county's overall financial health, the reader needs to consider additional nonfinancial factors. The government-wide financial statements report only governmental activities - activities such as general government operations, public safety, and health and welfare that are usually financed through taxes and intergovernmental receipts. The county has no business-like activities-activities financed wholly or partially by fees charged to external parties for goods or services.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the county as a whole. Some funds are required to be established by state law or by bond covenants. However, the County Commission establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, or other sources of receipts. The fund financial statements include only governmental funds, which focus on the flow of money into and out of those funds and the balances left at year end that are available for spending. The governmental fund statements provide a detailed view of the county's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether more or fewer financial resources can be spent in the near future to finance the county's programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages17-25 of this report.

Other Information

This report also includes as required supplementary information this Management's Discussion and Analysis and the Budgetary Comparison Schedules for all governmental and special revenue funds - cash basis. Such information is intended to supplement the government-wide financial statements, fund financial statements, and notes to the financial statements but is not a part of those statements.

In addition, the report includes the following components that are not a required part of the financial statements: the Schedule of Expenditures of Federal Awards, required for audits of federal program expenditures conducted in accordance with Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.*

Government-wide Financial Analysis

Below is a chart showing assets, receipts and disbursements for the years ended December 31, 2009 and 2008.

	Year Ended December 31, 2009	2008
Net Assets	$1,193,314	$ 1,666,276
Program Receipts	2,825,632	3,939,356
General Receipts	2,758,664	4,811,130
Disbursements	6,057,258	8,118,069
Change in Net Assets	(472,962)	632,417

For the two years disclosed in the audit, the change in Net Assets is primarily due to the changes in the County Revenue Fund. General Receipts decreased in 2009 due to a decrease in property taxes. Program receipts decreased in 2009 due to a decrease in Law Enforcement's Sales Tax Fund monies. Disbursements decreased in 2009 due to a decrease in Road and Bridge expenditures related to the bridge projects and Law Enforcement Sales Tax Fund expenditures.

Financial Analysis of the County's Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of December 31, 2009, the county's governmental funds reported combined ending fund balances of $1,193,314, a decrease of $472,962 over the prior years fund balance of $1,666,276. The unreserved portion of fund balance was $183,921 for 2009 and $818,698 for the year ended 2008.

The County Revenue Fund is the chief operating fund of the County. At the end of the fiscal year 2009, unreserved fund balance of the County Revenue Fund was $183,921 and the unreserved fund balance of the County Revenue Fund for fiscal year 2008 was $818,698. As a measure of the County Revenue Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

The unreserved fund balance of the County Revenue Fund decreased by $634,777 for fiscal year 2009 as compared to an increase of $780,194 for fiscal year 2008.

County Revenue Fund Budgeting Highlights

The County's budget is prepared according to Missouri law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the County Revenue Fund.

The original and final budgeted revenues for the county revenue fund were $1,108,050 for 2009 and $1,147,550 for 2008. The original and final budgeted expenditures were $2,681,752 for 2009 and $2,473,002 for 2008.

Economic Factors and Next Year's Budgets

The state of the local economy is a concern for the operations of the county. Sales taxes decreased slightly between the two years ended December 31, 2009, however, uncertainties related to the economy could cause both Sales Tax and Property Taxes to decrease more.

The Counties County Revenue Fund has increased $145,417 over the two year period that was audited. This is an encouraging sign based on the County Revenues balances as of December 31, 2007. The increased costs for fuel, materials, equipment, utilities, and operating expenditures continues to be a source of concern, however, with careful budgeting the county can handle these increased costs.

Capital Assets

The County operates under the cash basis of accounting, therefore, capital asset purchases are recorded as expenditures and depreciation is not recognized. Capital assets are not reflected in the financial statements.

Long Term Debt

For the two years ended December 31, 2009, the County had four different loans with a total loan balance of $2,357,082. The primary debt is $1,824,492 which is related to the construction of the new jail. The county incurred $200,000 of debt during 2009. The county made loan payments of $171,790 during the year ended December 31, 2009.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Beverly Bryant, County Clerk, 49 E. Main Street, Kingston, Missouri 64650 at (816) 586-3600.

GOVERNMENT WIDE FINANCIAL STATEMENTS

Caldwell County, Missouri
Government Wide Statement of Net Assets
Cash Basis
For the Year Ended December 31, 2009

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 1,193,314
Total Assets	$ 1,193,314
NET ASSETS:	
Restricted	$ 1,009,393
Unrestricted	183,921
Total Net Assets	$ 1,193,314

The accompanying notes to the financial statements
are an integral part of this financial statement

Caldwell County, Missouri
Government Wide Statement of Net Assets
Cash Basis
For the Year Ended December 31, 2008

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 1,666,276
Total Assets	$ 1,666,276
NET ASSETS:	
Restricted	$ 847,578
Unrestricted	818,698
Total Net Assets	$ 1,666,276

The accompanying notes to the financial statements
are an integral part of this financial statement

Caldwell County, Missouri
Government-Wide Statement of Activities
Cash Basis
For the Year Ended December 31, 2009

		Program Revenues		Net (Disbursements) Receipts and Changes in Cash Balances
	Expenses	Charges for Services	Intergovernmental	Governmental Activities
Governmental Activities:				
General County Government	$ 2,643,131	$ 273,834	$ 175,345	$ (2,193,952)
Roads and Bridges	876,390	-	399,660	(476,730)
Law Enforcement Sales Tax	2,038,436	-	1,640,827	(397,609)
Little Otter Creek	499,301	-	335,966	(163,335)
Total Governmental Activities	$ 6,057,258	$ 273,834	$ 2,551,798	$ (3,231,626)
Total Caldwell County	$ 6,057,258	$ 273,834	$ 2,551,798	$ (3,231,626)
General Revenues:				
Property Taxes				61,969
Sales Taxes				964,583
Interest				49,105
Other				717,148
Transfers				965,859
Total General Revenues				2,758,664
Change in Net Assets				(472,962)
Net Assets - Beginning				1,666,276
Net Assets - Ending				$ 1,193,314

The accompanying notes to the financial statements are an integral part of this financial statement

Caldwell County, Missouri
Government-Wide Statement of Activities
Cash Basis
For the Year Ended December 31, 2008

		Program Revenues		Net (Disbursements) Receipts and Changes in Cash Balances
	Expenses	Charges for Services	Intergovernmental	Governmental Activities
Governmental Activities:				
General County Government	$ 2,940,665	$ 509,900	$ 308,669	$ (2,122,096)
Roads and Bridges	1,546,111	-	412,025	(1,134,086)
Law Enforcement Sales Tax	2,899,076	-	2,204,763	(694,313)
Little Otter Creek	732,217	-	503,999	(228,218)
Total Governmental Activities	$ 8,118,069	$ 509,900	$ 3,429,456	$ (4,178,713)
Total Caldwell County	$ 8,118,069	$ 509,900	$ 3,429,456	$ (4,178,713)
General Revenues:				
Property Taxes				396,581
Sales Taxes				1,104,190
Interest				34,381
Other				1,297,733
Transfers				1,978,245
Total General Revenues				4,811,130
Change in Net Assets				632,417
Net Assets - Beginning				1,036,336
Prior Period Adjustment				(2,477)
Net Assets - Ending				$ 1,666,276

The accompanying notes to the financial statements are an integral part of this financial statement

FUND FINANCIAL STATEMENTS

Caldwell County, Missouri
Balance Sheet - Cash Basis
Governmental Funds
For the Year Ended December 31, 2009

	County Revenue Fund	Special Road & Bridge Fund	Law Enforcement Sales Tax Fund	Little Otter Creek Fund	Road and Bridge Sales Tax Fund	Other Governmental Funds	2009 Total Government Funds
ASSETS							
Cash and Cash Equivalents	$ 183,921	$ 228,431	$ 97,696	$ 378,677	$ 136,285	$ 168,304	$ 1,193,314
TOTAL ASSETS	$ 183,921	$ 228,431	$ 97,696	$ 378,677	$ 136,285	$ 168,304	$ 1,193,314
LIABILITIES AND FUND BALANCES							
FUND BALANCES							
Unreserved, Reported in:							
County Revenue Fund	$ 183,921	$ -	$ -	$ -	$ -	$ -	$ 183,921
Special Revenue Funds	-	228,431	97,696	378,677	136,285	-	841,089
Nonmajor Funds	-	-	-	-	-	168,304	168,304
TOTAL FUND BALANCES	$ 183,921	$ 228,431	$ 97,696	$ 378,677	$ 136,285	$ 168,304	$ 1,193,314

The accompanying notes to the financial statements are an integral part of this financial statement

Caldwell County, Missouri
Balance Sheet - Cash Basis
Governmental Funds
For the Year Ended December 31, 2008

	County Revenue Fund	Special Road & Bridge Fund	Law Enforcement Sales Tax Fund	Little Otter Creek Fund	Road and Bridge Sales Tax Fund	Other Governmental Funds	2008 Total Government Funds
ASSETS							
Cash and Cash Equivalents	$ 818,698	$ 267,334	$ 7,102	$ 315,815	$ 125,494	$ 131,833	$ 1,666,276
TOTAL ASSETS	$ 818,698	$ 267,334	$ 7,102	$ 315,815	$ 125,494	$ 131,833	$ 1,666,276
LIABILITIES AND FUND BALANCES							
FUND BALANCES							
Unreserved, Reported in:							
General Fund	$ 818,698	$ -	$ -	$ -	$ -	$ -	$ 818,698
Special Revenue Funds	-	267,334	7,102	315,815	125,494	-	715,745
Nonmajor Funds	-	-	-	-	-	131,833	131,833
TOTAL FUND BALANCES	$ 818,698	$ 267,334	$ 7,102	$ 315,815	$ 125,494	$ 131,833	$ 1,666,276

The accompanying notes to the financial statements are an integral part of this financial statement

Caldwell County, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
Cash Basis - Governmental Funds
For the Year Ended December 31, 2009

	County Revenue Fund	Special Road & Bridge Fund	Law Enforcement Sales Tax Fund	Little Otter Creek Fund	Road and Bridge Sales Tax Fund	Other Governmental Funds	2009 Total Government Funds
REVENUES:							
Taxes - Sales	$ 323,920	$ 60	$ 213,573	$ 213,386	$ 213,644	$ -	$ 964,583
Taxes - Property	61,969	-	-	-	-	-	61,969
Intergovernmental Revenues	36,492	399,660	1,640,827	335,966	-	138,853	2,551,798
Charges for Services	248,038	-	-	-	-	25,796	273,834
Interest Income	12,125	9,510	5,528	12,811	4,733	4,398	49,105
Other	66,893	280,671	269,102	-	-	100,482	717,148
TOTAL REVENUES	749,437	689,901	2,129,030	562,163	218,377	269,529	4,618,437
EXPENDITURES:							
General County Government	2,404,673	-	-	-	-	238,458	2,643,131
Roads and Bridges	-	668,804	-	-	207,586	-	876,390
Law Enforcement Sales Tax	-	-	2,038,436	-	-	-	2,038,436
Little Otter Creek	-	-	-	499,301	-	-	499,301
TOTAL EXPENDITURES	2,404,673	668,804	2,038,436	499,301	207,586	238,458	6,057,258
Excess (Deficiency) of Revenues Over Expenditures	(1,655,236)	21,097	90,594	62,862	10,791	31,071	(1,438,821)
OTHER FINANCING SOURCES (USES)							
Transfer To/From Other Funds	1,020,459	(60,000)	-	-	-	5,400	965,859
TOTAL OTHER FINANCING SOURCES (USES)	1,020,459	(60,000)	-	-	-	5,400	965,859
Net Change in Fund Balances	(634,777)	(38,903)	90,594	62,862	10,791	36,471	(472,962)
Fund Balance - Beginning of Year	818,698	267,334	7,102	315,815	125,494	131,833	1,666,276
Fund Balance - End of Year	$ 183,921	$ 228,431	$ 97,696	$ 378,677	$ 136,285	$ 168,304	$ 1,193,314

The accompanying notes to the financial statements are an integral part of this financial statement

Caldwell County, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
Cash Basis - Governmental Funds
For the Year Ended December 31, 2008

	County Revenue Fund	Special Road & Bridge Fund	Law Enforcement Sales Tax Fund	Little Otter Creek Fund	Road and Bridge Sales Tax Fund	Other Governmental Funds	2008 Total Government Funds
REVENUES:							
Taxes - Sales	$ 398,717	$ 254	$ 216,625	$ 216,424	$ 272,170	$ -	$ 1,104,190
Taxes - Property	396,581	-	-	-	-	-	396,581
Intergovernmental Revenues	183,981	412,025	2,204,763	503,999	-	124,688	3,429,456
Charges for Services	468,141	-	-	-	-	41,759	509,900
Interest Income	8,295	7,329	8,276	6,139	1,834	2,508	34,381
Other	140,384	799,266	252,532	-	-	105,551	1,297,733
TOTAL REVENUES	1,596,099	1,218,874	2,682,196	726,562	274,004	274,506	6,772,241
EXPENDITURES:							
General County Government	2,627,139	-	-	-	-	313,526	2,940,665
Roads and Bridges	-	1,307,182	-	-	238,929	-	1,546,111
Law Enforcement Sales Tax	-	-	2,899,076	-	-	-	2,899,076
Little Otter Creek	-	-	-	732,217	-	-	732,217
TOTAL EXPENDITURES	2,627,139	1,307,182	2,899,076	732,217	238,929	313,526	8,118,069
Excess (Deficiency) of Revenues Over Expenditures	(1,031,040)	(88,308)	(216,880)	(5,655)	35,075	(39,020)	(1,345,828)
OTHER FINANCING SOURCES (USES)							
Transfer To/From Other Funds	1,811,234	-	198,000	(58,453)	-	27,464	1,978,245
TOTAL OTHER FINANCING SOURCES (USES)	1,811,234	-	198,000	(58,453)	-	27,464	1,978,245
Net Change in Fund Balances	780,194	(88,308)	(18,880)	(64,108)	35,075	(11,556)	632,417
Fund Balance - Beginning of Year	38,504	355,642	25,982	379,923	90,419	145,866	1,036,336
Prior Period Adjustment	-	-	-	-	-	(2,477)	(2,477)
Fund Balance - End of Year	$ 818,698	$ 267,334	$ 7,102	$ 315,815	$ 125,494	$ 131,833	$ 1,666,276

The accompanying notes to the financial statements are an integral part of this financial statement

Caldwell County, Missouri
Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31, 2009

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 2,981,786
Total Assets	$ 2,981,786
NET ASSETS:	
Restricted	$ 2,981,786
Unrestricted	-
Total Net Assets	$ 2,981,786

The accompanying notes to the financial statements
are an integral part of this financial statement

Caldwell County, Missouri
Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31, 2008

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 470,640
Total Assets	$ 470,640
NET ASSETS:	
Restricted	$ 470,640
Unrestricted	-
Total Net Assets	$ 470,640

The accompanying notes to the financial statements
are an integral part of this financial statement

Note 1: Summary of Significant Accounting Policies

The financial statements of Caldwell County, Missouri (the County) have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County's financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization's government board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose specific financial burden on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the application of the above criteria, the county has no component units.

B. Basis of Presentation

Government-wide Statements

The Statement of Net Assets and the Statement of Activities present financial information about the County's governmental activities. These statements include the financial activities of the primary government in its entirety. Eliminations have been made to minimize the double-counting of internal transactions. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-like activities are financed wholly or partially by fees charged to external parties for goods or services. For the years ended December 31, 2009 and 2008, the county had only governmental activities.

Note 1: Summary of Significant Accounting Policies (Continued)

The Government-Wide Statement of Net Assets presents the financial condition of the county's governmental activities at year-end. The Government-Wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) intergovernmental receipts that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenue. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the county.

Fund Financial Statements

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The county uses funds to segregate transactions related to certain functions or activities in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the county primary government at this detailed level. The fund financial statements focus on major funds. Each major fund is presented in a separate column, and nonmajor funds are aggregated and presented in a single column. Major funds include (a) the county's primary operating fund, (b) any fund for which total cash, receipts or disbursements of an individual fund are at least 10% of the corresponding element total for all funds of that type, and © any other fund that county officials believe is particularly important to financial statement users.

The accompanying financial statements are structured into two categories of funds - governmental, and fiduciary. Governmental funds are those through which most governmental functions are typically financed. Reporting for such funds focuses on the sources, uses, and balances of current resources. The county's major governmental funds are as follows:

County Revenue Fund - The County Revenue Fund is used to account for all revenues and expenditures applicable to the general operations of county government that are not properly accounted for in another fund. All general operating revenues that are not restricted or designated as to their use by outside sources are recorded in the County Revenue Fund. Revenues are derived primarily from taxes and intergovernmental revenues.

Special Revenue Funds: The Special Revenue Funds are used to account for the proceeds of specific revenue that are legally restricted to expenditures for specified purposes. The Special Road and Bridge Fund, Law Enforcement Sales Tax Fund, Little Otter Creek Fund and the Road and Bridge Sales Tax Fund are all considered major Special Revenue Funds.

The county's nonmajor governmental funds are also special revenue funds.

Note 1: Summary of Significant Accounting Policies (Continued)

Fiduciary funds account for assets held by the county as a trustee or an agent for individuals, private organizations, other governments, or other funds. Fiduciary fund reporting focuses on net assets and changes in net assets; fiduciary assets are reported in a separate Statement of Fiduciary Net Assets because the county cannot use those assets to finance its operations. The county's fiduciary funds consist of agency funds, which report assets held in a purely custodial capacity and do not involve measurement of results of operations.

The agency funds include the County Collector's Fund, Unclaimed Fees Fund, School Fines Fund, CERF Fund, Tax Sale Surplus Fund, Law Restitution Fund, Deputy Sheriff Salary Supplement Fund, Charitable Fund and Time Payment Fund. These funds are all included in the accompanying Statement of Fiduciary Net Assets.

C. Basis of Accounting

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. The government-wide and fund financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. Consequently, certain assets and their related revenues (such as accounts receivable and revenues billed but not yet collected for goods and services provided) and certain liabilities and their related expenditures (such as accounts payable and expenditures for goods and services received but not yet paid for) are not recorded in these financial statements. Generally accepted accounting principles for state and local governments require revenues to be recognized when they are earned or when they become available and measurable and expenditures or expenses to be recognized when the related liabilities are incurred.

Equity classifications: On the Government-Wide Statement of Net Assets, equity is classified as net assets and displayed in two components: restricted and unrestricted. Net assets are reported as restricted when limitations are imposed on their use through either the enabling legislation adopted by the County Commission or external restrictions imposed by creditors, grantors, or the laws and regulations of other governments. All other net assets are reported as unrestricted. The county applies restricted resources first when a disbursement is made for which both restricted and unrestricted net assets are available.

In the fund financial statements, equity is classified as fund balance and also may be displayed in two components: reserved and unreserved. Fund balance is reported as reserved to indicate that a portion of the fund balance is not available for appropriation or is legally segregated for a specific future use. When such restrictions do not exist, fund balance is reported as unreserved.

D. Vacation, Personal and Sick Leave

Vacation time, personal time and sick leave are considered as expenditures in the year paid. Vacation time is awarded based on years of service and must be used in its entirety prior to the employee's next anniversary date. The county does have 6 personal days per each employee, but comp time can be earned by working overtime.

Note 1: Summary of Significant Accounting Policies (Continued)

E. Budgets and Budgetary Accounting

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

1) In accordance with Chapter 50, (Sections 50.525 through 50.745, RSMo 2000), the County adopts a budget for various County funds.

2) Prior to December 31, each department, office, institution, commission, or court of the County submits to the budget officer its requirements for expenditures and its estimated revenues for the next budget year. These figures are presented with corresponding figures for the last completed year and an estimate of the current year.

3) The budget officer holds public hearings prior to presentation of the budget document to the County Commission no later than January 15th of each year.

4) A public hearing is held not earlier than 10 days after the budget document is made available to the public and with at least 5 days notice of the hearing.

5) Amendments to the budget are made by the County Commission as required to allow for appropriation of increased revenues and adjustments between line items within the budget. There were no amendments made for 2009 and no amendments made for 2008. Please see budgetary comparison schedules in required supplementary information for further details.

The County's policy is to prepare the annual operating budget on a cash basis.

F. Inventories and Capital Assets

Inventories include office equipment, road and vehicle maintenance supplies, and fuel. Capital assets consist of land, buildings, furniture, equipment, vehicles, and infrastructure such as roads and bridges. Both inventories and capital assets are recorded as disbursements when they are purchased or constructed.

G. Long-Term Debt

Consistent with the cash basis of accounting, long-term debt is not reported in the government-wide or fund financial statements. Proceeds from debt issuances are reported when received, and payments of principle and interest are reported when disbursements are made.

Note 1: Summary of Significant Accounting Policies (Continued)

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Risk of Loss

The County protects itself from risk of loss by purchasing commercial insurance for property damage and liability risks. The County does not self insure its risks.

J. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose.

K. Prior Period Adjustments

In the prior year, the county was required to include the Law Library and Circuit Clerk Interest Fund in the County's financial statements. For the two years ended December 31, 2009 the County was no longer required to include these funds in the financial statements. The omission of these funds caused the beginning fund balance to be adjusted by $2,477.

Note 2: Stewardship, Compliance and Accountability

Compliance with Finance Related Legal and Contractual Provisions

For the two years ended December 31, 2009, the County had the following funds that budgeted deficit fund balances.

	Budgeted Deficit Fund Balance	
	2009	2008
Law Enforcement Sales Tax	$ -	$ 41,311
Little Otter Creek Fund	$ -	$ 105,077
Election Fund	$ -	$ 7,075

Note 2: Stewardship, Compliance and Accountability (Concluded)

Excess of Expenditures Over Appropriations in Individual Funds

For the two years ended December 31, 2009, the County had the following material excess of expenditures over appropriations in the following funds.

	Amount Over Budget	
	2009	2008
County Revenue Fund	$ -	$ 154,137
Road and Bridge Fund	$ -	$ 121,482
Road and Bridge Sales Tax Fund	$ -	$ 38,929
Tax Maintenance Fund	$ -	$ 3,189
Election Fund	$ -	$ 19,889
Peace Officers Training Fund	$ 4,915	$ 1,933
Domestic Violence Fund	$ -	$ 628
Sheriff Civil Fees Fund	$ 2,234	$ 12,949
Record Storage Fund	$ 724	$ 2,234
Prosecuting Attorney Bad Check Fund	$ 26,328	$ 28,124
LEPC Fund	$ 2,141	$ -

Net Assets/Fund Balance Deficit

At December 31, 2009 the County had no funds with a deficit balance.

Note 3: Cash and Investments

Deposits - At December 31, 2009 and 2008, the carrying amount of the County's deposits was $863,314 and $1,436,276 respectively. The bank balance for the year ended December 31, 2009 and 2008 was $1,199,812 and $1,116,367 respectively. Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The County's deposit policy for custodial credit risk requires compliance with the provisions of state law. County policy further requires that all securities that serve as collateral against the deposits of a depository institution must be held in safekeeping at a non-affiliated custodial facility. Of the bank balance, $250,000 was covered by federal depository insurance and $949,812 was covered by collateral held by the County's safekeeping agent in the County's name at December 31, 2009 and $866,367 for the year ended December 31, 2008.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Missouri; bonds of any city having a population of not less than two thousand, county, school district, or special road district of the State of Missouri; bonds of any state, tax anticipation notes issued by any first class county, or a surety bond having an aggregate value at least equal to the amount of the deposits.

Note 3: Cash and Investments (Concluded)

Investments - The county may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within ninety days secured by U.S. Treasury obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law. At December 31, 2009 and 2008 the County had $330,000 and $230,000 invested in Certificates of Deposit.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County has no formal investment policy regarding interest rate risk.

Investment Credit Risk - The County has an investment policy that limits its investment choices other than the limitation of state law as follows:

a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.

b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

Concentration of Credit Risk - The County places no limit on the amount it may invest in any one issuer. For the two years ended December 31, 2009, the County had no concentration of credit risk.

Note 4: Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on November 1st and payable by December 31st of each year. Taxes paid after December 31 are subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments (except some cities). The assessed valuation of the tangible taxable property for the calendar years 2009 and 2008 for purposes of County taxation was as follows:

	2009	2008
Real Estate	$ 60,811,597	$ 59,983,260
Personal Property	22,911,230	23,977,920
Railroad and Utilities	28,982,950	27,784,041
Total	$112,705,777	$111,475,221

Note 4: Taxes (Concluded)

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

The tax levy per $100 of the assessed valuation of tangible taxable property for the calendar years 2009 and 2008 for purposes of County taxation was:

	2009	2008
County Revenue Fund	$ 0.2300	$ 0.2300
Total	$ 0.2300	$ 0.2300

Note 5: Commitments and Contingencies

The County has several federal and state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. County management is not aware of any potential losses from such disallowance and believes that reimbursements, if any, would not be material.

During 2008 it was found that an employee of the County Clerks office allegedly had misappropriated funds of the county. An investigation is ongoing and the amount of the possible loss has not yet been determined.

The county is a party to various legal proceedings. At the date of these financial statements, the County cannot estimate its liability, if any, from losses that may result from certain proceedings. In the opinion of management and the County attorneys, the potential adverse impact of these proceedings would not be material to the combined financial statements of the County.

Note 6: Retirement Plan

A. Plan Description

Caldwell County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and is governed by statute, section RSMo. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

Note 6: Retirement Fund (Concluded)

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

B. Funding Status

Caldwell County's full-time employees contribute 4% of their gross pay to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 3.7% (general), 4.7% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost

For 2009 and 2008 the political subdivision's annual pension cost of $141,453 and $136,554 respectively, was equal to the required and actual contributions. The required contributions was determined respectively as part of the February 28, 2007 and/or February 28, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2009 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, © additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period at February 28, 2009 was 15 years.

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2007	$ 134,616	100%	$ 0
6/30/2008	$ 136,554	100%	$ 0
6/30/2009	$ 141,453	100%	$ 0

REQUIRED SUPPLEMENTARY INFORMATION

Caldwell County, Missouri
Required Supplementary Information
Schedule of Funding Progress of
Employees Retirement System
(Unaudited)

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentof Covered Payroll
2/28/07	$ 319,998	$ 525,279	$ 205,281	61%	$1,315,689	16%
2/28/08	448,420	633,670	185,250	71%	1,612,908	11%
2/28/09	473,534	745,254	271,720	64%	1,703,178	16%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
County Revenue Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ 320,000	$ 320,000	$ 323,920	$ 3,920	$ 390,000	$ 390,000	$ 398,717	$ 8,717
Taxes - Property	190,000	190,000	61,969	(128,031)	137,000	137,000	396,581	259,581
Intergovernmental Revenues	180,200	180,200	36,492	(143,708)	114,500	114,500	183,981	69,481
Charges for Services	275,300	275,300	248,038	(27,262)	364,000	364,000	468,141	104,141
Interest Income	8,000	8,000	12,125	4,125	14,000	14,000	8,295	(5,705)
Other	134,550	134,550	66,893	(67,657)	128,050	128,050	140,384	12,334
Total Revenue	1,108,050	1,108,050	749,437	(358,613)	1,147,550	1,147,550	1,596,099	448,549
Expenditures:								
County Commission	90,490	90,490	95,251	(4,761)	81,255	81,255	82,518	(1,263)
County Clerk	145,843	145,843	112,984	32,859	131,132	131,132	149,234	(18,102)
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	93,372	93,372	60,612	32,760	94,000	94,000	103,519	(9,519)
Employee Fringe Benefits	330,000	330,000	314,790	15,210	280,000	280,000	349,245	(69,245)
County Treasurer	38,000	38,000	37,790	210	35,280	35,280	35,280	-
Recorder of Deeds	74,804	74,804	70,276	4,528	70,321	70,321	68,273	2,048
Circuit Clerk	27,023	27,023	18,488	8,535	27,000	27,000	20,093	6,907
Public Administrator	23,000	23,000	24,385	(1,385)	22,600	22,600	21,798	802
Sheriff	1,334,296	1,334,296	1,303,440	30,856	1,310,632	1,310,632	1,312,398	(1,766)
Detention Center	-	-	-	-	-	-	-	-
Collector	52,083	52,083	35,659	16,424	43,712	43,712	52,085	(8,373)
Planning and Zoning	-	-	6,802	(6,802)	-	-	7,710	(7,710)
Prosecuting Attorney	85,566	85,566	84,373	1,193	76,782	76,782	84,406	(7,624)
Juvenile Officer	57,515	57,515	7,946	49,569	9,406	9,406	8,073	1,333
Coroner	23,900	23,900	20,347	3,553	16,050	16,050	19,737	(3,687)
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	305,860	305,860	211,530	94,330	274,832	274,832	312,770	(37,938)
Total Expenditures	2,681,752	2,681,752	2,404,673	277,079	2,473,002	2,473,002	2,627,139	(154,137)
Excess (Deficiency) of Revenues Over Expenditures	(1,573,702)	(1,573,702)	(1,655,236)	(81,534)	(1,325,452)	(1,325,452)	(1,031,040)	294,412
Fund Balance - Beginning of Year	818,698	818,698	818,698	-	38,504	38,504	38,504	-
Transfers In	1,520,000	1,520,000	1,020,459	(499,541)	1,412,893	1,412,893	1,868,162	455,269
Transfers Out	(30,630)	(30,630)	-	30,630	(48,707)	(48,707)	(56,928)	(8,221)
Fund Balance - End of Year	$ 734,366	$ 734,366	$ 183,921	$ (550,445)	$ 77,238	$ 77,238	$ 818,698	$ 741,460

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
Road and Bridge Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ 60	$ 60	$ 110,000	$ 110,000	$ 254	$ (109,746)
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	400,000	400,000	399,660	(340)	430,000	430,000	412,025	(17,975)
Charges for Services	-	-	-	-	1,000	1,000	-	(1,000)
Interest Income	-	-	9,510	9,510	18,000	18,000	7,329	(10,671)
Other	797,000	797,000	280,671	(516,329)	434,700	434,700	799,266	364,566
Total Revenue	1,197,000	1,197,000	689,901	(507,099)	993,700	993,700	1,218,874	225,174
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Court Administrator	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Detention Center	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Highway & Roads	1,095,800	1,095,800	668,804	426,996	1,185,700	1,185,700	1,307,182	(121,482)
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	1,095,800	1,095,800	668,804	426,996	1,185,700	1,185,700	1,307,182	(121,482)
Excess (Deficiency) of Revenues Over Expenditures	101,200	101,200	21,097	(80,103)	(192,000)	(192,000)	(88,308)	103,692
Fund Balance - Beginning of Year	267,334	267,334	267,334	-	355,642	355,642	355,642	-
Transfers In	12,630	12,630	-	(12,630)	-	-	-	-
Transfers Out	(60,000)	(60,000)	(60,000)	-	(59,693)	(59,693)	-	59,693
Fund Balance - End of Year	$ 321,164	$ 321,164	$ 228,431	$ (92,733)	$ 103,949	$ 103,949	$ 267,334	$ 163,385

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Enforcement Sales Tax Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ 210,000	$ 210,000	$ 213,573	$ 3,573	$ 230,000	$ 230,000	$ 216,625	$ (13,375)
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	2,250,000	2,250,000	1,640,827	(609,173)	1,400,000	1,400,000	2,204,763	804,763
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	8,000	8,000	5,528	(2,472)	27,000	27,000	8,276	(18,724)
Other	170,000	170,000	269,102	99,102	1,064,000	1,064,000	252,532	(811,468)
Total Revenue	2,638,000	2,638,000	2,129,030	(508,970)	2,721,000	2,721,000	2,682,196	(38,804)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Collector	-	-	-	-	-	-	-	-
Planning and Zoning	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	205,548	205,548	213,281	(7,733)	253,313	253,313	178,689	74,624
Detention Center	2,425,533	2,425,533	1,825,155	600,378	2,732,980	2,732,980	2,720,387	12,593
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	2,631,081	2,631,081	2,038,436	592,645	2,986,293	2,986,293	2,899,076	87,217
Excess (Deficiency) of Revenues Over Expenditures	6,919	6,919	90,594	83,675	(265,293)	(265,293)	(216,880)	48,413
Fund Balance - Beginning of Year	7,102	7,102	7,102	-	25,982	25,982	25,982	-
Transfers In	-	-	-	-	198,000	198,000	198,000	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 14,021	$ 14,021	$ 97,696	$ 83,675	$ (41,311)	$ (41,311)	$ 7,102	$ 48,413

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
Little Otter Creek Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ 210,000	$ 210,000	$ 213,386	$ 3,386	$ 230,000	$ 230,000	$ 216,424	$ (13,576)
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	676,300	676,300	335,966	(340,334)	300,000	300,000	503,999	203,999
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	6,000	6,000	12,811	6,811	20,000	20,000	6,139	(13,861)
Other	-	-	-	-	-	-	-	-
Total Revenue	892,300	892,300	562,163	(330,137)	550,000	550,000	726,562	176,562
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Collector	-	-	-	-	-	-	-	-
Planning and Zoning	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Detention Center	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	755,150	755,150	499,301	255,849	1,035,000	1,035,000	732,217	302,783
Total Expenditures	755,150	755,150	499,301	255,849	1,035,000	1,035,000	732,217	302,783
Excess (Deficiency) of Revenues Over Expenditures	137,150	137,150	62,862	(74,288)	(485,000)	(485,000)	(5,655)	479,345
Fund Balance - Beginning of Year	315,815	315,815	315,815	-	379,923	379,923	379,923	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	(58,453)	(58,453)
Fund Balance - End of Year	$ 452,965	$ 452,965	$ 378,677	$ (74,288)	$ (105,077)	$ (105,077)	$ 315,815	$ 420,892

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
Road and Bridge Sales Tax Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ 215,000	$ 215,000	$ 213,644	$ (1,356)	$ 240,000	$ 240,000	$ 272,170	$ 32,170
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	200	200	-	(200)
Interest Income	1,500	1,500	4,733	3,233	6,500	6,500	1,834	(4,666)
Other	-	-	-	-	-	-	-	-
Total Revenue	216,500	216,500	218,377	1,877	246,700	246,700	274,004	27,304
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Collector	-	-	-	-	-	-	-	-
Planning and Zoning	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Detention Center	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Highway & Roads	250,000	250,000	207,586	42,414	200,000	200,000	238,929	(38,929)
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	250,000	250,000	207,586	42,414	200,000	200,000	238,929	(38,929)
Excess (Deficiency) of Revenues Over Expenditures	(33,500)	(33,500)	10,791	44,291	46,700	46,700	35,075	(11,625)
Fund Balance - Beginning of Year	125,494	125,494	125,494	-	90,419	90,419	90,419	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	(8,460)	(8,460)	-	8,460
Fund Balance - End of Year	$ 91,994	$ 91,994	$ 136,285	$ 44,291	$ 128,659	$ 128,659	$ 125,494	$ (3,165)

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
Assessment Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	125,194	125,194	138,853	13,659	121,035	121,035	124,688	3,653
Charges for Services	-	-	1,553	1,553	1,100	1,100	1,651	551
Interest Income	1,000	1,000	1,963	963	1,600	1,600	690	(910)
Other	-	-	-	-	-	-	-	-
Total Revenue	126,194	126,194	142,369	16,175	123,735	123,735	127,029	3,294
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Collector	-	-	-	-	-	-	-	-
Planning and Zoning	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Detention Center	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	179,130	179,130	156,553	22,577	173,520	173,520	130,740	42,780
Other	-	-	-	-	-	-	-	-
Total Expenditures	179,130	179,130	156,553	22,577	173,520	173,520	130,740	42,780
Excess (Deficiency) of Revenues Over Expenditures	(52,936)	(52,936)	(14,184)	38,752	(49,785)	(49,785)	(3,711)	46,074
Fund Balance - Beginning of Year	38,540	38,540	38,540	-	20,251	20,251	20,251	-
Transfers In	17,450	17,450	10,000	(7,450)	30,000	30,000	22,000	8,000
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 3,054	$ 3,054	$ 34,356	$ 31,302	$ 466	$ 466	$ 38,540	$ 38,074

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
Tax Maintenance Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	1,539	1,539	1,400	1,400	1,109	(291)
Other	-	-	15,881	15,881	11,000	11,000	16,968	5,968
Total Revenue	-	-	17,420	17,420	12,400	12,400	18,077	5,677
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Collector	5,000	5,000	-	5,000	5,000	5,000	8,189	(3,189)
Planning and Zoning	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	5,000	5,000	-	5,000	5,000	5,000	8,189	(3,189)
Excess (Deficiency) of Revenues Over Expenditures	(5,000)	(5,000)	17,420	22,420	7,400	7,400	9,888	2,488
Fund Balance - Beginning of Year	34,978	34,978	34,978	-	39,400	39,400	39,400	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	(7,370)	(7,370)	-	-	(14,310)	(14,310)
Fund Balance - End of Year	$ 29,978	$ 29,978	$ 45,028	$ 15,050	$ 46,800	$ 46,800	$ 34,978	$(11,822)

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
Election Service Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	884	884	1,500	1,500	2,865	1,365
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	1,663	1,663
Total Revenue	-	-	884	884	1,500	1,500	4,528	3,028
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	1,000	1,000	749	251	1,000	1,000	158	842
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Collector	-	-	-	-	-	-	-	-
Planning and Zoning	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Detention Center	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	1,000	1,000	749	251	1,000	1,000	158	842
Excess (Deficiency) of Revenues Over Expenditures	(1,000)	(1,000)	135	1,135	500	500	4,370	3,870
Fund Balance - Beginning of Year	5,278	5,278	5,278	-	908	908	908	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 4,278	$ 4,278	$ 5,413	$ 1,135	$ 1,408	$ 1,408	$ 5,278	$ 3,870

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
Election Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	30,000	30,000	23,359	(6,641)	40,000	40,000	37,243	(2,757)
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	30,000	30,000	23,359	(6,641)	40,000	40,000	37,243	(2,757)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	31,800	31,800	23,884	7,916	54,050	54,050	73,939	(19,889)
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Collector	-	-	-	-	-	-	-	-
Planning and Zoning	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	31,800	31,800	23,884	7,916	54,050	54,050	73,939	(19,889)
Excess (Deficiency) of Revenues Over Expenditures	(1,800)	(1,800)	(525)	1,275	(14,050)	(14,050)	(36,696)	(22,646)
Fund Balance - Beginning of Year	3,543	3,543	3,543	-	6,975	6,975	6,975	-
Transfers In	-	-	-	-	-	-	33,264	(33,264)
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 1,743	$ 1,743	$ 3,018	$ 1,275	$ (7,075)	$ (7,075)	$ 3,543	$ 10,618

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
Planning and Zoning Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	6,880	6,880	16,000	16,000	14,161	(1,839)
Total Revenue	-	-	6,880	6,880	16,000	16,000	14,161	(1,839)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Collector	-	-	-	-	-	-	-	-
Planning and Zoning	-	-	-	-	15,820	15,820	-	15,820
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	15,820	15,820	-	15,820
Excess (Deficiency) of Revenues Over Expenditures	-	-	6,880	6,880	180	180	14,161	13,981
Fund Balance - Beginning of Year	14,320	14,320	14,320	-	159	159	159	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 14,320	$ 14,320	$ 21,200	$ 6,880	$ 339	$ 339	$ 14,320	$ 13,981

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Training Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	762	762	750	750	1,821	1,071
Total Revenue	-	-	762	762	750	750	1,821	1,071
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Collector	-	-	-	-	-	-	-	-
Planning and Zoning	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Detention Center	-	-	-	-	-	-	-	-
Prosecuting Attorney	600	600	-	600	600	600	165	435
Juvenile Officer	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	600	600	-	600	600	600	165	435
Excess (Deficiency) of Revenues Over Expenditures	(600)	(600)	762	1,362	150	150	1,656	1,506
Fund Balance - Beginning of Year	2,609	2,609	2,609	-	953	953	953	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 2,009	$ 2,009	$ 3,371	$ 1,362	$ 1,103	$ 1,103	$ 2,609	$ 1,506

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
Peace Officers Training Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	4,500	4,500	6,923	2,423	4,000	4,000	4,585	585
Total Revenue	4,500	4,500	6,923	2,423	4,000	4,000	4,585	585
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Collector	-	-	-	-	-	-	-	-
Planning and Zoning	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	3,500	3,500	8,415	(4,915)	3,000	3,000	4,933	(1,933)
Detention Center	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	3,500	3,500	8,415	(4,915)	3,000	3,000	4,933	(1,933)
Excess (Deficiency) of Revenues Over Expenditures	1,000	1,000	(1,492)	(2,492)	1,000	1,000	(348)	(1,348)
Fund Balance - Beginning of Year	2,337	2,337	2,337	-	2,685	2,685	2,685	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 3,337	$ 3,337	$ 845	$ (2,492)	$ 3,685	$ 3,685	$ 2,337	$ (1,348)

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
Domestic Violence Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	568	568	800	800	864	64
Total Revenue	-	-	568	568	800	800	864	64
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Collector	-	-	-	-	-	-	-	-
Planning and Zoning	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Detention Center	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	1,000	1,000	1,628	(628)
Total Expenditures	-	-	-	-	1,000	1,000	1,628	(628)
Excess (Deficiency) of Revenues Over Expenditures	-	-	568	568	(200)	(200)	(764)	(564)
Fund Balance - Beginning of Year	114	114	114	-	878	878	878	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 114	$ 114	$ 682	$ 568	$ 678	$ 678	$ 114	$ (564)

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecutor Collection Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	768	768	900	900	336	(564)
Total Revenue	-	-	768	768	900	900	336	(564)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Collector	-	-	-	-	-	-	-	-
Planning and Zoning	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Detention Center	-	-	-	-	-	-	-	-
Prosecuting Attorney	2,000	2,000	-	2,000	1,000	1,000	837	163
Juvenile Officer	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	2,000	2,000	-	2,000	1,000	1,000	837	163
Excess (Deficiency) of Revenues Over Expenditures	(2,000)	(2,000)	768	2,768	(100)	(100)	(501)	(401)
Fund Balance - Beginning of Year	2,078	2,078	2,078	-	2,579	2,579	2,579	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 78	$ 78	$ 2,846	$ 2,768	$ 2,479	$ 2,479	$ 2,078	$ (401)

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
Sheriff Civil Fees Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	15,800	15,800	22,278	6,478	15,000	15,000	14,919	(81)
Total Revenue	15,800	15,800	22,278	6,478	15,000	15,000	14,919	(81)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Collector	-	-	-	-	-	-	-	-
Planning and Zoning	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	2,234	(2,234)	20,000	20,000	32,949	(12,949)
Detention Center	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	-	-	2,234	(2,234)	20,000	20,000	32,949	(12,949)
Excess (Deficiency) of Revenues Over Expenditures	15,800	15,800	20,044	4,244	(5,000)	(5,000)	(18,030)	(13,030)
Fund Balance - Beginning of Year	2,484	2,484	2,484	-	27,954	27,954	27,954	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	(7,440)	(7,440)
Fund Balance - End of Year	$ 18,284	$ 18,284	$ 22,528	$ 4,244	$ 22,954	$ 22,954	$ 2,484	$(20,470)

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
Record Storage Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	381	381	200	200	373	173
Other	7,300	7,300	6,361	(939)	7,600	7,600	6,261	(1,339)
Total Revenue	7,300	7,300	6,742	(558)	7,800	7,800	6,634	(1,166)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	10,000	10,000	10,724	(724)	15,000	15,000	17,234	(2,234)
Circuit Clerk	-	-	-	-	-	-	-	-
Collector	-	-	-	-	-	-	-	-
Planning and Zoning	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	10,000	10,000	10,724	(724)	15,000	15,000	17,234	(2,234)
Excess (Deficiency) of Revenues Over Expenditures	(2,700)	(2,700)	(3,982)	(1,282)	(7,200)	(7,200)	(10,600)	(3,400)
Fund Balance - Beginning of Year	11,101	11,101	11,101	-	21,701	21,701	21,701	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 8,401	$ 8,401	$ 7,119	$ (1,282)	$ 14,501	$ 14,501	$ 11,101	$ (3,400)

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Bad Check Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	300	300	399	99	80	80	229	149
Other	43,800	43,800	38,451	(5,349)	35,900	35,900	43,525	7,625
Total Revenue	44,100	44,100	38,850	(5,250)	35,980	35,980	43,754	7,774
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Collector	-	-	-	-	-	-	-	-
Planning and Zoning	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff				-	-	-	-	-
Detention Center	-	-	-	-	-	-	-	-
Prosecuting Attorney	6,930	6,930	33,258	(26,328)	6,050	6,050	34,174	(28,124)
Juvenile Officer	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	6,930	6,930	33,258	(26,328)	6,050	6,050	34,174	(28,124)
Excess (Deficiency) of Revenues Over Expenditures	37,170	37,170	5,592	(31,578)	29,930	29,930	9,580	(20,350)
Fund Balance - Beginning of Year	8,756	8,756	8,756	-	5,226	5,226	5,226	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	(6,050)	(6,050)
Fund Balance - End of Year	$ 45,926	$ 45,926	$ 14,348	$ (31,578)	$ 35,156	$ 35,156	$ 8,756	$ (26,400)

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
HAVA Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	116	116	300	300	107	(193)
Other	-	-	-	-	1,000	1,000	-	(1,000)
Total Revenue	-	-	116	116	1,300	1,300	107	(1,193)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	8,000	8,000	4,892	3,108
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Collector	-	-	-	-	-	-	-	-
Planning and Zoning	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Detention Center	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	8,000	8,000	4,892	3,108
Excess (Deficiency) of Revenues Over Expenditures	-	-	116	116	(6,700)	(6,700)	(4,785)	1,915
Fund Balance - Beginning of Year	3,432	3,432	3,432	-	8,217	8,217	8,217	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 3,432	$ 3,432	$ 3,548	$ 116	$ 1,517	$ 1,517	$ 3,432	$ 1,915

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
Sheriffs Revolving Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	5,000	5,000	610	(4,390)	-	-	-	-
Total Revenue	5,000	5,000	610	(4,390)	-	-	-	-
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Collector	-	-	-	-	-	-	-	-
Planning and Zoning	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Detention Center	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	5,000	5,000	610	(4,390)	-	-	-	-
Fund Balance - Beginning of Year	150	150	150	-	150	150	150	-
Transfers In	-	-	2,770	2,770	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 5,150	$ 5,150	$ 3,530	$ (1,620)	$ 150	$ 150	$ 150	$ -

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Budgetary Comparison Schedule
Cash Basis
LEPC Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	1,000	1,000	2,000	2,000	448	(1,552)
Total Revenue	-	-	1,000	1,000	2,000	2,000	448	(1,552)
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Collector	-	-	-	-	-	-	-	-
Planning and Zoning	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	500	500	2,641	(2,141)	7,000	7,000	3,688	3,312
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	500	500	2,641	(2,141)	7,000	7,000	3,688	3,312
Excess (Deficiency) of Revenues Over Expenditures	(500)	(500)	(1,641)	(1,141)	(5,000)	(5,000)	(3,240)	1,760
Fund Balance - Beginning of Year	2,113	2,113	2,113	-	5,353	5,353	5,353	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	$ 1,613	$ 1,613	$ 472	$ (1,141)	$ 353	$ 353	$ 2,113	$ 1,760

The accompanying notes to financial statements are an integral part of this statement

Caldwell County, Missouri
Notes to the Required Supplementary Information
For the Two Years Ended December 31, 2009

Note 1: Budgeting and Budgetary Practices

The County Commissioners and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo, the county budget law.

Note 2: Budgetary Basis of Accounting

The County budget is adopted on the cash basis of accounting.

Note 3: Expenditures in Excess of Appropriations

For the two years ended December 31, 2009, expenditures exceeded final budget amounts as follows:

	Amount Over Budget	
	2009	2008
County Revenue Fund	$ -	$ 154,137
Road and Bridge Fund	$ -	$ 121,482
Road and Bridge Sales Tax Fund	$ -	$ 38,929
Tax Maintenance Fund	$ -	$ 3,189
Election Fund	$ -	$ 19,889
Peace Officers Training Fund	$ 4,915	$ 1,933
Domestic Violence Fund	$ -	$ 628
Sheriff Civil Fees Fund	$ 2,234	$ 12,949
Record Storage Fund	$ 724	$ 2,234
Prosecuting Attorney Bad Check Fund	$ 26,328	$ 28,124
LEPC Fund	$ 2,141	$ -

Note 4: Funds with Budgeted Deficit Balances

For the two years ended December 31, 2009, the County had the following funds that budgeted deficit fund balances.

	Budgeted Deficit Fund Balance	
	2009	2008
Law Enforcement Sales Tax	$ -	$ 41,311
Little Otter Creek Fund	$ -	$ 105,077
Election Fund	$ -	$ 7,075

FEDERAL COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the County Commission of
Caldwell County, Missouri
Kingston, Missouri

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Caldwell County, Missouri as of and for the years then ended December 31, 2009 and December 31, 2008 which collectively comprise of the County's basic financial statements and have issued my report thereon dated January 17, 2011. In my report, the county prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Missouri, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the County's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, I identified a certain deficiency in internal control over financial reporting that I consider to be a material weakness and other deficiencies that I consider to be significant deficiencies.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with *Government Auditing Standards* (Concluded)

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. I consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2009-1 to be a material weakness.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2009-2 to 2009-4 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The County's response to the findings identified in my audit are described in the accompanying Schedule of Findings and Questioned Costs. I did not audit the County's response and, accordingly, I express no opinion on it.

This report is intended solely for the information of the Board of Commissioners , management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Original signed by auditor

Kevin G. Hudson, C.P.A.
Certified Public Accountant
January 17, 2011

Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

To the County Commissioners
Caldwell County, Missouri
Kingston, Missouri

Compliance

I have audited the compliance of Caldwell County, Missouri with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008. Caldwell County, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. My responsibility is to express an opinion on the County's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the County's compliance with those requirements.

In my opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008.

Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 (Continued)

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance*, is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Original signed by auditor

Kevin G. Hudson, C.P.A.
Certified Public Accountant
January 17, 2011

Caldwell County, Missouri
Schedule of Expenditures of Federal Awards
For the Years Ending December 31, 2009 and 2008

Federal CFDA Number	Federal Grantor/Pass Through Grantor/Program Title	Pass Through Granters Number	Federal Expenditures Year Ended December 31, 2009	2008
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
	Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO 27	$ -	$ 97,088
		BRO-28	1,378	186,508
		BRO-29	-	237,536
		BRO-30	16,288	30,712
		BRO-31	8,649	38,163
		BRO-32	48,934	-
		BRO-33	41,474	-
	Total U.S. Department of Transportation		116,723	590,007
	U.S. Department of Homeland Security			
	Passed through state Department of Public Safety:			
97.036	Public Assistance Grants	FEMA	28,279	1,595
	Total U.S. Department of Homeland Security		28,279	1,595
	Total Expenditures of Federal Awards		$ 145,002	$591,602

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule

Caldwell County, Missouri
Notes to the Supplementary Schedule
For the Years Ended December 31, 2009 and 2008

Note 1: Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Caldwell County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Note 2: Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 2009 and 2008.

Caldwell County, Missouri
Schedule of Findings and Questioned Costs
Years Ended December 31, 2009 and 2008

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued	Qualified
Internal control over financial reporting:	
Material weakness(es) identified	X Yes __No
Significant deficiencies identified not considered to be material weaknesses?	X Yes __ None Reported
Noncompliance material to financial statements noted	__Yes X No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	__Yes X No
Significant deficiencies identified not considered to be material weaknesses?	X Yes __ None Reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	X Yes __No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:	$ 300,000
Auditee qualified as low-risk auditee	__Yes X No

Caldwell County, Missouri
Schedule of Findings and Questioned Costs
Years Ended December 31, 2009 and 2008

Section II - Financial Statement Findings

2009-1 County Financial Records

The accounting records prepared by the County Clerk and County Treasurer for the two years ended December 31, 2009 do not reconcile to the general ledger. Cash balances did not reconcile as a result of differences between receipts and disbursements recorded by each official. The County Clerks office is preparing a reconciliation to reconcile with the County Treasurer, however, it does not appear that there was an accurate listing of outstanding checks and deposits in transit prepared with the bank reconciliation at the end of each month by either the County Treasurer or the County Clerk. As a result, errors on reports prepared by the County Treasurer and errors on actual amounts reported on the budgets prepared by the County Clerk went undetected. Both officials records were inaccurate at times and varied from actual revenues, expenditures and cash balances per audit. Due to the materiality of the differences, no audit adjustments were made to correct these errors. The differences between the cash balances per audit and the cash balances per the books are listed below.

	2009	2008
Cash Balance Per Auditor Calculations - All Funds	$ 1,186,714	$ 1,362,507
Cash Balance Per Books - All Funds	1,093,129	1,475,294
Difference	$ 93,585	$ (112,787)

The County Treasurer made numerous transfers between county funds during the years ending December 31, 2009. All transfers made to and from the Law Enforcement Fund did have documented approval in the minutes from the County Commission, however, there were transfers made to other funds that did not have written authorization from the Commissioners. Written approval should be obtained from the County Commission before transfers are made between county funds and adequate supporting documentation for the transfer should be maintained for all transfers made.

Recommendations:

A. The accounting records of the County Clerk and County Treasurer should be reconciled on a monthly basis and all outstanding checks and deposits in transit need to be checked for accuracy, Any differences between the reconciliation and the county's general ledger need to be fully investigated..

B. The County Treasurer reconciles all financial reports to the bank balances and documents detailed monthly bank reconciliations including listings of outstanding checks and adjusting items. In addition the County Commission should review and approve all reconciliations and financial reports.

Section II - Financial Statement Findings (Continued)

2009-1 County Financial Records (Concluded)

C. The County Commission approve all interfund transfers that are made.

Auditees Response

The County Commission, the County Treasurer and the County Clerk provided the following responses:

A. The Treasurer and the Clerk will start reconciling accounts and determining that all outstanding checks and deposits in transit are accurate.

B. The Treasurer will start reconciling bank records and determining that the reconciliation agrees with the financial reports and the County Clerk's records and any differences will be investigated.

C. All transfers will be approved by the County Commissioners.

2009-2 County Budgetary Practices

In addition to being required by state law, complete and accurate budgets are essential for the County Commission and County Clerk to evaluate county operations and to project the anticipated needs of the county for the upcoming year. Complete and accurate budgets are also necessary to properly inform the county's citizens about the county's finances.

The County Commission approved disbursements in excess of budgeted amounts for various funds during the years ending December 31, 2009. Further there was no evidence that the County Commission nor the County Clerk monitored disbursements adequately to ensure actual disbursements did not exceed budgeted amounts. Actual expenditures exceeded budgeted amounts in the following funds:

Section II - Financial Statement Findings (Continued)

2009-2 County Budgetary Practices (Continued)

Amount Over Budget

	2009	2008
County Revenue Fund	$ -	$ 154,137
Road and Bridge Fund	$ -	$ 121,482
Road and Bridge Sales Tax Fund	$ -	$ 38,929
Tax Maintenance Fund	$ -	$ 3,189
Election Fund	$ -	$ 19,889
Peace Officers Training Fund	$ 4,915	$ 1,933
Domestic Violence Fund	$ -	$ 628
Sheriff Civil Fees Fund	$ 2,234	$ 12,949
Record Storage Fund	$ 724	$ 2,234
Prosecuting Attorney Bad Check Fund	$ 26,328	$ 28,124
LEPC Fund	$ 2,141	$ -

If there are valid reasons which necessitate excess disbursements, budget amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office. In addition, Section 50.622, RSMo 2000, provides that counties may amend the annual budget during any year in which the county receives additional funds which could not be estimated when the budget was adopted and that the county shall follow the same procedures required for adoption of the annual budget to amend the budget.

To allow the budgets to be used as a planning tool and to ensure compliance with state law, budget amendments should be made prior to incurring the actual expenditures, valid reasons which necessitate excess disbursements should be provided to support amendments, and public hearings should be held prior to the adoption of all budget amendments.

Recommendations:

A. Ensure that the expenditures are kept within the amounts budgeted. If additional funds are received or expended which could not be estimated when the budget was adopted, the County Commission should amend the budget by following the procedures established by state law.

Auditees Response

The County Commission provided the following responses:

A. The County Commission will begin monitoring the budget on a monthly basis and amendments will be made on an as needed basis.

Section II - Financial Statement Findings (Continued)

2009-3 Expenditure Procedures

It was noted during the test of expenditures that the mileage reimbursements from county employees did not include documentation showing proof of mileage along with a breakdown of each trip made by the employee. Receipts for meals were also not attached to the request for reimbursements for some of the reimbursements tested.

It is also recommended that all invoices be stamped as paid along with the date the invoice was paid, along with the initials of an individual approving the expenditure. This allows the county to keep from paying invoices twice.

Recommendations:

A. The County Clerk and County Commission adopt policies for travel reimbursements that include adequate documentation for mileage and requiring receipts in order to obtain meal reimbursements.

B. The County Clerk stamp all invoices as paid including the date of initials of an official approving the invoice.

Auditee Response:

The County Commission and County Clerk provided the following responses:

A. The County Commission and County Clerk will implement new procedures for the handling of travel and meal reimbursements.

B. The County Clerk will begin procedures to mark invoices as paid and receive the initials of an approving official.

Section III - Federal Award Findings

2009-4 Federal Financial Reporting

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* requires the county to prepare a SEFA for the period covered by the county's financial statements. The county is required to submit the SEFA to the State Auditor's Office as a part of the annual budget.

Expenditures related to some of the grants were reported incorrectly or not included on the schedule. The audited SEFA was adjusted to correct these errors. Compilation of the SEFA requires consulting county financial records and requesting information from other departments and/or officials. The County Commission should take steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards are properly accounted for on the SEFA.

Without an accurate SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal awards.

Recommendations:

A. The County Commission and County Clerk work to ensure the SEFA is complete and accurate.

Auditee Response:

The County Commission and County Clerk provided this response:

A. The County Commission and County Clerk will work hard to ensure that the SEFA is accurate and complete.

Caldwell County, Missouri
Follow-Up on Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

2007-01 County Financial Records

Criteria: The County Clerk and County Treasurer need to perform a monthly reconciliation and all reconciling items need to be documented and fully investigated. This reconciliation needs to be traced to the counties general ledger and any differences investigated. The County Commission needs to approve these reconciliations. The County Commission needs to approve all transfers being made between funds and document this approval in the minutes. The County also needs to classify all revenues within the proper account and the proper fund.

Condition: During my audit, I determined that there was no monthly reconciliation prepared between the County Treasurer and County Clerk. It was also noted that the County Commissioners were also not approving all transfers made between funds. Revenues were not being classified in the proper accounts and funds.

Effect: Without an accurate monthly bank reconciliation the county is unable to determine the amount of money that they have on hand. Without proper authorization, transfers can be made that are not allowed by law. Improper revenue classifying can cause the financial statements to be misleading.

Cause: Management has not prepared the proper bank reconciliations, approved transfers and improperly classified revenues by account and fund.

Recommendation: The accounting records of the County Clerk and County Treasurer should be reconciled on a monthly basis and all reconciling items documented and fully investigated. The County Treasurer should reconcile all financial reports to the bank balances and document detailed monthly bank reconciliations including listings of outstanding checks and adjusting items. In addition the County Commission should review and approve all reconciliations and financial reports. The County Commission should approve all interfund transfers that are made. The County should properly classify all revenues received both within the proper account and proper fund. Procedures need to be implemented to ensure that all revenues and disbursements are properly classified within the proper account and fund.

Status: Partially Implemented. The County Clerk and County Treasurer have begun to prepare monthly bank reconciliations, however, they are still not balancing back to the general ledger. The County Commissioners are approving the transfers between the County Revenue Fund and the Law Enforcement Sales Tax Fund and documenting this approval in the minutes, however, there are some other transfers occurring between funds that did not received documented approval from the County Commission. Revenues appear to be properly classified between accounts and funds. This finding was repeated as finding 2009-1 on Pages 55-56.

Caldwell County, Missouri
Follow-Up on Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

2007-2 County Budgetary Practices

Criteria: Procedures were not in place to ensure that the county's budget was properly prepared. Amounts listed on the budget did not compare to records completed by the County Clerk and County Treasurer. The budget needs to be monitored to ensure that there is not an excess of expenditures over budgeted amounts for the various county funds.

Condition: During my audit I determined that the counties budget did not compare to the amounts listed on the general ledger. It was also noted that several funds expenditures had exceeded the budgeted amounts.

Effect: Without an accurate budget, the county cannot make proper financial decisions concerning the counties finances.

Cause: County officials did not monitor the budget to determine that the budget was in compliance with state law.

Recommendation: The budget should contain complete and accurate information about the County's finances. The budget needs to be monitored to ensure that expenditures are kept within the amounts budgeted. If necessary, amendments can be made to be in compliance with state law.

Status: Partially Implemented. The budget numbers now compare to the general ledger numbers, however, there were several funds where expenditures did exceed budgeted amounts and no amendments were made. This finding was repeated as finding 2009-2 on Pages 56-57.

2007-3 Financial Condition

Criteria: The financial condition of the County Revenue Fund is weak.

Condition: During the audit, I determined that the balance of the County's Revenue Fund was $38,504 at the year ended December 31, 2007.

Effect: If excess spending in the County Revenue Fund continued, the fund would soon have a deficit balance.

Cause: Excess spending caused the fund's cash balance to be low.

Recommendation: The County needs to take the necessary steps to improve the financial condition of the County Revenue Fund.

Status: Implemented. At December 31, 2009 the County Revenue Fund balance is $183,921 for an increase of $145,417 over the two year period.

Caldwell County, Missouri
Summary Schedule of Prior Audit Findings In Accordance with OMB Circular A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133, requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

2007-4 Federal Financial Reporting

Criteria: The county did not have procedures in place to adequately track federal awards programs in order to complete an accurate schedule of expenditures of federal awards.

Condition: The County did not prepare an accurate schedule of expenditures of federal awards.

Effect: Without an accurate schedule of federal awards, federal financial activity may not be audited and reported in accordance with federal audit requirements.

Cause: Future reductions in federal awards could occur if an accurate schedule of federal awards is not prepared.

Recommendation: The County Commission and County Clerk prepare a complete and accurate schedule of federal awards.

Status: Not Implemented. The schedule of federal awards had errors regarding expenditures and federal programs not being reported. This finding was repeated as finding 2009-4 on Page 59.

Thomas A. Schweich

Missouri State Auditor

Village of Indian Point

March 2011

Report No. 2011-09

http://auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Village of Indian Point

Sewer Project	The Board of Trustees is not adequately monitoring the Board of Public Works (BPW). The sewer project was poorly planned and system revenues are not sufficient to meet all operational costs. The village spent over $8,000 on wireless meters which it cannot utilize because it has not purchased the equipment necessary to do so; it has no valid estimate of how much it will cost for waste removal; and deficiencies identified by the Missouri Department of Natural Resources are expected to cost approximately $100,000 to remedy. Approximately $120,000 in change orders were approved by the BPW without the approval of the Board of Trustees. The 2010 budget for the BPW reflected an estimated negative cash balance of $99,000 at December 31, 2010, as system revenues are not sufficient to meet all operational costs. Sewer rates have not been reviewed since 2005. Adequate documentation of disbursements, warranties, performance bonds and contracts was not maintained.
Municipal Center	The Municipal Center project and corresponding debt issuance was not properly planned. The village paid $49,762 in principal and interest before breaking ground on the project. In addition, the village had funds available at the time that may have been utilized for the project. Because the debt cannot be prepaid until 2017, this financing arrangement will result in interest costs totaling approximately $185,000.
Village Disbursements	The village does not have a formal bidding policy, and some bid documentation was not retained. In addition, some products and services were not bid. The village used the same engineering firm for several years without documentation of any evaluation and consideration of other firms. Disbursement approval is not adequately documented.
Accounting Controls and Procedures	Accounting duties are not segregated, and insufficient oversight exists to ensure transactions are properly recorded and assets are safeguarded. Monies received are not recorded and deposited promptly, and receipt slips are not accounted for properly. Village financial records are not accurate, with some disbursements not listed or misclassified. Bank reconciliations are not performed timely, and some important records were not properly retained.
Board of Public Works Utility Controls and Procedures	Significant weaknesses were identified in controls and procedures related to the utility system, and as a result, there is less assurance all utility monies have been accounted for properly. Accounting duties are not segregated, monies received are not promptly recorded and deposited, and checks are not securely maintained. Bank reconciliations are not performed timely, and adjustments to accounts are not properly authorized or documented. Formal policies and procedures related to delayed sewer payments have not been established, and village ordinances requiring penalties and service shutoff have not been enforced with respect to delinquent customers, including the Village Board Chairman and the BPW Chairman.

Payroll Controls and Procedures	Timesheets are not always signed by employees and supervisors, and adequate records of vacation, sick and compensatory leave are not maintained. Christmas bonuses paid to the Chief of Police and a police officer, and $1,000 paid to the Chief of Police for duties as interim village administrator were not properly reported or subjected to payroll tax withholdings. No documentation was maintained of how the $1,000 payment was determined.
Audits, Budgets, and Financial Statements	The village did not obtain a required annual audit of the sewer system or publish semiannual financial statements as required by state law. Budgets did not include all information required by state law and contained errors. The BPW budgeted a deficit balance.
Meetings and Records	Meeting minutes lacked sufficient detail and were difficult to locate. Email was used for some votes, in violation of state law requiring that a quorum of Board members be physically present during a vote.
Elected Officials	A Board of Trustees member voted to appoint his wife to the BPW, and a candidate was listed on the ballot for the Board of Trustees even though his sewer account was in arrears at the time.
Capital Assets	The village does not maintain records for its capital assets. Property is not tagged for identification, and an annual physical inventory is not performed, making it difficult to determine proper insurance coverage and safeguard village assets from loss, theft, or misuse.

In the areas audited, the overall performance of this entity was **Poor**.*

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)	The Village of Indian Point did not receive any federal stimulus monies during the audited time period.

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Village of Indian Point
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THOMAS A. SCHWEICH
Missouri State Auditor

To the Board of Trustees
Village of Indian Point, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Village of Indian Point. We have audited certain operations of the village in fulfillment of our duties. The village engaged Schultz Durham & Rapp, P.C., Certified Public Accountants (CPAs), to perform agreed upon procedures related to the village's sewer project for the 3 years ended December 31, 2009. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the village's internal controls over significant management and financial functions.

2. Evaluate the village's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the village, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the village's management and was not subjected to the procedures applied in our audit of the village.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Village of Indian Point.

Thomas A. Schweich
State Auditor

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1. Sewer Project

The sewer project was poorly planned and system revenues are not sufficient to meet all operational costs. In addition, supporting documentation was not maintained for some sewer project disbursements.

The construction of a waste-water system for the Village of Indian Point has been in process for many years. In 1995, voters approved a bond issue for approximately $5 million to fund the construction of a system. In 2004, village trustees established the Board of Public Works (BPW). According to village ordinances and state law, the BPW is responsible for operating and maintaining the village sewer system under the authority of the village trustees. Bonds totaling $795,000 to fund the construction of the waste-water system were issued in 2005, with the balance of the bond issue not utilized.

The BPW initially planned to construct a centralized waste-water system, but to reduce costs instead constructed a decentralized system. The decentralized system is designed to handle liquid waste and requires the BPW to pump solid waste out of tanks installed throughout the system. The BPW has contracted with an outside vendor to pump the tanks and take the solid waste to a neighboring city's sewer system.

Approximately $1.8 million was disbursed to construct the waste-water system financed by the bond issue through a state revolving fund (SRF) loan totaling $795,000, a state grant totaling $500,144, a donation from a local developer totaling $296,950, a lease purchase agreement totaling $177,000, and the remaining costs paid with village operating funds. Construction started in 2008, and the system became operational in 2009.

1.1 Planning and oversight

The sewer project was poorly planned and oversight by the village Board of Trustees was inadequate.

- The BPW does not have a clear estimate of the costs associated with pumping the tanks and hauling the solid waste to a neighboring city's sewer system. The BPW was unable to locate a written contract for this service specifying the costs and could only provide documentation indicating that recently one of the 54 tanks was pumped out costing $200. Because the system is relatively new, most tanks have not yet been required to be pumped; however, the BPW does not have an estimate on how often pumping will be required.

- The village does not have a long-term plan to address the costs of a holding tank installed on Map Lane. According to the Missouri Department of Natural Resources (DNR), two homes located on Map Lane were not included in the approved plans for the construction of the sewer system, and as a result, the homes could not be connected to the system. To remedy this problem, the BPW placed a holding tank in the area and approximately twice a month the tank is pumped by an outside

vendor. According to DNR personnel, the holding tank at Map Lane was approved as a temporary solution; however, the village does not have a long-term plan to address the current situation. The BPW has been paying approximately $190 monthly to pump this tank.

- Financing for the installation of the sewage holding tanks was not secured until after the project started. According to BPW records, the bid for the sewage holding tanks was awarded to the contractor on September 8, 2008, and the contract was signed on October 14, 2008, but financing totaling $177,000 was not secured until March 15, 2009.

- Wireless meters costing $8,172 were installed during construction of the waste-water system but are not utilized by the BPW. A change order was issued during construction to allow wireless reading of the meters; however, the village has not purchased the equipment which would allow them to wirelessly read the meters, and according to BPW personnel, there are no plans to purchase the equipment. Currently, customers are charged a set rate and are not charged based on use.

- Because of an error when the village purchased the land to construct the treatment facility, a corner of the flow equalization tank was placed on private property. Attempts have been made by the village to obtain a quit claim deed; however, the attempts have been unsuccessful.

- On June 30, 2010, the BPW received a letter from the DNR listing difficiencies noted during an inspection of the sewer system. For example, a single pump was installed to transport waste instead of a duplex pumping system as stipulated in the approved engineering plans. Additionally, the letter stated the BPW had to submit a plan for correcting the difficiencies by September 30, 2010; however, this deadline was not met. BPW officials are currently working with DNR officials and estimate the cost of the additional work will be approximately $100,000.

- Although change orders and invoices for costs associated with the construction and operation of the waste-water system were discussed and approved during BPW meetings, they were not approved by the village Board of Trustees. According to Ordinance 03-14 which created the BPW, all contracts and invoices must be submitted to the village Board of Trustees for approval before disbursement is made. The village expended approximately $120,000 as a result of 15 change orders.

Given the concerns noted in this report, it is apparent the village Board of Trustees is not adequately monitoring the BPW. Adequate planning for major capital disbursements and monitoring by the BPW and the village

Board of Trustees is necessary to ensure the project is financially feasible and to help prevent potential problems or misunderstandings during the project.

1.2 Financial condition

System revenues are not sufficient to meet all operational costs, and sewer rates have not been reviewed since 2005. The 2010 budget for the BPW reflected an estimated negative cash balance of $99,000 at December 31, 2010.

According to the June 8, 2010, village meeting minutes, the BPW Chairman reported the current user fees are failing to generate sufficient funds to pay for the operation of the sewer system and the debt incurred. The BPW Chairman requested the village make the bond and lease purchase payments totaling approximately $65,000 annually. The village Board of Trustees agreed to make these payments for the BPW.

The village and BPW have not performed a formal review of sewer rates since 2005. Rates were set based upon initial estimated costs of a centralized system, not actual costs of a decentralized system, and as a result, the rates charged are not covering all costs. For example, the costs of pumping solid waste from tanks (including Map Lane) are not included in the rate calculations. According to the rate calculations, annual operating costs were estimated at approximately $57,000; however, actual annual operating costs including bond and lease payments are approximately $220,000. Residential system users pay approximately $34 monthly.

Additionally, sewer rate calculations were based upon 149 system users (58 residential users and 91 resort users), but the village only has 54 system users. As a result, system revenues are significantly less than anticipated.

Further, the costs associated with the sewage tanks installed on each customer's property is not included in the rate calculation but billed separately to each customer, and some sewer customers are not paying for the sewage tanks. The BPW charged customers approximately $2,000 to $4,000 for residential sewage tanks. Some customers are refusing to pay the BPW, some are making payments, and some have paid in full. There is no ordinance in place requiring payment for the tanks, and the BPW does not have adequate records tracking the amounts owed by each customer for tank installation.

Finally, the BPW has not enforced the collection of various fees for sewer service, established formal written policies and procedures related to delayed payment plans, or shutoff sewer service when accounts are delinquent. (See MAR finding number 5).

It is essential the Board of Trustees and the BPW address the shortfall in system revenues both in the immediate- and long-term future. Sewer fees

are user charges which should cover the cost of providing the related services. To improve the financial condition of the BPW, the Board of Trustees and BPW should perform a detailed review of sewer rates, consult legal counsel regarding charges for sewage tanks, and adequately track amounts owed by each customer.

1.3 Supporting documentation

Adequate supporting documentation was not maintained for some sewer project disbursements. Further, sewer equipment warranties and contractor bonds were not maintained by the village.

- Supporting documentation could not be located for payments totaling approximately $779,000 (58 percent) of more than $1.35 million paid to the sewer contractor. In addition, in April 2009, a check for $105,554 was issued from the BPW account to another contractor for removing existing septic tanks and installing replacement tanks; however, there was no invoice to support the payment.

- Written warranties for sewer equipment could not be located. Repairs totaling approximately $3,400 were made to a sewer pump and paid for by the BPW. BPW officials indicated they believed the work would not be covered under warranty, but because warranty documentation could not be located this is unclear.

- The performance bond for the contractor performing work on Map Lane could not be located.

- Copies of some contracts did not contain all signatures. The SRF loan agreement was not signed by all parties involved, and the lease purchase agreement for the tanks was not signed by the leaseholder.

All disbursements should be supported by paid receipts, itemized vendor invoices, signed contracts, or other detailed documentation to ensure the obligation was actually incurred and the amount paid was proper. Performance bonds and written warranties are necessary to ensure all parties are aware of their duties, rights, and responsibilities, and to prevent misunderstandings.

Recommendations

The Village of Indian Point Board of Trustees:

1.1 Work with the BPW to ensure all capital improvement projects are properly planned and provide adequate oversight of the BPW. Additionally, the Board of Trustees and the BPW should work together to resolve all issues with the current sewer system.

1.2 Closely monitor the financial condition of the BPW by performing a review of sewer rates, consult legal counsel regarding sewage tank charges, and adequately track amounts owed by each customer.

1.3 Ensure all disbursements are supported by adequate documentation and signed contracts, and performance bonds and written warranties are maintained.

Auditee's Response

The Village of Indian Point Board of Trustees provided the following responses:

1.1 Most of the individuals on the Board of Trustees are relatively new and had these same concerns. The Board of Trustees and BPW are now working together to resolve the sewer system issues. We have contracted with a new engineer and are working to cut costs of operating the system.

1.2 The recently hired engineer is performing a new rate analysis. The BPW has hired a clerk to perform accounting duties and is now able to account for amounts paid on the tanks.

1.3 We plan to maintain all supporting documents in the future.

2. Municipal Center

The village did not adequately plan for the financing of the Municipal Center and as a result, the village incurred unnecessary debt and interest. In April 2007, the village issued Certificates of Participation (COPs) totaling $318,000 to finance the construction of a new municipal center; however, construction was not started until August 2009. The village made payments totaling $49,762 (interest of $29,762 and principal of $20,000) before breaking ground for the new facility. In addition, it is not clear why the village issued COPs when it had approximately $400,000 in certificates of deposit (CDs) and a money market account earning less than 1 percent interest available for potential use.

Based upon meeting minutes, the delay in this project was caused by the indecisiveness of the Board of Trustees. Meeting minutes for June 2009 indicate the Board of Trustees considered discontinuing the project because of uncertainty about the village having the funds to make the payments. Further, there are no documented plans for the use of the funds in the CDs and money market account, and no evidence the Board of Trustees considered utilizing some or all of these funds when constructing the Municipal Building. The COPs are for a 20-year term to be repaid in annual principal payments with semi-annual interest payments totaling approximately $25,000. Based on the terms of the COPs, the certificates cannot be prepaid until 2017. This financing arrangement will result in interest costs totaling approximately $185,000.

In the future, to ensure efficient use of village funds and avoid unnecessary interest costs, the Board of Trustees should plan financing to coincide with the timing of construction, and consider utilizing a portion of village reserves for construction costs.

Recommendation

The Village of Indian Point Board of Trustees ensure capital improvement projects and corresponding debt issuance are properly planned to prevent unnecessary interest costs.

Auditee's Response

The Village of Indian Point Board of Trustees provided the following response:

We recognize the center was not properly planned by the former Board of Trustees. We will ensure future capital improvements and corresponding debt is properly planned.

3. Village Disbursements

Controls and procedures over village disbursements need improvement.

3.1 Bidding policy and procedures

The village does not have a formal bidding policy. Village officials indicated they generally require bids for purchases over $500; however, while village personnel indicated some bids were solicited through telephone quotes or direct contact with vendors, documentation showing vendors contacted, prices quoted, and reasons for selecting the vendor were not retained. Additionally, the Board of Trustees did not ensure some products and services purchased by the BPW related to the waste-water system were bid. Bids were not solicited for road repairs ($20,736), the Municipal Center well ($9,480), and the utility billing system ($6,445). Adequate bid documentation was not maintained for storm sirens costing $17,447.

In addition, the village did not document the reasons for selecting other than the lowest bid for construction of the Municipal Center. The building task force committee received five bids for the construction of the building. On June 2, 2009, the Village Board of Trustees accepted the higher bid of $291,450, which was $74,937 more than the lowest bid. While Board meeting minutes generally indicated negotiations occurred with contractors, the village had no documentation to support selecting the higher bid.

Further, the BPW used the services of the same attorney for several years without any documentation of considering other attorneys. Payments to the attorney totaled approximately $51,000 for the year ended December 31, 2009. The BPW also did not maintain a written agreement with its attorney.

Formal bidding procedures for purchases provide a framework for economical management of village resources. Routine use of a competitive

procurement process for major purchases ensures the village has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in village business. Documentation of the various proposals received, and the selection process and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made. Further, written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

3.2 Engineering services

The village and BPW used the services of the same engineering firm for all phases of the sewer project for several years without documentation of the evaluation and consideration of other firms. Payments to the engineer totaled approximately $52,000 for the year ended December 31, 2009. Additionally, the village hired a different engineering firm in 2010 for sewer project repairs and did not document its evaluation and selection of the engineering firm.

Sections 8.289 and 8.291, RSMo, provide guidance on the selection of engineering services.

3.3 Disbursement approval and documentation

The review and approval of disbursements by the Board of Trustees and BPW need improvement.

Although meeting minutes occasionally documented discussion of approving accounts payable, the approval of disbursements is generally not documented. As of June 2010, a list of disbursements is prepared by the Village Board Chairman for review, but the list is not signed or initialed by the Board to document approval, and not all disbursements are included on the list. Additionally, the BPW does not meet every month; however, some bills are paid monthly without evidence of approval.

To adequately document review and approval of all disbursements, a complete and detailed list of disbursements should be prepared, signed or initialed by the Board or BPW to denote approval, and retained.

3.4 Banking services

The village has not solicited proposals for banking services, and better oversight is needed over village bank accounts.

- The village has not solicited proposals from various banking institutions for the deposit of village monies and does not have a written agreement with its depository bank documenting the services the bank will perform. Periodically soliciting proposals for banking services will help ensure banking services received, as well as the costs of these services, are reasonable and competitive. Further, written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts of political subdivisions to be in writing.

- Many village checks were signed by the Village Vice Chairman and two trustees who did not have authority to sign checks. Although bank signature cards allow these individuals to sign checks, a village resolution indicates checks should be signed by the chairman, and/or village secretary/treasurer, and/or village clerk/administrator. Additionally, a former village clerk, who left in May 2010, is still authorized to sign checks on the village account as of September 2010. To comply with village resolutions and ensure adequate controls exist over bank accounts, the village should update the bank signature cards and ensure checks are signed only by authorized signatories. Further, steps should be taken to remove the former employee from the bank signature card.

3.5 Water study

The village contracted for a water study costing $10,000 in 2008; however, the study has not been completed. According to the engineering firm, it has not been completed due to the Board's indecisiveness regarding the study, conflict between the current village trustees, and unpaid invoices for the water study and other services totaling $8,853 due to the firm. Payments totaling $6,723 have been made to the engineering firm for the incomplete water study.

To ensure monies are spent efficiently, the village should determine if the water study is needed, and resolve issues regarding the unpaid invoices.

Recommendations

The Village of Indian Point Board of Trustees:

3.1 Establish formal bidding policies and procedures, including documentation requirements regarding the bids or quotes received and justification for the bid selected. In addition, the Board of Trustees should ensure the BPW maintains a written agreement with its attorney.

3.2 Comply with state law regarding the selection of engineering services.

3.3 Document the approval of village and BPW disbursements by including a complete list of all disbursements in the meeting minutes and signing or initialing the list to denote approval.

3.4 Solicit proposals for banking services on a periodic basis and enter into a depositary agreement with the bank. In addition, the Board of Trustees should comply with the village resolution regarding check signatures, and remove the former employee from the signature card at the bank.

3.5 Contact the engineering firm and resolve the issues regarding the water study and unpaid invoices.

Auditee's Response

The Village of Indian Point Board of Trustees provided the following responses:

3.1 We have recently adopted an ordinance outlining a bid policy. We are currently seeking qualifications for an attorney and have solicited bids for other items such as auditing services and propane.

3.2 We recently requested and obtained qualifications for engineering services before contracting with our new engineer; however, we are still working with our previous engineer on the trails project.

3.3 We have or will comply with this recommendation. The Board of Trustees started signing the list of paid bills last month, and the BPW has resumed having meetings twice a month.

3.4 We recently solicited bids for banking services. We have changed banks and have a written agreement. In addition, we plan to change the resolution to include all trustees as check signers and the former employee has been taken off the signature card.

3.5 We are working with the engineer to resolve this issue. We have requested a detailed invoice documenting all unpaid charges from the engineer.

4. Accounting Controls and Procedures

Accounting controls and procedures utilized by the village need improvement.

4.1 Segregation of duties

There is minimal oversight and inadequate segregation of accounting duties. The village clerk is responsible for receipting and disbursing monies, performing bank reconciliations, and preparing monthly financial reports. Additionally, the village clerk provides one of the two required signatures on checks, including payroll checks. The bank statements are not provided to the Board for review, and there is minimal evidence the Board provides adequate supervision or review of the work performed by the village clerk.

For several months during 2009 and 2010, the village did not have an employee in the position of village clerk, and as a result, the Village Board Chairman and Chief of Police performed the accounting duties. Adequate segregation and oversight was also not performed during these months.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of

duties cannot be achieved, at a minimum, periodic supervisory or independent reviews of the records should be performed and documented.

4.2 Receipting and depositing

Receipting and depositing procedures need improvement.

- Monies received are not recorded and deposited in a timely manner. Monies received are placed in the safe; however, a receipt slip is not issued and the monies are not posted to the computer system until the deposit is prepared. During our cash count, we noted monies for two deposits totaling $727 and $332 were received on June 29, 2010, and July 12, 2010, respectively, yet were not deposited until July 26, 2010.

- Generic rediform receipt slips, instead of official receipt slips, are issued for monies paid in person at the Municipal Center, and the numerical sequence of receipt slips is not accounted for properly. Additionally, receipt slips are not issued for monies received through the mail. Of the receipt slips reviewed, the first eight pages of a receipt book were missing and several other receipt slips had both the original and carbon copy removed. Additionally, one receipt slip was used for the personal business of the Village Board Chairman.

- The method of payment is not documented on receipt records and, as a result, the composition of receipts cannot be reconciled to the composition of deposits.

- Checks are not restrictively endorsed immediately upon receipt.

To ensure monies are recorded and accounted for properly, receipts should be posted to the computer system and deposits made in a timely manner, official prenumbered receipt slips should be issued for all monies received with all receipt slip numbers accounted for properly, the method of payment should be documented, and the composition of receipts should be reconciled to the composition of deposits. Additionally, checks should be restrictively endorsed immediately upon receipt.

4.3 Financial records

Village financial records are not accurate.

- A check totaling $10,131 disbursed to the BPW and other transactions totaling $3,519 were not included as disbursements on the profit and loss statement for the year ended December 31, 2009, resulting in an overstatement of the cash balance.

- Some disbursements are inaccurately classified in the village accounting system. For example, profit and loss reports prepared in 2009 for the year ended December 31, 2008, indicated interest for the SRF loan totaled $127,735; however, only $40,893 of this amount was interest.

The remaining amount was for payments of engineering and legal services.

- The treasurer's report dated January 19, 2010 showing 2009 and 2008 financial activity presented to the Board of Trustees, did not include income totaling approximately $55,000 and $119,000, respectively.

The differences appear to be the result of posting errors in the accounting system. Accurate financial information is necessary to provide the Board with sufficient information to make informed decisions and to provide residents with reliable information about village finances.

4.4 Bank reconciliations

Bank reconciliations for the village account are not always performed in a timely manner. As of October 2010, there were no bank reconciliations documented for June through September 2010.

Timely preparation of monthly bank reconciliations is necessary to ensure the bank account is in agreement with accounting records and to detect and correct errors.

4.5 Record retention

We noted numerous village records were not maintained and had to be obtained from other sources or were not maintained in the Municipal Center.

- The village hired an engineering firm to prepare a master plan for the village, and invoices indicate the work was completed in February 2009. The engineering firm indicated the master plan was presented to the Board; however, the master plan was not retained by the village.

- Records for the construction of the Municipal Center are maintained at the home of a trustee instead of at the Municipal Center.

Record retention is necessary to ensure the validity of transactions and provide an audit trail.

Recommendations

The Village of Indian Point Board of Trustees:

4.1 Segregate accounting duties to the extent possible. If proper segregation of duties cannot be achieved, an independent review of the work performed is necessary.

4.2 Ensure monies are posted to the computer system and deposited in a timely manner, official prenumbered receipt slips are issued for all monies received, the numerical sequence of receipt slips is accounted for properly, the method of payment is documented, the

composition of receipts is reconciled to the composition of deposits, and checks are restrictively endorsed immediately upon receipt.

4.3 Ensure village financial records are accurately maintained.

4.4 Ensure bank reconciliations are performed timely.

4.5 Ensure village records are properly retained and stored at the Municipal Center.

Auditee's Response

The Village of Indian Point Board of Trustees provided the following responses:

4.1 We recently hired a village clerk and we are providing adequate oversight.

4.2 We have implemented this recommendation.

4.3 The village clerk is currently maintaining accurate financial records and has been working on correcting the financial records for past years.

4.4 Bank reconciliations have now been performed and are up to date.

4.5 We are now maintaining all village records in the Municipal Center.

5. Board of Public Works Utility Controls and Procedures

Significant weaknesses were identified in controls and procedures related to the utility system maintained by the BPW. As a result, there is less assurance all utility monies have been accounted for properly.

5.1 Segregation of duties

There is minimal oversight and inadequate segregation of accounting duties for the utility system. Accounting duties, such as receiving and disbursing monies and performing bank reconciliations, are performed by the BPW Clerk without adequate oversight. During several months in 2009 and 2010, the BPW did not have an employee to perform accounting duties, and as a result, the BPW members performed the duties. During this time, these duties were also not performed adequately or timely.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory or independent reviews of the records should be performed and documented.

5.2 Controls over monies received

Improvement is needed in controls over monies received.

- Sewer monies are not recorded immediately upon receipt. Monies are received through the mail or in the office and placed in a drawer. The monies are not posted to the computer system until the deposit is prepared.

- Monies received are not deposited in a timely manner. We performed a cash count on August 5, 2010, and noted 62 checks totaling $5,824 on hand. Most of these checks represented payments received during July. These checks were not posted to the computerized sewer system and deposited until August 16, 2010. The last deposit prior to our cash count was on July 7, 2010. Additionally, a check totaling $2,800 for sewer and tank fees was collected by the BPW Chairman on July 6, 2010, but the check was not turned into the office until September 7, 2010. The check was not deposited until October 18, 2010.

- Sewer receipts are not adequately secured. The 62 checks noted above were stored in an unlocked desk drawer. Throughout the audit, we continued to observe unsecured checks on the desk and in the desk drawer. Further, we noted one occasion where the door on the safe was not adequately secured.

- Checks and money orders are not restrictively endorsed immediately upon receipt.

To ensure receipts are recorded and accounted for properly, monies should be recorded immediately upon receipt, deposits should be made timely, receipts should be adequately secured, and checks and money orders should be restrictively endorsed immediately upon receipt.

5.3 Receipt records

The BPW needs better accountability over computerized receipt numbers and customer accounts.

- The numerical sequence of computerized receipt slips is not accounted for properly. Some receipt numbers were missing from receipt reports reviewed, and software support personnel indicated they could not locate these numbers but believe it is likely due to personnel viewing an individual's sewer account and exiting the account without posting a payment or recording an adjustment.

- Receipt amounts posted to customer accounts in the utility system are not reconciled to receipt amounts posted to the accounting system. As a result, errors in posting are not identified. For example, a payment totaling $52 was posted to the accounting system and deposited, but not posted to the customer account in the utility system.

To ensure sewer receipts are properly recorded, the numerical sequence of receipt slips should be accounted for properly, **a**nd receipt amounts posted to the utility system should be reconciled to receipt amounts recorded in the accounting system.

5.4 Bank reconciliations

Bank reconciliations are not always performed in a timely manner. As of October 2010, there were no bank reconciliations documented for December 2009 through September 2010.

Timely preparation of monthly bank reconciliations is necessary to ensure the bank account is in agreement with accounting records and to detect and correct errors.

5.5 Adjustments

Adjustments made to customer sewer accounts are not properly authorized or adequately documented. Reasons for adjustments to customer sewer accounts include payments posted to the wrong account, payments duplicated to an account, and the removal of interest charges. While reasons to adjust the billings may be valid, the utility clerk collects sewer payments and has the ability and authority to post adjustments to customer accounts without obtaining independent approval. Adjustments during the year ended December 31, 2009, totaled approximately $2,600.

Proper authorization and adequate documentation, which fully explains the reason for the adjustments to customer accounts, are necessary to ensure only proper accounts and amounts are adjusted and to reduce the risk of theft, loss, or misuse of funds.

5.6 Delinquent accounts

Some village ordinances are not enforced, and the village has not established formal written policies and procedures related to delayed sewer payments. As of August 16, 2010, 33 of 54 sewer customers had delinquent billings totaling over $10,000.

- Penalty charges have not been assessed as required by village ordinance and BPW rules and regulations. Village Ordinance 05-09 states payments not received within 30 days after billing shall be delinquent, and a late payment penalty of 10 percent will be added to each delinquent bill for each 30 days of delinquency. According to the current BPW Vice Chairwoman, customers are no longer assessed penalties and some penalties have been removed from accounts.

- Sewer service is not shutoff when accounts are delinquent. Village Ordinance 05-09 provides when any bill is 30 days in default, sewer service to such premises shall be discontinued until the bill is paid. Current Village Board Chairman Jim Daily, current BPW Chairman Kevin McCoy, and several residents had delinquent sewer accounts not paid within the required time period; however, the service was not disconnected. According to the current BPW Vice Chairwoman,

businesses are allowed to delay payments during the winter months and make those payments up in the summer months when tourism increases; however, this is not specified in a village ordinance.

Section 250.234, RSMo, provides that "any user charges, connection fees, or other charges levied by any city, town or village shall be due at such time or times as specified by the governing board of the city, town or village and shall, if not paid by the due date, become delinquent and shall bear interest from the date of delinquency until paid."

Allowing customers to receive sewer service without paying reduces the incentive to make payments and may result in a loss of revenue to the village. Additionally, the village's failure to disconnect service for elected and appointed officials in accordance with local ordinance creates the appearance these officials may have benefited improperly. The members of the village Board and the BPW serve the village in a fiduciary capacity. Failure to pay their own sewer accounts could harm public confidence and reduce their effectiveness.

To ensure all delinquent utility accounts are handled equitably and in a consistent manner and payment plans are properly approved, an ordinance should be established for delay of sewer payments for businesses during the off season and procedures should be implemented to comply with village ordinances.

Recommendations

The Village of Indian Point Board of Trustees:

5.1 Ensure the BPW segregates accounting duties to the extent possible. If proper segregation of duties cannot be achieved, an independent review of the work performed is necessary.

5.2 Ensure the BPW records and deposits monies timely, adequately secures monies prior to deposit, and restrictively endorses checks and money orders immediately upon receipt.

5.3 Ensure the BPW accounts for the numerical sequence of receipt slips, and reconciles receipt amounts posted to customer accounts to receipt amounts posted in the accounting system.

5.4 Ensure the BPW performs bank reconciliations timely.

5.5 Ensure the BPW requires someone independent of the sewer system review and approve all adjustments and ensure adequate documentation is maintained of such adjustments.

5.6 Ensure the BPW assesses penalties and properly follows shutoff procedures in accordance with village ordinance and BPW rules and

regulations. Additionally, if business customers are allowed to delay payments during winter months, this payment policy should be in writing and approved by the Board of Trustees.

Auditee's Response

The Village of Indian Point Board of Trustees provided the following responses:

5.1 A new clerk was recently hired for the BPW and the BPW is now providing adequate oversight.

5.2 The new BPW Clerk works two days per week and has taken steps to implement these recommendations. Monies are now being handled in a timely manner.

5.3 The BPW has converted all sewer accounts to the financial accounting system. All accounts have been reviewed for accuracy.

5.4 The BPW has now performed all bank reconciliations and with the employment of the BPW clerk, bank reconciliations are up to date.

5.5 Adjustments will be reviewed and approved by the BPW.

5.6 *We are currently working on various options regarding shutoff policies. We plan to address all these issues in our new user charge ordinance after the new rates are calculated by the engineer and approved by the BPW and the Board of Trustees.*

6. Payroll Controls and Procedures

Procedures over timesheets, leave records, personnel files, and additional compensation need improvement.

6.1 Timesheets

Timesheets for village employees are not always signed by the employee to certify accuracy or by the employee's supervisor to indicate review and approval.

To substantiate payroll disbursements, timesheets should be prepared and signed by all village employees and approved by a supervisor.

6.2 Leave records

Adequate records of vacation, sick, and compensatory leave are not maintained. The former Village Superintendent was paid $2,019 for unused vacation time and $252 for compensatory time; however, records were not available to substantiate the payment. Further, three different leave records were maintained for another former employee, and it is unclear which copy was correct.

Adequate leave records are necessary to ensure payments and balances are accurately calculated.

6.3 Personnel files

Village personnel files are incomplete. The personnel files do not contain documentation of the Board's authorization for the hiring of employees, the pay rates at which employees were hired, and any subsequent changes in pay rates. Currently, the village relies on prior meeting minutes to document these items. Complete personnel files should be maintained for all employees to provide documentation of personnel actions.

6.4 Additional pay

The Board of Trustees approved and paid Christmas bonuses of $500 to the Chief of Police and $300 to a police officer in December 2009. In addition, the Chief of Police was paid $1,000 for duties performed as the interim village administrator. The payments were not properly reported on form W-2 or subjected to payroll tax withholdings, and no documentation of how the $1,000 was determined was maintained.

The bonuses appear to represent additional compensation for services previously rendered and, as such, are in violation of Article III, Section 39, Missouri Constitution, and Attorney General's Opinion No. 72, 1955 to Pray, which states, ". . . a government agency deriving its power and authority from the constitution and laws of the state would be prohibited from granting extra compensation in the form of bonuses to public officers after the service has been rendered." Further, to ensure proper accountability over payroll transactions, supporting documentation should be maintained, and to comply with the Internal Revenue Code, all employee compensation should be properly reported and subjected to payroll tax withholdings.

Recommendations

The Village of Indian Point Board of Trustees:

6.1 Ensure timesheets are prepared and signed by both the employee and the employee's supervisor.

6.2 Ensure adequate leave records are maintained.

6.3 Ensure complete personnel files are maintained for all employees.

6.4 Discontinue paying bonuses to employees, maintain documentation to support all payroll transactions, and ensure all compensation is properly reported and subjected to payroll tax withholdings.

Auditee's Response

The Village of Indian Point Board of Trustees provided the following responses:

6.1 We have implemented this recommendation.

6.2 We have implemented this recommendation.

6.3 We will implement this recommendation.

6.4 We are no longer providing bonuses to employees and we are complying with IRS regulations.

7. Audits, Budgets, and Financial Statements

The village did not obtain an annual audit, properly prepare and amend budgets, or comply with state law regarding financial statement reporting.

7.1 Annual audits

The village has not taken steps to obtain an annual audit of the sewer system for 2009. Section 250.150, RSMo, requires the village to obtain annual audits of the sewer system. Further, Ordinance Number 05-17 authorizing the revenue bonds for the sewer system requires annual audits of the village to be completed within 180 days of the end of the village's fiscal year. In addition to being required by state law and village ordinance, annual audits of village funds help ensure financial transactions are properly recorded.

7.2 Budgets

Budgeting procedures for the village and BPW are inadequate. Budgets for the village and BPW for 2009 and 2010 did not include all information required by law. Budgets did not include a budget message, actual receipts and disbursements for the 2 preceding budget years, or estimates of ending available resources.

In addition, differences were noted between the 2009 actual expenses reported on the village's 2010 budget and the actual expenses reported on profit and loss reports. Expenses reported on the budget document were $49,340 more than the amount reported on the profit and loss report for the village. Further, the 2009 actual expenses reported on the BPW 2010 budget were not calculated correctly and were understated by $67,335. Also, the BPW budgeted a deficit balance of approximately $99,000 for 2010.

A complete and well planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific cost and funding expectations for each area of village operations and provide a means to effectively monitor actual receipts and disbursements. Section 67.010, RSMo, requires the preparation of an annual budget with specific information, and Section 67.080, RSMo, provides no expenditure of public monies shall be made unless it is authorized in the budget. Deficit budgeting is prohibited by Section 67.010, RSMo, and Article VI, Section 26(a) of the Missouri Constitution.

7.3 Financial statements

The village has not posted or published semiannual financial statements as required by state law. The publication of such financial statements is intended to provide complete and accurate information to citizens regarding the financial activity and condition of the village.

Section 80.210, RSMo, requires the Board prepare and publish semiannual financial statements in a local newspaper, or if there is no local newspaper, to post semiannual financial statements in at least six of the most public places in the village.

Recommendations

The Village of Indian Point Board of Trustees:

7.1 Obtain annual audits of the sewer system as required.

7.2 Prepare annual budgets that include all information required by state law and discontinue appropriating disbursements in excess of estimated available resources.

7.3 Publish or post semiannual financial statements as required by state law.

Auditee's Response

The Village of Indian Point Board of Trustees provided the following responses:

7.1 We recently solicited bids for auditing services, and have contracted with an auditor to perform the audits for 2009 and 2010.

7.2 We will ensure that future budgets comply with state law and approval is properly documented.

7.3 As a result of hiring a new village clerk, the village newsletter is now being printed. The village's December financial statement was in the newsletter mailed to all residents and posted in the Municipal Center, and copies were available to the public at our monthly board meeting.

8. Meetings and Records

Meeting minutes need improvement, and the village did not comply with state law when members of the Board voted by email.

8.1 Meeting minutes

Several concerns were identified regarding minutes maintained for the Board of Trustees and BPW meetings.

- Minutes for the village Board of Trustees and the BPW are not maintained in an orderly manner or in a centralized location. Some minutes were maintained in a notebook, other minutes were maintained electronically, and some minutes were found in email form. As a result, personnel had difficulty locating some minutes, and it is unclear whether some of these minutes were approved.

- Minutes for the village Board of Trustees and the BPW were not maintained for some open and closed meetings. No meeting minutes were available for a public hearing held by the village Board of Trustees on January 20, 2009, and meetings held in April and May 2009. Also, no meeting minutes were available for closed meetings held on January 13, July 14, and November 10, 2009, and April 15, 2010. Further, closed meeting minutes for the BPW for October 12, 2009, and April 27, 2010, were not maintained.

- Open meeting minutes for the village Board of Trustees do not always document the reasons for closing the meeting or the specific section of law that allows for the closed meeting. Further, minutes were not sufficient to demonstrate how some issues discussed in closed meetings were allowable under the Sunshine Law including discussions concerning property annexations, the authority of the building committee, and the behavior of the Board of Trustees.

- There was no evidence roll call votes were taken during open meetings to close meetings of the village Board of Trustees and the BPW. Several instances were also noted where open minutes would simply indicate a motion passed but not provide a record of the vote.

- Final copies of minutes were not available for BPW meetings for the months of October 2009 through January 2010. The draft minutes appeared to resemble the meeting agenda and did not provide adequate details, such as motions or votes.

- Minutes of the Municipal Center Task Force were not filed with the village. Board of Trustee meeting minutes indicate these minutes were maintained by a member of the task force, but the minutes are not on file with the village.

The Sunshine Law, Chapter 610, RSMo, requires governmental bodies to prepare and maintain minutes of open and closed meetings, and requires records of votes, including roll call votes before closing a meeting. Additionally, the Sunshine Law requires open minutes to document the reason for closing a meeting and limits discussions in closed meetings to only those specifically allowed by law. Further, to ensure all meeting minutes are properly maintained, minutes should be kept in an orderly manner and minutes of the Municipal Center Task Force should be filed with the Village Board of Trustees.

8.2 Email vote

The village did not comply with state law when members of the Board of Trustees voted by email for a tax board nomination without a quorum of Board members physically present during the vote. The Village Board Chairman indicated the Board occasionally conducts votes by email.

Section 610.015, RSMo, requires a quorum of Board members be physically present at the meeting location before any other members are allowed to participate by email.

Recommendations

The Village of Indian Point Board of Trustees:

8.1 Ensure Board of Trustee and BPW minutes are maintained for all meetings in an orderly manner, and the village meetings and minutes comply with state law.

8.2 Comply with state law regarding email votes.

Auditee's Response

The Village of Indian Point Board of Trustees provided the following responses:

8.1 We have made changes to how minutes are maintained. We will comply with state law and all recommendations. Task force minutes are now filed at the Municipal Center.

8.2 We will comply with state law.

9. Elected Officials

A village board member's actions resulted in nepotism, and a candidate for village trustee was not qualified to run for office.

9.1 Nepotism

According to meeting minutes of the Board of Trustees, in October 2009, Trustee Canaday voted to appoint his wife to the BPW and voted for her to hold the office of BPW Vice Chairwoman.

Article VII, Section 6, Missouri Constitution, provides that any public official who names or appoints to public office or employment any relative within the fourth degree shall forfeit his office. Because of the serious consequences which result by appointing a relative, the Board should ensure its members abstain from any decision to appoint a relative and ensure that action is fully documented in the meeting minutes. Discussions and decisions concerning situations where potential nepotism or conflicts of interest exist should be completely documented so the public has assurance no village official has benefited improperly.

9.2 Qualifications to hold village office

The village has not established adequate procedures to ensure all candidates for the position of trustee are qualified to run for office. During the April 2010 election, village Board Chairman Daily was listed on the ballot when his sewer fees for his business were in arrears. December 2009 and January 2010, sewer fees totaling $1,147 were owed.

According to the April 2, 2009, meeting minutes, the BPW Board Vice Chairman recommended the village attorney be contacted regarding whether an individual can serve on boards, committees, or commissions for the

village if their accounts are in arrears. We noted no follow up action taken on this issue.

Section 115.346, RSMo, provides that "no person shall be certified as a candidate for municipal office, nor shall such person's name appear on the ballot as a candidate for such office, who shall be in arrears for any unpaid city taxes or municipal user fees on the last day to file a declaration of candidacy for the office."

Recommendations

The Village of Indian Point Board of Trustees:

9.1 Ensure Board members abstain from voting when a relative's appointment is involved, and consult legal counsel regarding the nepotism issue.

9.2 Ensure candidates for village office possess the statutory qualifications for holding office. The Board of Trustees should also consider seeking legal advice from the village attorney regarding the situation.

Auditee's Response

The Village of Indian Point Board of Trustees provided the following response:

We will comply.

10. Capital Assets

The village does not maintain records for its capital assets including land, buildings, equipment, and other property. Also, property is not tagged for specific identification, and an annual physical inventory is not performed.

Along with providing a basis for determining proper insurance coverage, adequate capital asset records are necessary to secure better internal controls and safeguard village assets that are susceptible to loss, theft, or misuse. A detailed capital asset list should include all pertinent information for each asset, including description, cost, acquisition date, identification number, and location; date and method of disposition; and accumulated depreciation, if applicable.

Recommendation

The Village of Indian Point Board of Trustees ensure adequate capital asset records are maintained, assets are tagged as owned by the village, annual physical inventories are performed, and records are periodically compared to the village's insurance coverage.

Auditee's Response

The Village of Indian Point Board of Trustees provided the following response:

We will implement this recommendation.

Village of Indian Point
Organization and Statistical Information

The Village of Indian Point is located in Stone County. The village was incorporated in 1989. The village employed two full time employees at December 31, 2009.

The village provides law enforcement services and maintains village roads. In addition, in 2004, the Board of Trustees established a Board of Public Works (BPW) to operate a sewer system.

Board of Trustees

The village government consists of a chairman and four-member board. The members are elected for 2-year terms. The members of the Board of Trustees, at December 31, 2009, are identified below. Members of the Board of Trustees are not compensated.

Dave Rawson, Chairman
Tim Stout, Vice Chairman
Dave Canaday, Secretary/Treasurer
Larry Stenzel, Member
Greg Fier, Member

Board of Public Works

The BPW consists of a chairman and three-member board. The members are appointed by the Board of Trustees and serve 4-year terms. The members of the BPW at December 31, 2009, are identified below. Members of the BPW are not compensated.

Jim Daily, Chairman
Bill Turner, Vice Chairman
Sheila Canaday, Secretary/Treasurer

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The Village of Indian Point did not receive any federal stimulus monies during the year ended December 31, 2009.

Financial Activity

A summary of the village's financial activity for the year ended December 31, 2009, follows:

Village of Indian Point
Year Ended December 31, 2009

RECEIPTS	General Fund	Road Fund*	Capital Project Fund	BPW Sewer Operating Fund	BPW Sewer Bond & Grant Funds	Total
Sales tax	$ 161,899	0	80,949	0	0	242,848
Franchise tax	10,324	0	0	0	0	10,324
Sewer user fees	0	0	0	64,543	0	64,543
Interest	3,249	0	12,389	29	56	15,722
Motor fuel and vehicle fees	0	16,251	0	0	0	16,251
Lease proceeds	0	0	0	170,031	0	170,031
Developer contribution	0	0	0	296,950	0	296,950
Other income	10,020	13,206	0	151	0	23,377
Transfers in	0	0	0	247,057	44,391	291,448
Total Receipts	185,492	29,457	93,338	778,761	44,447	1,131,494
DISBURSEMENTS						
Payroll	100,882	0	0	0	0	100,882
Office supplies	33,294	0	0	0	0	33,294
Professional services	21,398	0	0	0	0	21,398
Vehicle and fuel	5,894	0	0	0	0	5,894
Law enforcement	1,212	0	0	0	0	1,212
Planning and zoning	1,043	0	0	0	0	1,043
Roads	0	41,219	0	0	0	41,219
Capital	0	0	57,385	0	0	57,385
Sewer	0	0	0	699,074	312,660	1,011,734
Other	670	0	534	0	0	1,204
Transfers out	10,131	0	0	44,391	236,926	291,448
Total Disbursements	174,525	41,219	57,919	743,465	549,586	1,566,714
RECEIPTS OVER (UNDER) DISBURSEMENTS	10,967	(11,762)	35,418	35,296	(505,139)	(435,220)
CASH, JANUARY 1, 2009	318,974	0	442,295	1,629	539,925	1,302,823
CASH, DECEMBER 31, 2009	$ 329,941	(11,762)	477,713	36,925	34,786	867,603

Note: The Capital Project Fund cash balance includes certificate of participation proceeds used in 2010 to build the Municipal Center. The BPW Sewer Bond & Grant Funds include the special reserve, rebate, debt service, construction, and grant bank accounts.

*According to village officials, a transfer will be made from the General Fund to the Road Fund to eliminate the negative fund balance after the village financial statement audit is performed.

Thomas A. Schweich

Missouri State Auditor

Compilation of 2010 Criminal Activity Forfeiture Act Seizures

February 2011

Report No. 2011-08

auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Compilation of 2010 Criminal Activity Forfeiture Act Seizures

Disposition of Seized Property

Missouri's Criminal Activity Forfeiture Act (CAFA) requires prosecuting attorneys and the Attorney General to submit an annual report to the State Auditor's office summarizing the disposition of all property, including cash, seized pursuant to state law. The CAFA also requires all law enforcement agencies participating in the federal forfeiture system to acquire an independent audit of the federal seizures and proceeds received and to provide a copy of such audit to the State Auditor's office.

These requirements are not being met. The State Auditor's office did not receive *any* of the specific independent audit reports from law enforcement agencies required by Section 513.653, RSMo, and prosecuting attorneys from the following counties failed to submit the report required by Section 513.607, RSMo: Benton, Carter, Gentry, Montgomery, Perry, Saline, Washington, Wayne, and Webster.

Without the required reports, it is impossible to accurately value the property seized within Missouri's borders and determine what percentage of that property is being turned over to federal agencies rather than going to the benefit of Missouri schools. It is estimated, however, that tens of millions of dollars were seized within the confines of Missouri's borders in 2010, but less than $26,000 went to Missouri public schools. Another $300,000 was returned to the owner and almost $1 million remained pending at this writing.

Current Law

The state of Missouri and the federal government have very different procedures for the seizure and forfeiture of property associated with criminal activity.

Under current Missouri law, property seized in connection with a crime is held until the criminal process is complete. If no criminal conviction is obtained, the property must be returned to the owner. If a criminal conviction is obtained, all proceeds from the forfeited property must go to the benefit of Missouri's public school building revolving fund.

Under the federal forfeiture system, no criminal conviction is required. Property seized in connection with a crime is subject to a civil forfeiture proceeding and can be forfeited upon a much lower showing than in a criminal proceeding. Missouri's public schools do not receive any proceeds from forfeited property in the federal system. Instead, these proceeds benefit the federal government, except that a Missouri law enforcement agency assisting with the arrest may receive a small percentage of the proceeds in a practice called "equitable sharing."

There are two ways in which property seized within Missouri's borders may be transferred to a federal agency. After an arrest is made by a Missouri law

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

enforcement agency, the prosecuting attorney may determine that the underlying crime is truly a federal crime, such as a crime occurring in multiple states, and transfer the seized property and prosecutorial responsibility to a federal agency. In 2010, of the $5.7 million seized under state law, over $4 million was transferred to a federal agency in this manner.

Alternatively, Missouri law enforcement agencies sometime contact a federal agency to make the seizure directly. Because law enforcement agencies did not submit the statutorily-required reports, the value of such federal seizures is unknown, but it is estimated to be in the tens of millions based upon the amount of equitable sharing received by Missouri law enforcement agencies.

Importance of Reports

The required reports are necessary to ensure transparency and accountability and to allow an informed dialogue regarding possible reform. The State Auditor's office has sent a letter to those prosecuting attorneys and law enforcement agencies who failed to comply, reminding them of their statutory obligations.

Because of the nature of this compilation, no overall rating is provided.

Compilation of 2010 Criminal Activity Forfeiture Act Seizures Table of Contents

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THOMAS A. SCHWEICH
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
Jefferson City, Missouri

As required by Section 513.607, RSMo, we have compiled the 2010 Criminal Activity Forfeiture Act (CAFA) seizure reports submitted to the State Auditor by prosecuting attorneys and the Attorney General. A compilation is limited to presenting information that is submitted. We have not audited the reports submitted and, accordingly, do not express an opinion or any other form of assurance on them. The primary objectives of this compilation were to:

1. Identify those officials who submitted 2010 CAFA seizure reports to the State Auditor.

2. Summarize the 2010 CAFA seizure information reported.

Section 513.607, RSMo, requires prosecuting attorneys and the Attorney General to report CAFA seizures for the previous calendar year by January 31, to both the Director of the Department of Public Safety and the State Auditor. We received 89.6 percent of the CAFA seizure reports by the required due date of January 31, 2011.

The State Auditor has not received any specific audit reports from law enforcement agencies as required by Section 513.653, RSMo. Law enforcement agencies involved in using the federal forfeiture system are required to acquire an independent audit of the federal seizures and proceeds received and provide such audit to the law enforcement agency's respective governing body and to the Director of Public Safety. A copy of such audit is also to be provided to the State Auditor's office.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
In-Charge Auditor:	Becky Webb, CPA
Audit Staff:	Dana Wansing

Compilation of 2010 Criminal Activity Forfeiture Act Seizures Executive Summary

The state Criminal Activity Forfeiture Act (CAFA) is defined in Sections 513.600 to 513.653, RSMo.

Compliance with Submitting CAFA Seizures Reports

The State Auditor received a total of 107 (92.2 percent) of the 116 CAFA seizure reports required by Section 513.607, RSMo, from prosecuting attorneys and the Attorney General for property seized in calendar year 2010. Of the 107 reports received, 104 of the reports were received by the January 31, 2011 deadline. The following table lists the total number of CAFA seizure reports submitted to the State Auditor for 2010, 2009, and 2008.

Reporting Status	2010		2009 [1]		2008	
By January 31	104	89.6 %	100	86.2 %	98	84.5 %
After January 31	3	2.6	6	5.2	15	12.9
Total Reported	107	92.2	106	91.4	113	97.4
Failed to Report	9	7.8	10	8.6	3	2.6
Total Reports Required	116	100.0 %	116	100.0 %	116	100.0 %

[1] Includes a CAFA seizure report submitted by a prosecuting attorney to the State Auditor after the 2009 report was issued. This report included only the disposition of a seizure prior to 2009.

Prosecutors that Failed to Report 2010 CAFA Seizures or Submitted Report Late

The following table lists the prosecuting attorneys that either submitted the 2010 CAFA seizure report after January 31, 2011, or failed to submit a 2010 CAFA seizure report. Section 513.607.10, RSMo, states intentional or knowing failure to comply with any reporting requirement shall be a class A misdemeanor punishable by a fine of up to $1,000.

Prosecuting Attorney	Failed to Report	Submitted Late
Benton	X	
Carter	X	
Dent		X
Gentry	X	
Montgomery	X	
Perry	X	
Saline	X	
Ste. Genevieve		X
Vernon		X
Washington	X	
Wayne	X	
Webster	X	
Total	9	3

In addition, the DPS was contacted to determine CAFA Seizure reports received by the DPS. We noted 7 counties (Callaway, Clark, DeKalb, Moniteau, Scott, Sullivan and Texas) submitted the required copy of the CAFA Seizure Report to the State Auditor but did not submit a copy to the DPS.

Disposition of the Seizures Reported

The following table lists the dollar value of the disposition of seizures reported.

Reported Disposition[2]	2010		2009		2008	
Pending	$ 971,398	17 %	$ 2,383,413	42 %	$ 1,377,108	20 %
Returned	291,638	5	237,730	4	179,582	3
Transferred to Federal Agency	4,255,770	75	2,761,010	49	5,183,935	75
Transferred to State	25,974	0	30,673	1	58,532	1
Disposition Not Reported	5,430	0	85,876	2	83,979	1
Other	152,129	3	120,833	2	0	0
Total	$ 5,702,339	100 %	$ 5,619,535	100 %	$ 6,883,136	100 %

[2] The disposition of the CAFA seizures reported was compiled from the reports submitted by the prosecuting attorneys and the Attorney General.

See Appendix I for a list of the 2010 CAFA seizures disposition reported by each prosecuting attorney and the Attorney General.

Compliance with Reporting the Required Information

Section 513.607.8, RSMo, requires prosecuting attorneys and the Attorney General to report the date, time, and place of the seizure; property seized; estimated value of the property seized; person(s) from whom the property was seized; criminal charges filed; and disposition of the seizure, forfeiture, and criminal actions. The following table lists the required information for the CAFA seizure reports received and the number of cases that reported each required item. Some reports did not include all of the required information; therefore, our compilation includes only the information reported.

Required Information	2010		2009		2008	
Date	460	99.6 %	442	99.8 %	1,136	99.6 %
Time	312	67.5	322	72.7	960	84.1
Place of Seizure	456	98.7	436	98.4	1,131	99.1
Property Seized	462	100.0	443	100.0	1,140	99.9
Estimated Value of Property Seized	435	94.2	431	97.3	1,119	98.1
Person(s) Property Seized From	462	100.0	443	100.0	140	12.3
Criminal Charges Filed	228	49.4	225	50.8	943	82.6
Disposition of Seizure	462	100.0	443	100.0	1,137	99.6
Disposition of Criminal Actions	367	79.4	380	85.8	1,000	87.6
Total Cases Reported	462	100.0 %	443	100.0 %	1,141	100.0 %

The decrease in the number of seizures from 2008 to 2009 appears primarily due to the fluctuation in the number of seizures reported by St. Louis City. In 2008, St. Louis City reported 702 seizures including 583 vehicles. In 2009, St. Louis City reported 66 seizures with no vehicle seizures reported.

See Appendix II for a list of the number of 2010 CAFA seizure cases that contained the required information reported for each prosecuting attorney and the Attorney General.

Compliance with Submitting Federal Forfeiture Audit Reports

The State Auditor has not received any specific independent audit reports from law enforcement agencies required by Section 513.653, RSMo. Law enforcement agencies involved in using the federal forfeiture system are required to acquire an independent audit of the federal seizures and proceeds received and provide such audit to the law enforcement agency's respective governing body and to the DPS. A copy of such audit is also to be provided to the State Auditor's office.

Section 513.653.2, RSMo, states intentional or knowing failure to comply with the audit requirement shall be a class A misdemeanor, punishable by a fine of up to $1,000.

Compilation of 2010 Criminal Activity Forfeiture Seizure Act Appendix I
2010 CAFA Seizures Disposition Reported

Reporting Entity	Estimated[1] Value of all Cases Reported	Status Reported as of December 31, 2010					
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Not Reported	Other
Adair	$ 0						
Andrew	12,000		12,000				
Atchison	9,356	9,356					
Attorney General	0						
Audrain	4,785	4,785					
Barry	1,653	1,653					
Barton	0						
Bates	1,830		1,830				
Benton	DNF						
Bollinger	0						
Boone	27,112	13,785	3,347	8,815		1,165	
Buchanan	16,168	13,733			2,435		
Butler	6,686			6,686			
Caldwell	0						
Callaway	32,889	32,889					
Camden	1,114	1,114					
Cape Girardeau	1,484		1,484				
Carroll	0						
Carter	DNF						
Cass	5,849	2,349	3,500				
Cedar	0						
Chariton	1,800		1,800				
Christian	20,982	8,077	12,905				
Clark	0						
Clay	9,345	9,345					
Clinton	0						
Cole	49,439	18,393	737	29,300	1,009		
Cooper	5,503	5,503					
Crawford	0						
Dade	496	496					
Dallas	0						
Daviess	0						
Dekalb	0						
Dent	2,500	2,500					
Douglas	0						
Dunklin	23,985	12,000		11,985			
Franklin	29,844	29,844					
Gasconade	1,000	1,000					
Gentry	DNF						
Greene	43,331	31,731	11,600				
Grundy	9,294	9,232				62	
Harrison	1,702	1,102			600		
Henry	0						

Compilation of 2010 Criminal Activity Forfeiture Seizure Act
Appendix I
2010 CAFA Seizures Disposition Reported

Reporting Entity	Estimated[1] Value of all Cases Reported	Status Reported as of December 31, 2010					
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Not Reported	Other
Hickory	0						
Holt	0						
Howard	0						
Howell	8,075	8,075					
Iron	0						
Jackson	202,612	177,769	24,843				
Jasper	52,244	42,795		9,449			
Jefferson	181,080	45,389	29,562	93,180	12,949		
Johnson	17,473	17,473					
Knox	0						
Laclede	92,655	92,130				525	
Lafayette	31,032	27,164					3,868
Lawrence	25,448	25,448					
Lewis	0						
Lincoln	36,466	12,585	23,511		370		
Linn	1,732	1,732					
Livingston	0						
Macon	0						
Madison	3,360	3,360					
Maries	3,720	3,720					
Marion	0						
McDonald	0						
Mercer	0						
Miller	4,500	4,500					
Mississippi	0						
Moniteau	0						
Monroe	0						
Montgomery	DNF						
Morgan	0						
New Madrid	9,298		4,098	5,200			
Newton	15,192	13,454				1,738	
Nodaway	0						
Oregon	2,000	2,000					
Osage	0						
Ozark	1,940					1,940	
Pemiscot	0						
Perry	DNF						
Pettis	18,101	18,101					
Phelps	2,018,360			2,018,360			
Pike	1,112				1,112		
Platte	7,417	7,417					
Polk	0						
Pulaski	0						

Compilation of 2010 Criminal Activity Forfeiture Seizure Act
Appendix I
2010 CAFA Seizures Disposition Reported

Reporting Entity	Estimated[1] Value of all Cases Reported	Status Reported as of December 31, 2010					
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Not Reported	Other
Putnam	0						
Ralls	0						
Randolph	1,819	1,819					
Ray	8,110		8,110				
Reynolds	2,635	2,635					
Ripley	0						
Saline	DNF						
Schuyler	0						
Scotland	0						
Scott	11,607			9,526	2,081		
Shannon	5,580	5,580					
Shelby	0						
St. Charles	2,078,539	38,117	107,190	1,933,232			
St. Clair	0						
St. Francois	6,921	6,921					
St. Louis County	312,484	180,629	1,450	130,037	368		
St. Louis City	148,261						148,261
Ste. Genevieve	3,926	1,055	2,671		200		
Stoddard	0						
Stone	0						
Sullivan	0						
Taney	48,411	7,411	41,000				
Texas	0						
Vernon	11,217	11,217					
Warren	4,850				4,850		
Washington	DNF						
Wayne	DNF						
Webster	DNF						
Worth	0						
Wright	4,015	4,015					
	$ 5,702,339	971,398	291,638	4,255,770	25,974	5,430	152,129

[1] DNF - Did not file a 2010 CAFA seizure report with the State Auditor's Office.

This appendix compiles only the information reported to the State Auditor by prosecuting attorneys and the Attorney General, we did not verify this data. In analyzing this appendix, some disparity may result due to the different methods used by the various prosecuting attorneys and the Attorney General in presenting essentially the same information. In addition, not all seizure reports included an estimated value of the property seized and not all reports included the disposition of all seizures reported.

Compilation of 2010 Criminal Activity Forfeiture Act Seizures
Appendix II
2010 CAFA Seizures Required Information Reported

Reporting Entity	Number of [1] Cases Reported	Estimated Value of All Cases Reported	Number of Cases that Reported Required Information								
			Date	Time	Place Seized	Property Seized	Estimated Value of Property Seized	Person(s) Property Seized From	Criminal Charges Filed	Disposition	
										Seizure	Criminal Actions
Adair	0	$ 0									
Andrew	2	12,000	2	2	2	2	2	2	2	2	2
Atchison	2	9,356	2	1	2	2	2	2	2	2	2
Attorney General	0	0									
Audrain	2	4,785	2	2	2	2	2	2	2	2	2
Barry	2	1,653	2	1	2	2	2	2		2	1
Barton	0	0									
Bates	1	1,830	1		1	1	1	1	1	1	1
Benton	DNF	DNF									
Bollinger	0	0									
Boone	15	27,112	15	1	13	15	15	15	11	15	10
Buchanan	7	16,168	7	7	7	7	7	7	7	7	3
Butler	1	6,686	1		1	1	1	1		1	1
Caldwell	0										
Callaway	1	32,889	1	1	1	1	1	1	1	1	1
Camden	1	1,114	1		1	1	1	1	1	1	
Cape Girardeau	1	1,484	1		1	1	1	1	1	1	1
Carroll	0	0									
Carter	DNF	DNF									
Cass	3	5,849	3	3	3	3	3	3	3	3	3
Cedar	0	0									
Chariton	1	1,800	1		1	1	1	1	1	1	1
Christian	4	20,982	4	2	4	4	4	4	4	4	2
Clark	0	0									
Clay	4	9,345	4	4	4	4	4	4		4	
Clinton	0	0									
Cole	16	49,439	16	16	16	16	16	16	16	16	16
Cooper	1	5,503	1	1	1	1	1	1	1	1	1
Crawford	0	0									
Dade	1	496	1	1	1	1	1	1	1	1	1
Dallas	0	0									
Daviess	0	0									
Dekalb	0	0									
Dent	1	2,500	1	1	1	1	1	1	1	1	1
Douglas	0	0									
Dunklin	3	23,985	3	3	3	3	3	3	3	3	3
Franklin	8	29,844	8	6	8	8	8	8	6	8	
Gasconade	1	1,000	1		1	1	1	1	1	1	1
Gentry	DNF	DNF									
Greene	11	43,331	11	6	10	11	3	11	4	11	11
Grundy	3	9,294	3	3	3	3	3	3	3	3	3
Harrison	2	1,702	2	1	2	2	2	2	2	2	2
Henry	0	0									

Compilation of 2010 Criminal Activity Forfeiture Act Seizures
Appendix II
2010 CAFA Seizures Required Information Reported

			Number of Cases that Reported Required Information								
Reporting Entity	Number of [1] Cases Reported	Estimated Value of All Cases Reported	Date	Time	Place Seized	Property Seized	Estimated Value of Property Seized	Person(s) Property Seized From	Criminal Charges Filed	Disposition Seizure	Disposition Criminal Actions
Hickory	0	0									
Holt	0	0									
Howard	0	0									
Howell	2	8,075	2	2	2	2	2	2	2	2	2
Iron	0	0									
Jackson	61	202,612	61	55	61	61	61	61	7	61	61
Jasper	9	52,244	9		9	9	9	9	9	9	9
Jefferson	22	181,080	21	15	21	22	22	22	9	22	8
Johnson	4	17,473	4		4	4	4	4	1	4	1
Knox	0	0									
Laclede	3	92,655	3	3	3	3	3	3	3	3	3
Lafayette	7	31,032	7	6	7	7	7	7	7	7	7
Lawrence	3	25,448	3		3	3	3	3	3	3	3
Lewis	0	0									
Lincoln	12	36,466	12		12	12	12	12	12	12	12
Linn	2	1,732	2		2	2	2	2	2	2	2
Livingston	0	0									
Macon	0	0									
Madison	1	3,360	1	1	1	1	1	1	1	1	1
Maries	1	3,720	1		1	1	1	1	1	1	1
Marion	0	0									
McDonald	0	0									
Mercer	0	0									
Miller	1	4,500	1	1	1	1	1	1	1	1	1
Mississippi	0	0									
Moniteau	0	0									
Monroe	0	0									
Montgomery	DNF	DNF									
Morgan	0	0									
New Madrid	2	9,298	2	1	2	2	2	2	2	2	2
Newton	4	15,192	4		4	4	3	4	4	4	4
Nodaway	0	0									
Oregon	1	2,000	1	1	1	1	1	1	1	1	1
Osage	0	0									
Ozark	1	1,940				1	1	1	1	1	
Pemiscot	0	0									
Perry	DNF	DNF									
Pettis	3	18,101	3		3	3	3	3	3	3	3
Phelps	9	2,018,360	9	9	9	9	9	9	9	9	
Pike	4	1,112	4		4	4	3	4	4	4	4
Platte	4	7,417	4	4	4	4	4	4	4	4	4
Polk	0	0									
Pulaski	0	0									

Compilation of 2010 Criminal Activity Forfeiture Act Seizures
Appendix II
2010 CAFA Seizures Required Information Reported

			Number of Cases that Reported Required Information								
Reporting Entity	Number of [1] Cases Reported	Estimated Value of All Cases Reported	Date	Time	Place Seized	Property Seized	Estimated Value of Property Seized	Person(s) Property Seized From	Criminal Charges Filed	Disposition Seizure	Disposition Criminal Actions
Putnam	0	0									
Ralls	0	0									
Randolph	4	1,819	4		4	4	4	4	4	4	4
Ray	2	8,110	2		2	2	2	2	2	2	2
Reynolds	1	2,635	1		1	1	1	1	1	1	1
Ripley	0	0									
Saline	DNF	DNF									
Schuyler	0	0									
Scotland	0	0									
Scott	5	11,607	5		5	5	5	5	5	5	5
Shannon	1	5,580	1	1	1	1	1	1	1	1	1
Shelby	0	0									
St. Charles	36	2,078,539	36	36	36	36	36	36	6	36	7
St. Clair	3	0	3		3	3		3	3	3	3
St. Francois	6	6,921	6		6	6	4	6	4	6	6
St. Louis City	40	148,261	40	39	40	40	39	40		40	40
St. Louis County	80	312,484	80	74	79	80	74	80	12	80	80
Ste. Genevieve	4	3,926	4		4	4	4	4	4	4	4
Stoddard	0	0									
Stone	0	0									
Sullivan	0	0									
Taney	20	48,411	20		20	20	15	20	16	20	6
Texas	0	0									
Vernon	8	11,217	8		8	8	8	8	8	8	8
Warren	1	4,850	1	1	1	1	1	1	1	1	1
Washington	DNF	DNF									
Wayne	DNF	DNF									
Webster	DNF	DNF									
Worth	0	0									
Wright	1	4,015	1	1	1	1	1	1	1	1	1
	462	$ 5,702,339	460	312	456	462	435	462	228	462	367

[1] DNF - Did not file a 2010 CAFA Seizure report with the State Auditor's Office.

This appendix compiles the total number of 2010 CAFA seizure cases, the total estimated value of cases reported, and the number of cases that reported the required information by each prosecuting attorney and the Attorney General, we did not verify this data. In analyzing this appendix, some disparity may result due to the different methods used by the various prosecuting attorneys and the Attorney General in presenting essentially the same information.

Thomas A. Schweich

Missouri State Auditor

JUDICIARY

Missouri Court of Appeals

Southern District

February 2011

Report No. 2011-07

auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Missouri Court of Appeals, Southern District

Payroll and Personnel Policies and Procedures	There is no supervisory review of payroll duties, most employees are not required to complete timesheets, and leave records are not adequately documented. This makes it difficult to identify errors and ensure all transactions are legitimate. We discovered one employee was overpaid by more than $2,000 in a 15-month period, and another employee's leave balance was short 8 days. The court chooses not to use the state's human resources system (SAM II-HR) for tracking time and leave.
Receipts and Deposits	During the 3 years ended June 30, 2010, the court collected approximately $17,500 in filing and copy fees, but these monies are not promptly recorded or reconciled to deposits, and manual receipt slips are not reconciled to the Justice Information System. This makes it difficult to document all monies collected are deposited.
Law Library	The court spent over $450,000 on law library publications and subscriptions during the 3 years ended June 30, 2010, but there is no evidence physical inventories are performed. The library is maintained for the benefit of court personnel and the community, and steps should be taken to preserve its assets.
Additional Comments	We evaluated the court's internal controls over significant management and financial functions, including receipt and disbursement procedures. We also evaluated the court's compliance with certain legal provisions, including rules governing filing fees and procurement of goods and services. For the areas audited, no significant deficiencies, other than those noted above, were identified.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)	During the year ended June 30, 2010, the court spent $76,309 of ARRA monies, appropriated from the Federal Budget Stabilization - Medicaid Reimbursement Fund, to fund general operations.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

Missouri Court of Appeals
Southern District
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THOMAS A. SCHWEICH
Missouri State Auditor

Chief Judge and Court en banc
Missouri Court of Appeals, Southern District
Springfield, Missouri

We have audited certain operations of the Missouri Court of Appeals, Southern District, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2010, 2009, and 2008. The objectives of our audit were to:

1. Evaluate the court's internal controls over significant management and financial functions.

2. Evaluate the court's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the court, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the court's management and was not subjected to the procedures applied in our audit of the court.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures for the areas audited. The accompanying Management Advisory Report presents our findings arising from our audit of the Missouri Court of Appeals, Southern District.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Kim Spraggs, CPA
In-Charge Auditor:	Ted Fugitt, CPA

Missouri Court of Appeals
Southern District
Management Advisory Report - State Auditor's Findings

1. Payroll and Personnel Policies and Procedures

Several concerns related to the Missouri Court of Appeals, Southern District's (court) payroll and personnel policies and procedures were identified.

The court has two groups of employees. Court support staff, which includes the fiscal officer, librarian, computer information specialist, marshal, court clerks, staff counsel, and research attorney, work for the court overall and report to the Court Clerk. In addition, each judge has one law clerk and one judicial administrative assistant; and two additional law clerks rotate between the judges. All court employees (except the marshal) work full-time and are provided a salary and the same benefits as other state employees, with the exception of annual leave and sick leave for law clerks. Payroll expenditures total approximately $2 million each year, representing approximately 87 percent of the court's total expenditures.

1.1 Payroll controls

There is no supervisory review of the payroll duties performed by the fiscal officer. The fiscal officer enters payroll information, including salary and employee information, into the Statewide Advantage for Missouri - Human Resources/Payroll (SAM II-HR) System with no supervisory approval or review. Our review of salaries paid to six court employees noted an instance where an employee was overpaid a total of $2,324 from July 2009 to September 2010, when we brought the error to the court's attention. The overpayment occurred because the former fiscal officer entered incorrect salary information for the employee, who was granted a salary increase effective July 1, 2009, providing the employee a higher increase than authorized. The error was not detected because there is no supervisory review of the fiscal officer's SAM II-HR System entries or monthly payroll reports.

To ensure payroll transactions are proper and errors are detected and corrected timely, the court should require supervisory review of payroll records.

1.2 Timesheets

Timesheets are not prepared by court employees, except for some judicial administrative assistants. Our review of procedures and records maintained for two of the seven judicial administrative assistants noted one did not prepare timesheets, and the timesheets prepared by the other judicial assistant listed only holidays and leave taken and were not signed by the employee or the supervising judge.

To ensure payroll costs are adequately documented, records detailing hours worked or leave taken should be prepared by all employees, approved by their supervisor, and filed with the fiscal office.

1.3 Leave records and policies

Records of leave earned, used, and accumulated are not always accurate, in compliance with the court leave policy, or centrally maintained. In addition, the court has not established a leave policy for law clerks.

The court has no centralized record of leave earned and taken by employees. Although state employee annual leave and sick leave can be tracked in the SAM II-HR System, the court has opted to maintain manual leave records instead. Each judge is responsible for maintaining leave records for his or her employees and the Court Clerk is responsible for maintaining leave records for all other court employees. Our review of leave records for five employees during the 3 years ended June 30, 2010, noted inconsistencies, calculation errors, and noncompliance with the court leave policy.

Our review of leave records maintained by two judges for their judicial administrative assistants noted the leave records for one assistant contained calculation errors, and the annual leave balance consistently exceeded the 36-day maximum provided by the leave policy. The assistant's annual leave balance at September 30, 2010, was 67.5 days.

Our review of leave records maintained by the Court Clerk for three employees noted several instances where calculation errors were made and leave balances were incorrectly calculated. For example, the monthly annual leave accrual for one employee was not increased in May 2007 from 1.25 to 1.5 days, when the employee reached 10 years of state employment, as provided by the leave policy. In January 2010, the Court Clerk identified the error and revised the employee's monthly accrual rate, but did not adjust the employee's annual leave balance for the additional 8 days previously earned but not recorded.

Leave records for all court employees should be maintained centrally and monitored to provide assurance the balances are accurate and in compliance with the leave policy, and employees are treated equitably. Centralized leave records also provide support for the amount of accumulated leave to be paid to an employee upon termination. The court should consider using the SAM II-HR System time and leave tracking capabilities to help address many of the conditions noted above.

Law clerks' leave

The court has not established a leave policy for law clerks. Law clerks do not accrue annual leave or sick leave, but are given time off at the discretion of the judge for whom they work. Both judges interviewed regarding leave practices for their law clerks indicated they have not established standard amounts of time off they provide their law clerks, and they do not maintain records of leave provided. During our audit fieldwork, one law clerk was on paid maternity leave; however, there was no record of the amount of time off the clerk was allowed.

Court personnel could provide no explanation or justification of the current practices for handling time off for law clerks. The Court Clerk indicated this arrangement was established many years ago when law clerks were temporary employees and worked for the court for approximately a year. However, she indicated law clerks now work for the court for longer terms. A written leave policy for law clerks is necessary to provide assurance these employees are treated equitably and to prevent misunderstandings.

Recommendations

The Court Clerk:

1.1 Perform a supervisory review of the payroll duties performed by the fiscal officer and work with the Court en banc to develop a plan for obtaining repayment of the salary overpayment.

1.2 And the Court en banc require a record of hours worked or leave taken be prepared and signed by all employees, approved by their supervisor, and filed with the fiscal office.

1.3 And the Court en banc maintain complete, accurate, and centralized leave records for all employees, and periodically monitor those records for compliance with the court leave policy. In addition, the court should consider using the SAM II-HR System time and leave tracking capabilities, and establishing a leave policy for law clerks.

Auditee's Response

1.1 We already have started on the first part of this, and the Court en banc is considering how best to handle the second part.

1.2 &1.3 The report does not find any noncompliance with our legal obligations as to 1.2 or 1.3, which also is our belief. To our knowledge, our law clerk practices in these respects are consistent with Missouri's other appellate courts, including those of our Supreme Court when it was last audited.

2. Receipts and Deposits

The court should improve policies and procedures related to receipts. The court receives filing fees ($70 per case) and monies for copies of various court records and documents. Court receipts totaled approximately $17,500 during the 3 years ended June 30, 2010. Of this amount, approximately 84 percent was filing fees and 16 percent was copy fees.

Receipt slips are not issued for some monies received by the court. Deputy clerks receive filing and copy fees in the mail or in person, and issue manual receipt slips when requested by the payer. The librarian records copy monies received in the law library in a manual receipt log and issues manual receipt slips upon request. The following concerns were noted during our review of the court's receipting and depositing procedures:

- Filing fee receipts are not always entered in the Justice Information System (JIS) in a timely manner. A cash count performed on May 20, 2010, identified two receipts, received 8 and 12 business days earlier, had not been posted to JIS.
- Manual receipt slips issued for filing fees are not reconciled to the JIS. The corresponding JIS receipt number is not recorded on the manual receipt slips after the information has been entered in the JIS and there is no independent review to ensure all applicable manual receipt slips are properly posted to the JIS.
- Filing fee receipts posted to the JIS are not reconciled to deposits. Although the fiscal officer runs a cashier's report at the end of each month, there was no documentation that receipts were reconciled to deposits. In addition, procedures have not been established to reconcile manual copy receipts to deposits.
- Court receipts are not always deposited on a timely basis. Deposits are only made 2 to 3 times per month.
- Checks are not restrictively endorsed when received. Endorsements are applied when the deposit is prepared by the fiscal officer.

To adequately safeguard and account for all receipts, procedures should be established to ensure monies are recorded immediately upon receipt on either manual receipt slips or entries to the JIS, manual receipt slips are recorded timely, receipts are reconciled to deposits, deposits are made in a timely manner, and checks are restrictively endorsed immediately upon receipt.

Recommendation

The Court Clerk establish procedures to ensure monies are recorded immediately upon receipt on either manual receipt slips or entries to the JIS, manual receipt slips are recorded timely, receipts are reconciled to deposits, deposits are made in a timely manner, and checks are restrictively endorsed immediately upon receipt.

Auditee's Response

We already have begun doing so.

3. Law Library

Court personnel could provide no documentation to support physical inventories of law library materials were performed. The Law Library, which includes legal publications kept in the library, in each of the judges' offices, and the law clerks' reading room, is maintained for use by court personnel and the community. Expenditures for law library publications and subscriptions, which represent approximately 50 percent of all court expenditures excluding payroll, totaled approximately $456,000 during the 3 years ended June 30, 2010.

Although the court librarian, who was hired in January 2010, indicated she believes the previous librarian conducted semi-annual physical inventories, she could provide no documentation these inventories had been performed.

Physical inventories of law library materials, and reconciliation of those inventories to the inventory records, are necessary to ensure inventory records are accurate, identify unrecorded additions and dispositions, detect and deter theft of assets, and identify obsolete materials.

Recommendation

The Court Clerk ensure periodic physical inventories of law library materials are performed, reconciled to inventory records, and documented.

Auditee's Response

We are reviewing our inventory process.

Missouri Court of Appeals
Southern District
Organization and Statistical Information

The Missouri Court of Appeals, Southern District, was created under an act of the General Assembly in 1909, and is governed by Article V, Missouri Constitution, and Chapter 477, RSMo. The court has appellate jurisdiction over 44 counties in Southern Missouri, except for those cases within the exclusive jurisdiction of the Supreme Court. The court has its offices in Springfield, Missouri and also maintains a courtroom and chambers in the Butler County Courthouse in Poplar Bluff, Missouri. The court holds oral arguments in January, March, June, and September in Springfield; and in April and October in Poplar Bluff. The judges sit in two divisions, each with three or four judges, that rotate on an annual basis.

Judges and Court Personnel

The court is composed of seven judges whose salaries are set by statute. Judges are selected under the Missouri Plan, which includes selection by the Appellate Judicial Commission, appointment by the Governor, and retention by voters. Judges must be at least 30 years old, residents of their district, United States citizens for at least 15 years, and Missouri voters for 9 years before their selection. Judges serve 12-year terms. The judges elect a chief judge to serve a 2-year term. At June 30, 2010, the judges of the Missouri Court of Appeals, Southern District, were as follows:

Name and Title	Term Expires
Daniel E. Scott, Chief Judge	December 31, 2020
Robert S. Barney	December 31, 2022
Nancy Steffen Rahmeyer	December 31, 2014
Jeffrey Wayne Bates	December 31, 2018
Gary Lynch	December 31, 2020
Don Burrell, Jr.	December 31, 2022
William W. Francis, Jr.	December 31, 2012 (1)

(1) Voters will determine in the November 2012 general election whether to retain Judge Francis for a term expiring December 31, 2024.

Sandra L. Skinner has served as Court Clerk since May 1989. The clerk of the court supervises the internal administrative functions of the court and reports directly to the chief judge. In addition to the judges and the Court Clerk, the court employed 22 full-time employees and 1 part-time employee at June 30, 2010.

The court spent American Recovery and Reinvestment Act of 2009 monies of $76,309 during the year ended June 30, 2010. These monies were appropriated to the court from the Federal Budget Stabilization - Medicaid Reimbursement Fund (see Appendix B) and were used to fund general operations of the court.

Appendix A

Missouri Court of Appeals
Southern District
Comparative Statement of Receipts

	Year Ended June 30,		
	2010	2009	2008
GENERAL REVENUE FUND			
Court fees	$ 3,209	3,267	3,842
Copy fees	893	1,145	738
Total General Revenue Fund	$ 4,102	4,412	4,580
BASIC CIVIL LEGAL SERVICES FUND			
Court fees	$ 1,260	1,651	1,500

Appendix B

Missouri Court of Appeals
Southern District
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,								
	2010			2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND									
Personal Service - Judges' Salaries	$ 883,450	814,237	69,213	897,450	896,359	1,091	835,488	835,487	1
Personal Service	1,081,821	1,042,169	39,652	1,143,496	1,112,325	31,171	1,082,161	1,082,161	0
Expense and Equipment	272,715	272,715	0	273,349	273,349	0	331,702	331,702	0
Total General Revenue Fund	2,237,986	2,129,121	108,865	2,314,295	2,282,033	32,262	2,249,351	2,249,350	1
FEDERAL BUDGET STABILIZATION - MEDICAID REIMBURSEMENT FUND									
Personal Service	57,175	57,175	0	0	0	0	0	0	0
Expense and Equipment	19,134	19,134	0	0	0	0	0	0	0
Total Federal Budget Stabilization - Medicaid Reimbursement Fund	76,309	76,309	0	0	0	0	0	0	0
Total All Funds	$ 2,314,295	2,205,430	108,865	2,314,295	2,282,033	32,262	2,249,351	2,249,350	1

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,		
	2010	2009	2008
General Revenue Fund			
Personal Service	$ 54,357	18,091	0

Appendix C

Missouri Court of Appeals
Southern District
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2010	2009	2008	2007	2006
Personal service	$ 1,913,580	2,008,684	1,917,648	1,821,369	1,813,825
Travel, in-state	22,743	23,413	24,841	22,340	15,882
Travel, out-of-state	628	6,932	4,899	9,328	1,644
Supplies	154,869	176,759	190,158	210,307	199,704
Professional development	10,149	8,544	12,859	10,758	9,803
Communication services and supplies	59,358	46,066	43,584	34,281	15,481
Professional services	1,452	2,091	7,679	5,662	4,582
Maintenance and repair services	4,311	2,026	3,464	3,542	7,569
Computer equipment	11,901	618	1,771	2,282	916
Office equipment	17,673	5,012	31,135	29,033	32,254
Real property rentals and leases	8,458	1,800	10,199	1,800	4,980
Miscellaneous expenses	308	88	1,113	0	20
Total Expenditures	$ 2,205,430	2,282,033	2,249,350	2,150,702	2,106,660

Thomas A. Schweich

Missouri State Auditor

Seventh Judicial Circuit

City of Holt
Municipal Division

February 2011

Report No. 2011-06

auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Seventh Judicial Circuit, City of Holt Municipal Division

Segregation of Duties	Accounting duties are not segregated, and a documented supervisory review of accounting records is not performed, making it difficult to ensure transactions are properly recorded and assets are safeguarded.
Additional Comments	We evaluated the municipal division's internal controls over significant financial functions, including receipt and disbursement procedures, and its compliance with certain legal provisions, including rules governing fines, costs, and bonds. For the areas audited, no significant deficiencies, other than those noted above, were identified.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)	The Seventh Judicial Circuit, City of Holt Municipal Division did not receive any federal stimulus monies during the audited time period.

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our website: http://auditor.mo.gov

Seventh Judicial Circuit
City of Holt Municipal Division
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THOMAS A. SCHWEICH
Missouri State Auditor

Presiding Judge
Seventh Judicial Circuit
and
Municipal Judge
Holt, Missouri

We have audited certain operations of the City of Holt Municipal Division of the Seventh Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended March 31, 2010. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.

2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) no significant noncompliance with legal provisions. The accompanying Management Advisory Report presents our finding arising from our audit of the City of Holt Municipal Division of the Seventh Judicial Circuit.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Richard Stuck

1. Segregation of Duties

Accounting duties are not segregated and a documented supervisory review of accounting records is not performed. Proper segregation of duties is not possible because the Court Clerk is the only employee of the municipal division. The Municipal Judge does not perform any review of the accounting records, such as a review of bank reconciliations or a comparison of receipts slips issued to amounts deposited. As a result, there is less assurance all transactions are accounted for properly and assets are adequately safeguarded.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, an independent review of the work performed by the Court Clerk is necessary.

Recommendation

The City of Holt Municipal Division ensure a periodic independent review of the municipal division's records is performed and documented. Any unusual items or discrepancies should be investigated.

Auditee's Response

The Court Clerk provided the following response:

I will discuss this recommendation with the Municipal Judge and we will determine the best way to implement oversight procedures.

Seventh Judicial Circuit
City of Holt Municipal Division
Organization and Statistical Information

The City of Holt Municipal Division is in the Seventh Judicial Circuit, which consists of Clay County. The Honorable Anthony Rex Gabbert serves as Presiding Judge

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At March 31, 2010, the municipal division employees were as follows:

Title	Name
Municipal Judge	William Shull
Court Clerk	Debbie Reeves

Financial and Caseload Information

	Year Ended March 31, 2010
Receipts	$40,784
Number of cases filed	474

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The Seventh Judicial Circuit, City of Holt Municipal Division, did not receive any federal stimulus monies during the year ended March 31, 2010.

Thomas A. Schweich

Missouri State Auditor

Fourth Judicial Circuit

City of Maryville
Municipal Division

February 2011

Report No. 2011-05

auditor.mo.gov

Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Fourth Judicial Circuit, City of Maryville Municipal Division

Accounting Procedures	The municipal division did not adequately reconcile the bond account to the bond liabilities list, making it difficult to ensure sufficient funds are available for payment of liabilities. The book balance of the bond account is overstated due to several non-sufficient funds checks. Adequate procedures need to be developed to investigate outstanding checks in the bond account to help ensure monies are appropriately disbursed. The bank reconciliation included checks totaling over $1,500 that have been outstanding for over 9 years (one for over 20 years).
Tickets	Neither the police department nor the municipal division maintains adequate records to account for traffic tickets or parking tickets. Because tickets are not adequately tracked by number and ultimate disposition, the municipal division cannot be sure all tickets assigned and issued are properly submitted or voided. The municipal division has not developed adequate procedures for collecting approximately 1,020 unpaid parking tickets and has not issued warrants for some of these unpaid tickets.
Additional Comments	We evaluated the municipal division's internal controls over significant financial functions, including receipt and disbursement procedures, and its compliance with certain legal provisions, including rules governing fines, costs, and bonds. For the areas audited, no significant deficiencies, other than those noted above, were identified.

In the areas audited, the overall performance of this entity was **Good**.*

American Recovery and Reinvestment Act (Federal Stimulus)	The Fourth Judicial Circuit, City of Maryville Municipal Division, did not receive any federal stimulus monies during the audited time period.

***The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Fourth Judicial Circuit
City of Maryville Municipal Division
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THOMAS A. SCHWEICH
Missouri State Auditor

Presiding Judge
Fourth Judicial Circuit
and
Municipal Judge
Maryville, Missouri

We have audited certain operations of the City of Maryville Municipal Division of the Fourth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended September 30, 2009. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.

2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with legal provisions.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Maryville Municipal Division of the Fourth Judicial Circuit.

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Richard Stuck
Audit Staff:	Nathaniel Fast, M.Acct., CPA

1. Accounting Procedures

The municipal division did not adequately investigate a difference which existed between the reconciled balance of the bond account and the bond liabilities list, and numerous old bonds remain on hand related to inactive cases. The book balance of the bond account has not been adjusted for several non-sufficient funds (NSF) checks received by the municipal division in prior years, and some checks written on the account have been outstanding for many years.

1.1 Bond liabilities

The municipal division did not adequately investigate a $393 difference between the reconciled balance of the bond account and the bond liabilities list, and several old bonds remain on the list. At February 28, 2010, the reconciled balance of the bond account was $20,955, while the bond liabilities list totaled $21,348. This difference has existed for years, but no follow up action was taken. After we notified the municipal division of the difference in November 2010, a $325 error, which occurred in 2003, was discovered and corrected. After this correction, the unidentified difference is $68. In addition, nine bonds, totaling $1,511, have been on hand since the 1990s and another eight bonds, totaling $2,464, have been on hand more than 4 years.

Monthly lists of liabilities should be prepared and reconciled to cash balances to ensure accounting records are in balance and sufficient funds are available for the payment of liabilities. To properly monitor bonds and ensure monies are appropriately disbursed as provided by state law, procedures should be established to routinely investigate bonds remaining on the liabilities list over a specified period of time. Section 479.210, RSMo, authorizes bonds to be forfeited and paid over to the city treasury if the defendant failed to appear in court. If the bond is to be refunded but the payee cannot be located, Section 447.595, RSMo, requires bonds remaining unclaimed for a year after disposition of the case be turned over to the state Unclaimed Property Section.

1.2 Bank reconciliations

The book balance of the bond account is overstated and has to be adjusted each month to reconcile to the bank balance. This overstatement is caused by several NSF checks received and not adjusted when returned by the bank. On the February 28, 2010, bank reconciliation the book balance was reduced by $2,728, related to three NSF checks totaling $2,335 and a $393 difference that has existed for years (see section 1.1).

Failure to adjust the book balance for NSF checks results in inaccurate accounting records.

1.3 Outstanding checks

The municipal division has not developed adequate procedures to follow up on outstanding checks in the bond account. The February 28, 2010, bank reconciliation for the bond account, prepared by the Finance Director,

included eight checks, totaling $1,549, which have been outstanding for over 9 years, with one check over 20 years old.

To properly monitor disbursements and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law, procedures should be established to routinely investigate outstanding checks.

Recommendations

The City of Maryville Municipal Division:

1.1 Work with the city to ensure the liabilities list for the bond account is accurate and reconciles to the reconciled account balance, and ensure outstanding bonds are investigated and disposed in accordance with state law.

1.2 Work with the city to identify items improperly included in the book balance of the bond account and make adjusting entries as necessary.

1.3 Work with the city to implement adequate procedures to follow up on outstanding checks.

Auditee's Response

The Municipal Judge, City Manager, and City Finance Director jointly provided the following written response:

1.1 While the City and the Court system do ensure the bond liability account is accurately reconciled each month, the Court will investigate old bonds routinely for proper disposition.

1.2 While the book balance and bank balance do agree each month, other than for routine reconciling items such as outstanding checks and non-sufficient funds checks, the City and Court will communicate with each other regarding the necessary follow up action on these outstanding items.

1.3 The Court will routinely follow up on outstanding checks to determine the appropriate action to be taken.

2. Tickets

Uniform citations and parking tickets are not accounted for adequately by either the police department or municipal division. The municipal division has not established procedures to follow up on unpaid parking tickets.

2.1 Ticket accountability

Neither the police department nor the municipal division maintains adequate records to account for traffic tickets or parking tickets assigned and issued, and their ultimate disposition. As a result, there is no assurance all citations are accounted for properly. A record is maintained of traffic ticket books assigned to officers. Traffic tickets issued are supposed to be posted to a

computer spreadsheet; however, not all tickets are posted and the numerical sequence of tickets is not accounted for adequately. A record is not maintained of parking ticket books assigned to officers and no tracking system has been developed for parking tickets.

Without a proper accounting for the numerical sequence and ultimate disposition of tickets, the police department and the municipal division cannot be assured all tickets assigned and issued are properly submitted to the division. A log listing ticket books assigned, each ticket number, the date each ticket is issued, and the violator's name, which is reviewed by an independent person, would help ensure all tickets issued are submitted to the municipal division for processing or properly voided. A record of the ultimate disposition of each ticket should also be maintained to ensure all tickets have been accounted for properly.

2.2 Unpaid parking tickets

The municipal division has not developed adequate procedures for collecting unpaid parking tickets. Parking tickets received from the Police Department are entered by the Court Administrator into a spreadsheet, sorted by license number, and deleted from the spreadsheet once paid. While the Court Administrator indicates a summons is issued for unpaid parking tickets and warrants are issued in some instances, warrants have not been issued for some unpaid parking tickets. As of August 1, 2010, there were approximately 1,020 unpaid parking tickets still listed in the spreadsheet, some dating back to January 2006. Many of the license numbers had multiple tickets, with one vehicle issued 10 parking tickets between March 2007 and April 2008.

To increase revenue and deter citizens from disregarding parking tickets in the future, the municipal division should institute procedures to collect amounts owed for parking tickets.

Recommendations

The City of Maryville Municipal Division:

2.1 Work with the Police Department to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.

2.2 Establish adequate procedures to collect unpaid parking fines owed the municipal division and discuss with city personnel options available to pursue collection of unpaid parking tickets.

Auditee's Response

The Municipal Judge, City Manager, and City Finance Director jointly provided the following written response:

2.1 The City of Maryville keeps records of citation books issued and the sequence of numbers is determined in each book. Citations issued

are cataloged into the City's law enforcement database and all final dispositions are recorded in the database accordingly for accountability purposes. Regardless, we have implemented additional steps and segregated duties to ensure accountability and tracking of all citations.

2.2 The City agrees there are outstanding parking tickets that have yet to be collected. The City however, does make every effort to locate, contact, and collect outstanding parking tickets and will continue to do so.

Fourth Judicial Circuit
City of Maryville Municipal Division
Organization and Statistical Information

The city of Maryville Municipal Division is in the Fourth Judicial Circuit, which consists of Atchison, Gentry, Holt, Nodaway, and Worth Counties. The Honorable Roger Prokes serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At September 30, 2009, the municipal division employees were as follows:

Title	Name
Municipal Judge	John Baker, Jr.
Court Administrator	Pat Castillo

Financial and Caseload Information

	Year Ended September 30, 2009
Receipts	$444,604
Number of cases filed	2,050

American Recovery and Reinvestment Act of 2009 (Federal Stimulus)

The Fourth Judicial Circuit, City of Maryville Municipal Division, did not receive any federal stimulus monies during the year ended September 30, 2009.

THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Shannon County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Shannon County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Thomas A. Schweich
State Auditor

February 2011
Report No. 2011-04

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
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FINANCIAL SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Shannon, Missouri

We have audited the accompanying financial statements of the County of Shannon ("County"), Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note I, the financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's office, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County of Shannon, Missouri, at December 31, 2009 and 2008, or the changes in financial position for the years then ended.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of the County of Shannon, Missouri, as of and for the years ended December 31, 2009 and 2008, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note I.

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and , in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note I.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

December 20, 2010

FINANCIAL STATEMENTS

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES-
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2009	RECEIPTS 2009	DISBURSEMENTS 2009	CASH AND INVESTMENT BALANCES DECEMBER 31, 2009
General Revenue	$ 46,485.23	$ 1,032,930.75	$ 1,038,970.66	$ 40,445.32
Special Road & Bridge	656,191.24	1,054,073.68	1,117,632.87	592,632.05
Assessment	15,377.25	80,626.68	100,444.99	(4,441.06)
Sheriff Revolving Fund	-	2,669.50	-	2,669.50
Sheriff Civil Fee	19,423.30	29,544.07	3,820.53	45,146.84
LEPC	1,863.63	1,107.84	2,772.20	199.27
PATF	3,505.84	536.74	-	4,042.58
SFAV	370.00	612.00	842.00	140.00
PASTC	13,837.82	5,094.08	2,464.11	16,467.79
LEF	2,867.97	2,419.50	2,085.20	3,202.27
Sheriff Building	1,730.00	-	-	1,730.00
Crime Victim Advocate	16,425.04	24,313.50	34,795.53	5,943.01
County Clerk	3,547.50	2,987.79	1,248.95	5,286.34
2% Collector	17,498.33	7,168.38	3,991.66	20,675.05
Title III	4,236.56	28,977.00	33,213.56	-
LERF	108,316.20	67,355.50	37,680.54	137,991.16
Recorder	10,219.02	1,712.00	6,630.62	5,300.40
Family Services	4,449.00	3,600.00	4,205.05	3,843.95
HAVA	190.84	-	-	190.84
Sheriff Special	1,264.91	-	1,260.00	4.91
Land Sale	50,258.21	3,306.29	-	53,564.50
FIT	26.45	14,109.60	14,136.05	0.00
MoSmart	(11,561.90)	7,876.64	-	(3,685.26)
Bad Check	75.00	50.00	-	125.00
Unclaimed Fees	1,657.81	-	-	1,657.81
MOPS	40.00	1,115.90	1,155.90	-
Special Election	4,638.72	-	4,638.72	-
Deputy Support	-	805.96	692.76	113.20
Senior Services Board	1,310.25	26,847.99	26,900.00	1,258.24
SB 40	52,025.10	55,570.29	44,788.76	62,806.63
TOTAL	$ 1,026,269.32	$ 2,455,411.68	$ 2,484,370.66	$ 997,310.34

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES-
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2008

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2008	RECEIPTS 2008	DISBURSEMENTS 2008	CASH AND INVESTMENT BALANCES DECEMBER 31, 2008
General Revenue	$ 89,823.69	$ 1,013,838.99	$ 1,057,177.45	$ 46,485.23
Special Road & Bridge	659,514.18	1,410,210.73	1,413,533.67	656,191.24
Assessment	15,527.04	115,220.37	115,370.16	15,377.25
Sheriff Revolving Fund	-	-	-	-
Sheriff Civil Fee	27,149.60	34,646.52	42,372.82	19,423.30
LEPC	330.72	3,271.80	1,738.89	1,863.63
PATF	2,580.25	1,055.59	130.00	3,505.84
SFAV	1,120.00	520.00	1,270.00	370.00
PASTC	15,949.71	5,310.00	7,421.89	13,837.82
LEF	3,886.89	2,680.66	3,699.58	2,867.97
Sheriff Building	1,730.00	-	-	1,730.00
Crime Victim Advocate	1,223.71	45,781.34	30,580.01	16,425.04
County Clerk	2,846.63	782.30	81.43	3,547.50
2% Collector	13,504.80	9,992.22	5,998.69	17,498.33
Title III	-	31,236.56	27,000.00	4,236.56
LERF	39,850.00	83,090.00	14,623.80	108,316.20
Recorder	7,985.27	2,233.75	-	10,219.02
Family Services	3,842.00	1,530.00	923.00	4,449.00
HAVA	190.84	-	-	190.84
Sheriff Special	79.91	2,805.00	1,620.00	1,264.91
Land Sale	30,347.66	19,910.55	-	50,258.21
FIT	-	426.56	400.11	26.45
MoSmart	(7,778.47)	27,579.07	31,362.50	(11,561.90)
Bad Check	-	75.00	-	75.00
Unclaimed Fees	1,657.81	-	-	1,657.81
MOPS	-	1,109.00	1,069.00	40.00
Special Election	4,638.72	-	-	4,638.72
Deputy Support	-	-	-	-
Senior Services Board	5,974.96	30,398.94	35,063.65	1,310.25
SB 40	58,040.10	63,171.00	69,186.00	52,025.10
TOTAL	$ 980,016.02	$ 2,906,875.95	$ 2,860,622.65	$ 1,026,269.32

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	GENERAL REVENUE FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 128,288.03	$ 173,743.04	$ 125,000.00	$ 128,288.03
Sales Taxes	475,860.06	443,560.51	470,000.00	475,860.06
Intergovernmental	214,899.12	248,981.61	176,000.00	217,399.12
Charges for Services	121,285.23	115,013.02	87,100.00	121,285.23
Interest	10,477.79	-	8,000.00	10,477.79
Other	29,588.26	35,836.50	43,300.00	29,378.76
Transfers In	31,150.00	15,796.07	31,150.00	31,150.00
TOTAL RECEIPTS	1,011,548.49	1,032,930.75	940,550.00	1,013,838.99
DISBURSEMENTS				
County Commission	92,626.77	85,744.00	92,626.77	83,926.27
County Clerk	83,534.00	82,267.32	80,334.00	80,945.53
Elections	10,000.00	55,226.59	30,000.00	60,215.96
Buildings and Grounds	84,528.06	87,787.45	84,528.06	91,902.87
Employee Fringe Benefits	18,893.00	18,683.86	18,893.00	11,050.39
County Treasurer	42,050.00	39,301.84	42,050.00	40,151.43
Collector	89,467.00	85,195.35	89,467.00	83,101.56
Recorder of Deeds	31,810.40	29,632.23	31,234.40	27,308.37
Circuit Clerk	32,400.00	19,131.65	30,150.00	22,066.58
Associate Circuit Court	-	-	-	-
Court Administration	1,386.38	-	1,386.38	-
Public Administrator	22,781.00	21,177.67	22,681.00	21,308.20
Sheriff	216,886.00	237,358.76	211,886.00	237,131.27
Jail	55,800.00	51,052.04	55,800.00	38,279.24
Prosecuting Attorney	78,750.00	70,442.39	78,750.00	70,026.91
Juvenile Officer	48,530.15	48,984.31	48,530.15	48,804.19
Coroner	18,133.00	17,991.96	16,373.00	24,467.76
Planning and Zoning	-	-	-	-
Other	86,430.77	88,524.65	65,219.85	100,796.92
Surveyor	-	-	-	-
Health and Welfare	-	-	-	-
Debt Service	-	-	-	-
Transfers Out	316.75	468.59	30,250.00	15,694.00
Emergency Fund	43,710.44	-	-	-
TOTAL DISBURSEMENTS	1,058,033.72	1,038,970.66	1,030,159.61	1,057,177.45
RECEIPTS OVER (UNDER) DISBURSEMENTS	(46,485.23)	(6,039.91)	(89,609.61)	(43,338.46)
CASH AND INVESTMENT BALANCE, JANUARY 1	46,485.23	46,485.23	89,823.69	89,823.69
CASH AND INVESTMENT BALANCE, DECEMBER 31	$ -	$ 40,445.32	$ 214.08	$ 46,485.23

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THE COUNTY OF SHANNON
EMINENCE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SPECIAL ROAD & BRIDGE FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 152,714.90	$ 155,550.34	$ 170,000.00	$ 152,714.90
Sales Taxes	-	-	-	-
Intergovernmental	766,224.04	854,738.57	703,005.00	1,247,907.83
Charges for Services	-	-	-	-
Interest	-	-	25,000.00	-
Other	-	43,784.77	-	9,588.00
Transfers In	-	-	-	-
TOTAL RECEIPTS	918,938.94	1,054,073.68	898,005.00	1,410,210.73
DISBURSEMENTS				
Salaries	345,000.00	346,519.34	353,504.00	329,740.98
Employee Fringe Benefits	114,454.00	115,614.08	105,950.00	103,525.20
Supplies	267,746.00	276,113.07	257,925.00	409,331.92
Insurance	23,000.00	21,214.00	23,000.00	22,842.00
Road & Bridge Materials	85,000.00	61,245.49	85,000.00	200,946.49
Equipment Repairs	43,000.00	10,934.10	42,430.20	218.73
Equipment Purchases	89,950.00	213,316.87	90,540.80	247,894.65
R&B Construction	-	-	-	-
Other Expenditures	31,850.00	72,675.92	41,650.00	67,883.70
Transfers Out	167,150.00	-	167,150.00	31,150.00
TOTAL DISBURSEMENTS	1,167,150.00	1,117,632.87	1,167,150.00	1,413,533.67
RECEIPTS OVER (UNDER) DISBURSEMENTS	(248,211.06)	(63,559.19)	(269,145.00)	(3,322.94)
CASH AND INVESTMENT BALANCE, JANUARY 1	656,191.24	656,191.24	659,514.18	659,514.18
CASH AND INVESTMENT BALANCE, DECEMBER 31	$ 407,980.18	$ 592,632.05	$ 390,369.18	$ 656,191.24

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	ASSESSMENT FUND				SHERIFF REVOLVING FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 86,380.00	$ 80,626.68	$ 86,380.00	$ 84,870.87	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	95.50	-	2,669.50	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	14,556.00	14,560.00	-	-	-	-
Transfers In	15,694.00	-	15,694.00	15,694.00	-	-	-	-
TOTAL RECEIPTS	102,074.00	80,626.68	116,630.00	115,220.37	-	2,669.50	-	-
DISBURSEMENTS								
Assesor	102,074.00	100,444.99	11,630.00	115,370.16	-	-	-	-
Training	-	-	-	-	-	-	-	-
Salaries	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	102,074.00	100,444.99	11,630.00	115,370.16	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(19,818.31)	105,000.00	(149.79)	-	2,669.50	-	-
CASH AND INVESTMENT BALANCE, JANUARY 1	15,377.25	15,377.25	15,527.04	15,527.04	-	-	-	-
CASH AND INVESTMENT BALANCE, DECEMBER 31	$ 15,377.25	$ (4,441.06)	$ 120,527.04	$ 15,377.25	$ -	$ 2,669.50	$ -	$ -

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THE COUNTY OF SHANNON
EMINENCE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SHERIFF CIVIL FEE FUND				LEPC FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 12,000.00	$ 11,000.00	$ -	$ 7,000.00	$ 3,000.00	$ 519.25	$ 3,254.10	$ 3,271.80
Charges For Services	22,000.00	18,544.07	15,000.00	27,646.52	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	588.59	-	-
TOTAL RECEIPTS	34,000.00	29,544.07	15,000.00	34,646.52	3,000.00	1,107.84	3,254.10	3,271.80
DISBURSEMENTS								
DARE Shirts	-	-	-	-	-	-	-	-
Office Expense/Equip Repair	50,000.00	3,820.53	42,000.00	23,315.16	3,000.00	2,772.20	3,000.00	1,738.89
Forwarded to Schools	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	19,057.66				
TOTAL DISBURSEMENTS	50,000.00	3,820.53	42,000.00	42,372.82	3,000.00	2,772.20	3,000.00	1,738.89
RECEIPTS OVER (UNDER) DISBURSEMENTS	(16,000.00)	25,723.54	(27,000.00)	(7,726.30)	-	(1,664.36)	254.10	1,532.91
CASH AND INVESTMENT BALANCE, JANUARY 1	19,423.30	19,423.30	27,149.60	27,149.60	1,863.63	1,863.63	330.72	330.72
CASH AND INVESTMENT BALANCE, DECEMBER 31	$ 3,423.30	$ 45,146.84	$ 149.60	$ 19,423.30	$ 1,863.63	$ 199.27	$ 584.82	$ 1,863.63

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	PA TRAINING FUND				SFAV FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for Services	1,000.00	536.74	500.00	1,055.59	520.00	612.00	500.00	520.00
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,000.00	536.74	500.00	1,055.59	520.00	612.00	500.00	520.00
DISBURSEMENTS								
Abuse Shelters	-	-	-	-	890.00	842.00	800.00	1,270.00
Mileage/Training	2,000.00	-	2,000.00	130.00	-	-	-	-
Office	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	2,000.00	-	2,000.00	130.00	890.00	842.00	800.00	1,270.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,000.00)	536.74	(1,500.00)	925.59	(370.00)	(230.00)	(300.00)	(750.00)
CASH AND INVESTMENT BALANCE, JANUARY 1	3,505.84	3,505.84	2,580.25	2,580.25	370.00	370.00	1,120.00	1,120.00
CASH AND INVESTMENT BALANCE, DECEMBER 31	$ 2,505.84	$ 4,042.58	$ 1,080.25	$ 3,505.84	$ -	$ 140.00	$ 820.00	$ 370.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	PASTC FUND				LEF FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	$ 6,000.00	$ 5,094.08	$ 6,500.00	$ 5,310.00	$ 3,500.00	$ 2,419.50	$ 1,500.00	$ 2,680.66
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	6,000.00	5,094.08	6,500.00	5,310.00	3,500.00	2,419.50	1,500.00	2,680.66
DISBURSEMENTS								
Lia House	-	-	-	-	-	-	-	-
Clerk	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Equipment & Supplies	-	-	-	-	-	-	-	-
Victims Advocate	-	-	-	-	-	-	-	-
Salaries/Fringe	15,000.00	2,464.11	15,000.00	7,421.89	-	-	-	-
Auto Expense/Training	-	-	-	-	3,500.00	-	2,000.00	3,699.58
Other	-	-	-	-	-	-	-	-
Office	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	2,085.20	-	-
TOTAL DISBURSEMENTS	15,000.00	2,464.11	15,000.00	7,421.89	3,500.00	2,085.20	2,000.00	3,699.58
RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,000.00)	2,629.97	(8,500.00)	(2,111.89)	-	334.30	(500.00)	(1,018.92)
CASH AND INVESTMENT BALANCE, JANUARY 1	13,837.82	13,837.82	15,949.71	15,949.71	2,867.97	2,867.97	3,886.89	3,886.89
CASH AND INVESTMENT BALANCE, DECEMBER 31	$ 4,837.82	$ 16,467.79	$ 7,449.71	$ 13,837.82	$ 2,867.97	$ 3,202.27	$ 3,386.89	$ 2,867.97

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SHERIFF BUILDING FUND				CRIME VICTIM ADVOCATE FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	24,313.49	24,313.50	31,730.00	30,781.34
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	5,302.29	15,000.00
TOTAL RECEIPTS	-	-	-	-	24,313.49	24,313.50	37,032.29	45,781.34
DISBURSEMENTS								
Office	-	-	-	-	31,813.49	34,795.53	31,730.00	30,580.01
Public Safety	-	-	-	-	-	-	-	-
Lest Expenses	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Circuit Judge & Juvenile	-	-	-	-	-	-	-	-
Coroner	-	-	-	-	-	-	-	-
Task Force	-	-	-	-	-	-	-	-
COPS Grant	-	-	-	-	-	-	-	-
Lake Patrol	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
FEMA	-	-	-	-	-	-	-	-
Misc	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	31,813.49	34,795.53	31,730.00	30,580.01
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	(7,500.00)	(10,482.03)	5,302.29	15,201.33
CASH AND INVESTMENT BALANCE, JANUARY 1	1,730.00	1,730.00	1,730.00	1,730.00	16,425.04	16,425.04	1,223.71	1,223.71
CASH AND INVESTMENT BALANCE, DECEMBER 31	$ 1,730.00	$ 1,730.00	$ 1,730.00	$ 1,730.00	$ 8,925.04	$ 5,943.01	$ 6,526.00	$ 16,425.04

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THE COUNTY OF SHANNON
EMINENCE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	COUNTY CLERK FUND				2% COLLECTOR FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ 2,519.20	$ -	$ -	$ -	$ -	$ -	$ -
Charges for Services	1,000.00	-	1,000.00	782.30	8,000.00	7,168.38	8,000.00	9,992.22
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	468.59	-	-	-	-	-	-
TOTAL RECEIPTS	1,000.00	2,987.79	1,000.00	782.30	8,000.00	7,168.38	8,000.00	9,992.22
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Expenses	-	-	-	-	-	-	-	-
Office Expense	3,500.00	1,248.95	2,500.00	81.43	-	-	-	-
Office Supplies	-	-	-	-	8,000.00	3,991.66	8,000.00	5,998.69
Equipment	-	-	-	-	-	-	-	-
Capital Improvement	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	3,500.00	1,248.95	2,500.00	81.43	8,000.00	3,991.66	8,000.00	5,998.69
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,500.00)	1,738.84	(1,500.00)	700.87	-	3,176.72	-	3,993.53
CASH AND INVESTMENT BALANCE, JANUARY 1	3,547.50	3,547.50	2,846.63	2,846.63	17,498.33	17,498.33	13,504.80	13,504.80
CASH AND INVESTMENT BALANCE, DECEMBER 31	$ 1,047.50	$ 5,286.34	$ 1,346.63	$ 3,547.50	$ 17,498.33	$ 20,675.05	$ 13,504.80	$ 17,498.33

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THE COUNTY OF SHANNON
EMINENCE, MISSOURI
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BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	TITLE III FUND				LERF FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	30,000.00	28,977.00	31,000.00	31,236.56	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	80,000.00	67,355.50	35,000.00	83,090.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	30,000.00	28,977.00	31,000.00	31,236.56	80,000.00	67,355.50	35,000.00	83,090.00
DISBURSEMENTS								
Office Expense	34,236.56	27,000.00	31,000.00	27,000.00	-	-	-	-
Deputy Salary & Fringe	-	-	-	-	80,000.00	32,233.36	35,000.00	14,623.80
Other	-	-	-	-	-	-	-	-
Transfers Out	-	6,213.56	-	-	-	5,447.18	-	-
TOTAL DISBURSEMENTS	34,236.56	33,213.56	31,000.00	27,000.00	80,000.00	37,680.54	35,000.00	14,623.80
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,236.56)	(4,236.56)	-	4,236.56	-	29,674.96	-	68,466.20
CASH AND INVESTMENT BALANCE, JANUARY 1	4,236.56	4,236.56	-	-	108,316.20	108,316.20	39,850.00	39,850.00
CASH AND INVESTMENT BALANCE, DECEMBER 31	$ -	$ -	$ -	$ 4,236.56	$ 108,316.20	$ 137,991.16	$ 39,850.00	$ 108,316.20

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	RECORDER FUND				FAMILY SERVICE FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,233.75	1,712.00	-	2,233.75	1,620.00	1,600.00	1,500.00	1,530.00
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	2,000.00	-	-
TOTAL RECEIPTS	2,233.75	1,712.00	-	2,233.75	1,620.00	3,600.00	1,500.00	1,530.00
DISBURSEMENTS								
Circuit Court	12,452.77	6,630.62	-	-	6,069.00	4,205.05	5,000.00	923.00
Election Grants	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	12,452.77	6,630.62	-	-	6,069.00	4,205.05	5,000.00	923.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,219.02)	(4,918.62)	-	2,233.75	(4,449.00)	(605.05)	(3,500.00)	607.00
CASH AND INVESTMENT BALANCE, JANUARY 1	10,219.02	10,219.02	7,985.27	7,985.27	4,449.00	4,449.00	3,842.00	3,842.00
CASH AND INVESTMENT BALANCE, DECEMBER 31	$ -	$ 5,300.40	$ 7,985.27	$ 10,219.02	$ -	$ 3,843.95	$ 342.00	$ 4,449.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	HAVA				SHERIFF SPECIAL FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	8,000.00	-	-	-	2,800.00	-	3,000.00	2,805.00
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,000.00	-	-	-	2,800.00	-	3,000.00	2,805.00
DISBURSEMENTS								
Office Expense	-	-	-	-	4,064.91	1,260.00	4,064.91	1,620.00
Equipment	8,000.00	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	8,000.00	-	-	-	4,064.91	1,260.00	4,064.91	1,620.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	(1,264.91)	(1,260.00)	(1,064.91)	1,185.00
CASH AND INVESTMENT BALANCE, JANUARY 1	190.84	190.84	190.84	190.84	1,264.91	1,264.91	79.91	79.91
CASH AND INVESTMENT BALANCE, DECEMBER 31	$ 190.84	$ 190.84	$ 190.84	$ 190.84	$ -	$ 4.91	$ (985.00)	$ 1,264.91

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	LAND SALE FUND				FIT			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	3,306.29	-	19,910.55	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	14,109.60	-	426.56
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	3,306.29	-	19,910.55	-	14,109.60	-	426.56
DISBURSEMENTS								
Office Equipment/Supplies	-	-	-	-	-	-	-	-
Election Grants	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	14,136.05	-	400.11
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	14,136.05	-	400.11
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	3,306.29	-	19,910.55	-	(26.45)	-	26.45
CASH AND INVESTMENT BALANCE, JANUARY 1	50,258.21	50,258.21	30,347.66	30,347.66	26.45	26.45	-	-
CASH AND INVESTMENT BALANCE, DECEMBER 31	$ 50,258.21	$ 53,564.50	$ 30,347.66	$ 50,258.21	$ 26.45	$ -	$ -	$ 26.45

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	MOSMART				BAD CHECK FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	7,896.59	7,876.64	31,418.00	23,521.41	-	-	-	-
Charges for Services	-	-	-	-	-	50.00	-	75.00
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	4,057.66	-	-	-	-
TOTAL RECEIPTS	7,896.59	7,876.64	31,418.00	27,579.07	-	50.00	-	75.00
DISBURSEMENTS								
Office Expense	-	-	31,418.00	31,362.50	-	-	-	-
Election Grants	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	75.00	-	-	-
TOTAL DISBURSEMENTS	-	-	31,418.00	31,362.50	75.00	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	7,896.59	7,876.64	-	(3,783.43)	(75.00)	50.00	-	75.00
CASH AND INVESTMENT BALANCE, JANUARY 1	(11,561.90)	(11,561.90)	(7,778.47)	(7,778.47)	75.00	75.00	-	-
CASH AND INVESTMENT BALANCE, DECEMBER 31	$ (3,665.31)	$ (3,685.26)	$ (7,778.47)	$ (11,561.90)	$ -	$ 125.00	$ -	$ 75.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	UNCLAIMED FEES				MOPS			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	1,115.90	-	1,109.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	-	-	1,115.90	-	1,109.00
DISBURSEMENTS								
Office Expense	-	-	-	-	-	-	-	-
Election Grants	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	1,155.90	-	1,069.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	1,155.90	-	1,069.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	-	(40.00)	-	40.00
CASH AND INVESTMENT BALANCE, JANUARY 1	1,657.81	1,657.81	1,657.81	1,657.81	40.00	40.00		-
CASH AND INVESTMENT BALANCE, DECEMBER 31	$ 1,657.81	$ 1,657.81	$ 1,657.81	$ 1,657.81	$ 40.00	$ -	$ -	$ 40.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SPECIAL ELECTION FUND				DEPUTY SUPPORT			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	805.96	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	-	-	805.96	-	-
DISBURSEMENTS								
Office Expense	-	-	-	-	-	-	-	-
Election Grants	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	692.76	-	-
Transfers Out	4,638.72	4,638.72	-	-	-	-	-	-
TOTAL DISBURSEMENTS	4,638.72	4,638.72	-	-	-	692.76	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,638.72)	(4,638.72)	-	-	-	113.20	-	-
CASH AND INVESTMENT BALANCE, JANUARY 1	4,638.72	4,638.72	4,638.72	4,638.72	-	-	-	-
CASH AND INVESTMENT BALANCE, DECEMBER 31	$ -	$ -	$ 4,638.72	$ 4,638.72	$ -	$ 113.20	$ -	$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SENIOR SERVICE BOARD				SB 40			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ 30,398.94	$ 26,847.99	$ 36,787.59	$ 30,398.94	$ 63,000.00	$ 54,606.63	$ -	$ 62,452.77
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	500.00	963.66	-	718.23
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	30,398.94	26,847.99	36,787.59	30,398.94	63,500.00	55,570.29	-	63,171.00
DISBURSEMENTS								
Office Expense	-	-	-	-	-	-	-	-
Election Grants	-	-	-	-	-	-	-	-
Other	31,700.00	26,900.00	35,100.00	35,063.65	80,000.00	44,788.76	-	69,186.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	31,700.00	26,900.00	35,100.00	35,063.65	80,000.00	44,788.76	-	69,186.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,301.06)	(52.01)	1,687.59	(4,664.71)	(16,500.00)	10,781.53	-	(6,015.00)
CASH AND INVESTMENT BALANCE, JANUARY 1	1,310.25	1,310.25	5,974.96	5,974.96	52,025.10	52,025.10	58,040.10	58,040.10
CASH AND INVESTMENT BALANCE, DECEMBER 31	$ 9.19	$ 1,258.24	$ 7,662.55	$ 1,310.25	$ 35,525.10	$ 62,806.63	$ 58,040.10	$ 52,025.10

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

	Fines	Utility	Juvenile	Bonds
ASSETS				
Cash and Cash Equivalents	$ 85,609.38	$ -	$ 10.00	$ 3,829.58
Total Assets	85,609.38	-	10.00	3,829.58
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	-	-	-	-
UNRESERVED FUND BALANCES	85,609.38	-	10.00	3,829.58
TOTAL LIABILITIES AND FUND BALANCES	$ 85,609.38	$ -	$ 10.00	$ 3,829.58

	Collector	Collector Protested	Prosecuting Attorney	Recorder
ASSETS				
Cash and Cash Equivalents	$ 1,730,136.37	$ 44,644.45	$ 1,344.89	$ -
Total Assets	1,730,136.37	44,644.45	1,344.89	-
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	-	-	-	-
UNRESERVED FUND BALANCES	1,730,136.37	44,644.45	1,344.89	-
TOTAL LIABILITIES AND FUND BALANCES	$ 1,730,136.37	$ 44,644.45	$ 1,344.89	$ -

	User Fee	Total Agency Funds
ASSETS		
Cash and Cash Equivalents	$ 2,559.74	$ 1,868,134.41
Total Assets	2,559.74	1,868,134.41
LIABILITIES AND FUND BALANCES		
TOTAL LIABILITIES	-	-
UNRESERVED FUND BALANCES	2,559.74	1,868,134.41
TOTAL LIABILITIES AND FUND BALANCES	$ 2,559.74	$ 1,868,134.41

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2008

	Fines	Utility	Juvenile	Bonds
ASSETS				
Cash and Cash Equivalents	$ 97,436.99	$ -	$ 10.00	$ -
Total Assets	97,436.99	-	10.00	-
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	-	171.92	-	-
UNRESERVED FUND BALANCES	97,436.99	(171.92)	10.00	-
TOTAL LIABILITIES AND FUND BALANCES	$ 97,436.99	$ (171.92)	$ 10.00	$ -

	Collector	Collector Protested	Prosecuting Attorney	Recorder
ASSETS				
Cash and Cash Equivalents	$ 1,264,567.13	$ -	$ 1,475.89	$ -
Total Assets	1,264,567.13	-	1,475.89	-
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	-	-	-	0.50
UNRESERVED FUND BALANCES	1,264,567.13	-	1,475.89	(0.50)
TOTAL LIABILITIES AND FUND BALANCES	$ 1,264,567.13	$ -	$ 1,475.89	$ (0.50)

	User Fee	Total Agency Funds
ASSETS		
Cash and Cash Equivalents	$ 1,618.74	$ 1,365,108.75
Total Assets	1,618.74	1,365,108.75
LIABILITIES AND FUND BALANCES		
TOTAL LIABILITIES	-	172.42
UNRESERVED FUND BALANCES	1,618.74	1,364,936.33
TOTAL LIABILITIES AND FUND BALANCES	$ 1,618.74	$ 1,364,936.33

The accompanying notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Shannon, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1841 by an Act of the Missouri Territory. In addition to the three board members, there are nine elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk and ex officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Shannon County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances– All Governmental Funds, a Comparative Statement of Receipts and Disbursements and Changes in Cash and Investment Balances– Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the primary government utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures. During our audit we noted that the County was noncompliant with Missouri budgetary state statute Chapter 50 RSMo.

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

   Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation was:

	2009	2008
Real Estate	$ 41,363,290	$ 39,568,640
Personal Property	21,977,331	22,574,477
Railroad and Utilities	2,765,459	2,980,205
	$ 66,106,080	$ 65,123,322

During 2009 and 2008, the County Commission approved a $1.4750 and $1.4840 tax levy respectively per $100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purpose of County taxation, as follows:

	2009	2008
General Revenue Fund	$ 0.1920	$ 0.1920
Road and Bridge	0.2424	0.2424
Health Center	0.0967	0.1000
Sheltered Workshop	0.0943	0.0975
Senior Citizens	0.0484	0.0500
Timber Fire District	0.3000	0.3000
Ambulance Dist. 1	0.1304	0.1343
Ambulance Dist. 2	0.1755	0.1730
Salem Hospital	0.1950	0.1950
	$ 1.4750	$ 1.4840

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash Deposits and Investments (concluded)

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

H. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose. Fund balance is unrestricted at December 31, 2009 and 2008.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amount of the County's deposits was $997,310.34 and $1,026,269.32, and the bank balance was respectively $2,950,122.22 and $2,472,185.37. As of December 31, 2009, 100% of the County's investments were guaranteed by the U. S. Government.

II. DEPOSITS AND INVESTMENTS (continued)

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2009, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances		
Deposits	$	989,021.41
Investments		8,288.93
Total Deposits and Investments as of December 31, 2009	$	997,310.34

The carrying values of deposits and investments at December 31, 2008, are as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances		
Deposits	$	1,018,168.18
Investments		8,101.14
Total Deposits and Investments as of December 31, 2008	$	1,026,269.32

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2009 and 2008.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

II. DEPOSITS AND INVESTMENTS (concluded)

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2009 and 2008.

III. LEASES – CAPITAL

On July 22, 2005, the County obtained a five-year lease as lessee to finance the purchase of a motor grader. The lease provides for interest at a 4.3% interest rate. The lease options are through July 22, 2010.

On February 6, 2007, the County obtained a five-year lease as lessee to finance the purchase of a motor grader. The lease provides for interest at a 5.5% interest rate. The lease options are through February 6, 2013.

On July 20, 2009, the County obtained a three-year lease as lessee to finance the purchase of a wheel loader. The lease provides for interest at a 7.25% interest rate. The lease options are through July 20, 2013.

On November 30, 2009, the County obtained a two-year lease as lessee to finance the purchase of a motor grader. The lease provides for interest at a 4.4% interest rate. The lease options are through November 30, 2011.

2009

	Balance at December 31, 2008	Amount Borrowed	Amount Repaid	Balance at December 31, 2009	Interest Paid During Year
Capital Leases	$ 84,972.05	$ 179,211.00	$ 98,867.92	$ 165,315.13	$ 16,310.95
Totals	$ 84,972.05	$ 179,211.00	$ 98,867.92	$ 165,315.13	$ 16,310.95

III. LEASES – CAPITAL (concluded)

2008

	Balance at December 31, 2007	Amount Borrowed	Amount Repaid	Balance at December 31, 2008	Interest Paid During Year
Capital Leases	$ 144,088.09	$ -	$ 59,116.04	$ 84,972.05	$ 7,168.11
Totals	$ 144,088.09	$ -	$ 59,116.04	$ 84,972.05	$ 7,168.11

2009 Amortizations

Fiscal Year Ending December 31,	Principal	Interest	Total
2010	$ 59,634.09	$ 9,559.23	$ 69,193.32
2011	62,949.23	5,213.16	68,162.39
2012	42,514.24	2,693.37	45,207.61
2013	217.57	11.97	229.54
TOTALS	$ 165,315.13	$ 17,477.73	$ 182,792.86

2008 Amortizations

Fiscal Year Ending December 31,	Principal	Interest	Total
2009	$ 19,553.78	$ 4,625.09	$ 24,178.87
2010	20,580.87	3,595.00	24,178.87
2011	21,712.81	2,466.06	24,178.87
2012	22,907.02	1,271.85	24,178.87
2013	217.57	11.97	229.54
TOTALS	$ 84,972.05	$ 11,972.97	$ 96,945.02

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2009 and 2008 are as follows:

	2009		2008	
FUNDS	TRANSERS IN	TRANSFERS OUT	TRANSERS IN	TRANSFERS OUT
General	$ 15,796.07	$ 468.59	$ 31,150.00	$ 15,694.00
Road and Bridge	-	-	-	31,150.00
Assessment	-	-	15,694.00	-
LEPC	588.59	-	-	-
Sheriff Civil	-	-	-	19,057.66
LEF	-	2,085.20	-	-
CVA	-	-	15,000.00	-
Title III	-	6,213.56	-	-
LERF	-	5,447.18	-	-
Family Service	2,000.00	-	-	-
MoSmart	-	-	4,057.66	-
Special Election	-	4,638.72	-	-
County Clerk	468.59	-	-	-
	$ 18,853.25	$ 18,853.25	$ 65,901.66	$ 65,901.66

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity.

Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55.

Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, in addition to the prior contributions requirements, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2009 and 2008, the County collected and remitted to CERF, employee contributions of approximately $53,864.50 and $53,811.01, respectively, for the years then ended.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Shannon County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMO. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

Shannon County's full time employees contribute 4% of their gross pay to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rates for 2009 are 0.3% (general) and 0.3% police, and for 2008 they are 0.3% (general) and 0.3% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost

For 2009 and 2008 respectively, the political subdivision's annual pension cost of $35,051, and 32,824 which were equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2007 and/or February 29, 2008 annual actuarial valuation using the entry age actuarial cost method. For 2008, the political subdivision's annual pension cost of $48,248 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2006 and/or February 28, 2007 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2009 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table for males projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2009 and February 29, 2008 was 15 years.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

C. Annual Pension Cost (continued)

Note: The below assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

Three Year Trend Information- 2009

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
6/30/2007	$ 31,308	100%	$ 0
6/30/2008	$ 32,824	100%	$ 0
6/30/2009	$ 35,051	100%	$ 0

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2007	$ 1,064,942	$ 500,118	$(564,824)	213%	$ 690,012	0%
2/29/2008	$ 1,213,154	$ 516,689	$ (696,465)	235%	$ 796,032	0%
2/28/2009	$ 1,039,512	$ 601,142	$ (438,370)	173%	$ 799,323	0%

Note: The below assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

C. Annual Pension Cost (concluded)

Three Year Trend Information - 2008

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
6/30/2006	$ 33,658	100%	$ 0
6/30/2007	$ 31,308	100%	$ 0
6/30/2008	$ 32,824	100%	$ 0

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2006	$ 977,692	$ 479,735	$ (497,957)	204%	$ 722,451	0%
2/28/2007	$ 1,064,942	$ 500,118	$ (564,824)	213%	$ 690,012	0%
2/29/2008	$ 1,213,154	$ 516,689	$ (696,465)	235%	$ 796,032	0%

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed $4,301.00 and $4,488.00, respectively, for the years ended December 31, 2009 and 2008.

VIII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is currently involved in pending litigation at December 31, 2009.

B. Compensated Absences

The County provides employees with up to three weeks of paid vacation per year based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation leave. Vacation days not used by the end of the year they are earned are forfeited. Although employees accrue unused hours the County was unable to determine their outstanding liability.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.700 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT

STATE COMPLIANCE SECTION

SCHEDULE OF STATE FINDINGS

For the year ended December 31, 2009, actual expenditures exceeded the budgeted expenditures in the Crime Victim Advocate, FIT, MOPS, and Deputy Support fund.

For the year ended December 31, 2008, actual expenditures exceeded the budgeted expenditures in General, Road and Bridge, Assessment, Sheriff Civil, SFAV, LEF, FIT, MOPS, and SB 40.

FEDERAL COMPLIANCE SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Shannon, Missouri

We have audited the financial statements of the County of Shannon ("County"), Missouri as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated December 20, 2010. The financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting; FS 08/09-01, FS 08/09-02, FS 08/09-03, FS 08/09-04, FS 08/09-05, FS 08/09-06, FS 08/09-07, SA 08/09-01 and SA 08/09-02. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated December 20, 2010.

The County's response to the findings identified in our audit is described in the accompany schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

December 20, 2010

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

To The County Commission
The County of Shannon
Eminence, Missouri

Compliance

We have audited the compliance of the County of Shannon, (the County) with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008.

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Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies as described in the accompanying schedule of findings and questioned costs as items SA08/09-01 and SA08/09-02. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe that a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

December 20, 2010

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2009 AND 2008

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	PASS-THROUGH ENTITY IDENTIFYING NUMBER	DECEMBER 31, 2009 FEDERAL SHARE OF EXPENDITURES	DECEMBER 31, 2008 FEDERAL SHARE OF EXPENDITURES
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
14.228	Community Development Block Grant	N/A	-	2,500.00
	U.S. DEPARTMENT OF THE INTERIOR			
	Direct Programs:			
15.226	Payments in Lieu of Taxes (PILT)	N/A	153,405.00	158,901.00
	U.S. DEPARTMENT OF JUSTICE			
	Passed Through State:			
16.575	Crime Victim Assistance	N/A	34,795.53	30,580.01
16.592	Local Law Enforcement Block Grant	N/A	1,738.39	2,803.00
16.XXX	Domestic Cannabis Eradication	MOSMART	-	31,350.78
	ELECTION ASSISTANCE COMMISSION			
	Passed through the Office of Secretary of State -			
90.401	Help America Vote Act Requirements Payments	HAVA	44,928.40	-
	U. S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through state:			
97.036	Disaster Grants - Public Assistance Grants (Presidentially declared disasters)	SEMA	124,752.47	631,438.26
97.042	Emergency Management Performance Grants	N/A	1,178.68	-
	TOTAL EXPENDITURES OF FEDERAL AWARDS		$ 360,798.47	$ 857,573.05

NOTE 1 – BASIS OF PRESENTATION

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Shannon County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistanc*e means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUBRECIPIENTS

The County provided no federal awards to subrecipients during the years ended December 31, 2009 and 2008.

THE COUNTY OF SHANNON
EMINENCE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unqualified Regulatory Basis

2. Internal control over financial reporting:

a. Any material weakness(es) identified? 2009 ___ Yes X No

2008 ___ Yes X No

b. Any significant deficiencies identified that are not considered to be material weaknesses? 2009 X Yes ___ None Reported

2008 X Yes ___ None Reported

3. Any noncompliance material to financial statements noted? 2009 ___ Yes X No

2008 ___ Yes X No

B. Federal Awards

1. Internal control over major programs:

Any material weakness(es) identified? 2009 ___ Yes X No

2008 ___ Yes X No

2. Any significant deficiencies identified that are not considered to be material weaknesses? 2009 X Yes ___ No

2008 X Yes ___ No

3. Type of auditor's report issued on compliance for major programs: 2009 - Unqualified

2008 - Unqualified

4. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*? 2009 X Yes ___ No

2008 X Yes ___ No

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

5. Identification of major programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2009/2008	97.036	Public Assistance Grant
2009/2008	15.226	Payment in Lieu of Taxes

6. Dollar threshold used to distinguish between type A and type B programs: $ 300,000

7. Auditee qualified as low-risk auditee? 2009 ___ Yes X No

2008 ___ Yes X No

II. FINANCIAL STATEMENT FINDINGS

FS 08/09-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters in an Audit, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During the audit planning phase of the audit the client informed us that we would be preparing the audited financials.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: Shannon County prepared financial statements as prescribed by the Missouri State Auditor's Office. A detail of all transactions are printed in local newspapers annually.

II. FINANCIAL STATEMENT FINDINGS (continued)

FS 08/09-02

Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs the County informed us that internal control documentation had not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County follows procedures set forth by the Missouri State Statutes. At this time no formal document is required.

FS 08/09-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs the County informed us that the necessary risk assessment documentation had not been prepared.

II. FINANCIAL STATEMENT FINDINGS (continued)

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: The County follows procedures as set forth by the Missouri State Statutes. Furthermore, the County carries applicable liability insurance as well as office holders being bonded to help protect the County against fraudulent acts.

FS 08/09-04 Criteria: Bank reconciliations should be prepared monthly on a timely basis by the Collector's and Prosecuting Attorney's office. Adequate cash journals should also be maintained to ensure reconciliations are being prepared correctly to reflect actual outstanding items.

Condition: During our audit, we discovered that bank reconciliations were not prepared to where they could be reconciled to a detail of the cash transactions of the Office.

Context: This deficiency became apparent through our testing of the Collector's and Prosecuting Attorney's cash accounts and the related reconciliations.

Effect: Not preparing timely bank reconciliations and cash journals does not allow timely detection of errors and correction to these office holder's cash accounts.

Cause: Management has not maintained cash transaction journals and bank reconciliations on a timely basis.

Recommendation: We recommend that the County Collector and Prosecuting Attorney prepare monthly bank reconciliations and adjustments to the cash accounts.

Management Response: The County will consider the auditor's recommendation.

II. FINANCIAL STATEMENT FINDINGS (continued)

FS 08/09-05

Criteria: All supporting documentation must be made available for all financial transactions of the County.

Condition: The County could not provide all receipts to support the credit card statements.

Context: This deficiency became apparent through our examination of credit cards.

Effect: We were unable to assess the reasonableness of the disbursements that occurred through the credit card purchases of the County.

Cause: Credit card receipts were not provided to the Clerk's office by the other office holders for their purchases with the County credit card.

Recommendation: We recommend the County create and enforce a policy of complete support for credit card purchases.

Management Response: The County will implement a system of collecting and safeguarding documentation for future years.

FS 08/09-06

Criteria: Financial information should be collected and communicated in a manner where an individual with a reasonable understanding of accounting can determine that financial statements flow from one year to the next. This entails proper closing entries and the use of proper revenue and expenditure account coding.

Condition: The County Treasurer's office accounts for the activities of the special purpose funds individually but only through their own account, this account does not differentiate between what is an expense or revenue. Furthermore, these accounts are closed at the end of the year and a completely new file is opened.

Context: This deficiency became apparent through our examination of the general ledger detail for the special purpose fund analytical testing.

Effect: The fund balance of special purpose funds may allow for errors to occur between years. Also a lack of the use of expenditure and revenue codes makes budget compliance difficult for the controlling office.

Cause: The Treasurer's office was unaware of the necessity of proper accounting data collection and entry.

II. FINANCIAL STATEMENT FINDINGS (concluded)

Recommendation: We recommend the Treasurer's office obtain training for their software in order to prepare financial information useful for budget compliance and future budget preparation.

Management Response: The County will take steps to ensure financial information is prepared and reported in a manner sufficient for budget examination.

FS 08/09-07 Criteria: Documentation should be readily available for examination upon request of audit staff.

Condition: The Shannon County Sheltered Workshop (SB40) could not provide the minutes of the board meetings before October 2009 and the budget for 2008.

Context: This deficiency became apparent through correspondence with the SB40.

Effect: We were unable to determine whether significant disclosure may have been included within the minutes of the SB40's minutes and were unable to determine their compliance as to them operating within the constraints of their budget.

Cause: This information was not safeguarded by the SB40's management in order to make documents available for examination.

Recommendation: We recommend the SB40 take steps to safeguard their documents; such as, redundancy in copies, fire safes, and/or offsite data back up.

Management Response: The SB40 will implement a system of safeguarding documentation for future years.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The following findings, recommendations, and questioned costs are the results of the single audit of Shannon County, Missouri for fiscal years ended December 31, 2009 and 2008. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: A significant deficiency in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

2. Material Weakness: A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.

2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than $10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

C. Federal Award Findings and Questioned Costs

SA 08/09-01

Other Information: Significant Deficiency

Federal Grantor:	U.S. Department of Homeland Security
Pass-Through Grantor:	Missouri Department of Public Safety
Federal CFDA Number:	97.036
Program Title:	Public Assistance Grants
Federal Grantor:	U.S. Department of the Interior
Federal CFDA Number:	15.226
Program Title:	Payment in Lieu of Taxes

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Federal Expenditures and Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, The Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The County will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (concluded)

SA 08/09-02

Other Information: Significant Deficiency

Federal Grantor: U.S. Department of the Interior
Federal CFDA Number: 15.226
Program Title: Payment in Lieu of Taxes

Information on the federal program: Payment in Lieu of Taxes was not included in the County's schedule of expenditures and federal awards.

Criteria: OMB Circular A-133, §___.300 Auditee responsibilities (a): The auditee shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

Condition: Although, through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the SEFA did not include the funding expensed from the above federal funding source during 2008 and 2009.

Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards.

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The county will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

I. FOLLOW-UP PRIOR YEAR FINDINGS

There were no prior year findings related to the financial statements.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS – PRIOR YEAR

05-1	Federal Grantor:	U.S. Department of Homeland Security
	Pass-Through Grantor:	Missouri Department of Public Safety
	Federal CFDA Number:	97.036
	Program Title:	Public Assistance Grants
	Pass-Through Entity Identifying Number:	Not Applicable
	Award Years:	2005 and 2004
	Questioned Costs:	Not applicable
	Federal Grantor:	U.S. Department of Agriculture
	Pass-Through Grantor:	Missouri Office of Administration
	Federal CFDA Number:	10.665
	Program Title:	Schools and Roads – Grants to States
	Pass-Through Entity Identifying Number:	Not Applicable
	Award Years:	2005 and 2004
	Questioned Costs:	Not applicable

The county does not have adequate procedures in place to track federal awards for the preparation of the Schedule of Expenditures of Federal Awards (SEFA), and as a result, the county's SEFA contained significant errors and omissions. Total federal expenditures were understated by $588,000 and $237,400 for the years ended December 31, 2005 and 2004, respectively.

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires the county to prepare a SEFA for the period covered by the county's financial statements. The county is required to submit the SEFA to the State Auditor's Office as a part of the annual budget.

Expenditures relating to several federal grants were reported incorrectly or not included on the schedule. In particular, two significant errors and omissions caused the majority of the understated expenditures. The County Clerk failed to include federal expenditures of $177,421 and $209,922 in 2005 and 2004, respectively, for Schools and Roads – Grants to States (CFDA# 10.665) because she indicated she was not aware that this program represented federal assistance. In addition, the County Clerk reported revenues instead of expenditures for Public Assistance Grants (CFDA# 97.036) in 2005, resulting in an understatement of federal expenditures of approximately $418,500. The SEFA also did not include the required CFDA number or pass-through grantor's number for several programs.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS – PRIOR YEAR (concluded)

Compilation of the SEFA requires consulting county financial records and requesting information from other departments and/or officials. The County Commission and County Clerk should take steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards are properly accounted for on the SEFA.

Without an accurate SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal awards.

WE RECOMMEND the County Commission and County Clerk work to ensure the SEFA is complete and accurate.

AUDITOR'S EVALUATION: The stated corrective action has not been implemented in the current year being audited. See single audit finding 08/09-01.

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

To the County Commissioners
County of Shannon

In planning and performing our audit of the financial statements of the County of Shannon (County) as of and for the years ended December 31, 2009 and 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency, is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other material and significant matters are presented as follows:

I. Deficiencies Considered to be Significant
II. Changes Impacting Governmental Organizations
III. Information Required by Professional Standards

County of Shannon's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants
December 20, 2010

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I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 08/09-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters in an Audit, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During the audit planning phase of the audit the client informed us that we would be preparing the audited financials.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: Shannon County prepared financial statements as prescribed by the Missouri State Auditor's Office. A detail of all transactions are printed in local newspapers annually.

FS 08/09-02

Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs the County informed us that internal control documentation had not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County follows procedures set forth by the Missouri State Statutes. At this time no formal document is required.

FS 08/09-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: The County follows procedures as set forth by the Missouri State Statutes. Furthermore, the County carries applicable liability insurance as well as office holders being bonded to help protect the County against fraudulent acts.

FS 08/09-04

Criteria: Bank reconciliations should be prepared monthly on a timely basis by the Collector's and Prosecuting Attorney's office. Adequate cash journals should also be maintained to ensure reconciliations are being prepared correctly to reflect actual outstanding items.

Condition: During our audit, we discovered that bank reconciliations were not prepared to where they could be reconciled to a detail of the cash transactions of the Office.

Context: This deficiency became apparent through our testing of the Collector's and Prosecuting Attorney's cash accounts and the related reconciliations.

Effect: Not preparing timely bank reconciliations and cash journals does not allow timely detection of errors and correction to these office holder's cash accounts.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

Cause: Management has not maintained cash transaction journals and bank reconciliations on a timely basis.

Recommendation: We recommend that the County Collector and Prosecuting Attorney prepare monthly bank reconciliations and adjustments to the cash accounts.

Management Response: The County will consider the auditor's recommendation.

FS 08/09-05

Criteria: All supporting documentation must be made available for all financial transactions of the County.

Condition: The County could not provide all receipts to support the credit card statements.

Context: This deficiency became apparent through our examination of credit cards.

Effect: We were unable to assess the reasonableness of the disbursements that occurred through the credit card purchases of the County.

Cause: Credit card receipts were not provided to the Clerk's office by the other office holders for their purchases with the County credit card.

Recommendation: We recommend the County create and enforce a policy of complete support for credit card purchases.

Management Response: The County will implement a system of collecting and safeguarding documentation for future years.

FS 08/09-06

Criteria: Financial information should be collected and communicated in a manner where an individual with a reasonable understanding of accounting can determine that financial statements flow from one year to the next. This entails proper closing entries and the use of proper revenue and expenditure account coding.

Condition: The County Treasurer's office accounts for the activities of the special purpose funds individually but only through their own account, this account does not differentiate between what is an expense or revenue. Furthermore, these accounts are closed at the end of the year and a completely new file is opened.

Context: This deficiency became apparent through our examination of the general ledger detail for the special purpose fund analytical testing.

Effect: The fund balance of special purpose funds may allow for errors to occur between years. Also a lack of the use of expenditure and revenue codes makes budget compliance difficult for the controlling office.

Cause: The Treasurer's office was unaware of the necessity of proper accounting data collection and entry.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

Recommendation: We recommend the Treasurer's office obtain training for their software in order to prepare financial information useful for budget compliance and future budget preparation.

Management Response: The County will take steps to ensure financial information is prepared and reported in a manner sufficient for budget examination.

FS 08/09-07

Criteria: Documentation should be readily available for examination upon request of audit staff.

Condition: The Shannon County Sheltered Workshop (SB40) could not provide the minutes of the board meetings before October 2009 and the budget for 2008.

Context: This deficiency became apparent through correspondence with the SB40.

Effect: We were unable to determine whether significant disclosure may have been included within the minutes of the SB40's minutes and were unable to determine their compliance as to them operating within the constraints of their budget.

Cause: This information was not safeguarded by the SB40's management in order to make documents available for examination.

Recommendation: We recommend the SB40 take steps to safeguard their documents; such as, redundancy in copies, fire safes, and/or offsite data back up.

Management Response: The SB40 will implement a system of safeguarding documentation for future years.

SA 08/09-01

Federal Grantor:	U.S. Department of Homeland Security
Pass-Through Grantor:	Missouri Department of Public Safety
Federal CFDA Number:	97.036
Program Title:	Public Assistance Grants

Federal Grantor:	U.S. Department of the Interior
Federal CFDA Number:	15.226
Program Title:	Payment in Lieu of Taxes

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Federal Expenditures and Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, The Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The County will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

SA 08/09-02

Federal Grantor:	U.S. Department of the Interior
Federal CFDA Number:	15.226
Program Title:	Payment in Lieu of Taxes

Information on the federal program: CFDA #15.226, Payment in Lieu of Taxes was not included in the County's schedule of expenditures and federal awards.

Criteria: OMB Circular A-133, §___.300 Auditee responsibilities (a): The auditee shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

Condition: Although, through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the SEFA did not include the funding expensed from the above federal funding source during 2008 and 2009.

Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards.

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The County will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

Governments frequently establish governmental audit requirements for entities to undergo an audit of their compliance with applicable compliance requirements. To address such governmental audit requirements, the Auditing Standards Board has issued Statement on Auditing Standards (SAS) No. 117, *Compliance Audits*, which supersedes SAS No. 74, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistanc*e. SAS No. 117 was primarily developed in response to the results of a federal study on the quality of audits performed under Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* (also referred to as single audits), which showed that improvements were needed in many areas.

SAS No. 117 establishes standards and provides guidance on performing and reporting (in accordance with GAAS, *Government Auditing Standards*, and a governmental audit requirement that requires an auditor to express an opinion on compliance) on an audit of an entity's compliance with applicable compliance requirements of a governmental audit requirement. Examples of such engagements include single audits and audits performed under the U.S. Department of Housing and Urban Development (HUD) *Consolidated Audit Guide for Audits of HUD Programs.*

SAS No. 117 updates SAS No. 74 to reflect changes in the compliance audit environment and incorporates the risk assessment standards. It requires the auditor to adapt and apply the AU sections of AICPA *Professional Standards* to a compliance audit and provides guidance on how to do so. It identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits and used in the SAS, and identifies the elements to be included in an auditor's report on a compliance audit. The SAS is effective for compliance audits for fiscal periods ending on or after June 15, 2010 with earlier application permitted.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated April 29, 2010, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the regulatory basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered County of Shannon's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (continued)

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examine on a test basis, evidence about the County's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on the County's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the County's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on April 29, 2010.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Shannon are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009 and 2008. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 20, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the governmental unit's auditors. During the course of our audit we became aware that certain purchases of sunglasses within the sheriff's office were questionable. In addition, the County was missing credit card receipts and incurring fees for late payments and exceeding the credit limit.

THOMAS A. SCHWEICH
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2010, which collectively comprise the state's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the state's management. Our responsibility is to express opinions on these financial statements based on our audit.

We did not audit the financial statements of certain entities that comprise the state of Missouri. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based on the reports of the other auditors. Those entities were:

1. The Missouri Department of Transportation and blended transportation corporations identified in Note 1A., the Conservation Employees' Insurance Plan, the Transportation Self-Insurance Plan, the Missouri State Employees' Insurance Plan, the Missouri Consolidated Health Care Plan, and the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan, which represent 78 percent and 13 percent of the assets and revenues, respectively, of the governmental activities.

2. The State Lottery and the Petroleum Storage Tank Insurance Fund, which represent 35 percent of both the assets and revenues of the business-type activities.

3. The component units.

4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation Local Fund, which represent 94 percent and 97 percent of the assets and additions, respectively, of the fiduciary funds.

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Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Missouri Highway 63 Transportation Corporation and the Wentzville Parkway Transportation Corporation, blended component units; the Conservation Employees' Insurance Plan, the Missouri State Employees' Insurance Plan, and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board and Northwest Missouri State University, discretely presented component units; and the pension (and other employee benefit) trust funds were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

We were not allowed access to tax returns and related source documents for income taxes. Access was denied based on the Director of Revenue's interpretation of the decision rendered by the Missouri Supreme Court in the case of Director of Revenue v. State Auditor 511 S.W.2d 779 (Mo. 1974). Approximately 22 percent of governmental activity revenues and 25 percent of General Fund revenues are from this source. We were unable to satisfy ourselves by appropriate auditing procedures as to the income tax revenue beyond the amounts recorded.

In our opinion, based on our audit and the reports of other auditors, and except for the effects of such adjustments, if any, as might have been determined to be necessary had we been allowed access to tax returns and related source documents for income taxes, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, the state of Missouri implemented Governmental Accounting Standards Board Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*; Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*; and Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

In accordance with *Government Auditing Standards*, our report on our consideration of the state of Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters is issued under separate cover in the Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the

results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the state's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, and except for the effects, if any, of the matters discussed in paragraph four, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The information in the introductory section and statistical section, as listed in the table of contents, has not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Thomas A. Schweich
State Auditor

January 25, 2011

Susan Montee, JD, CPA

Missouri State Auditor

Shannon County

January 2011

Report No. 2011-02

auditor.mo.gov

Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Shannon County

Financial Condition
As noted in our prior audits, the financial condition of the General Revenue Fund has remained weak, and the financial condition of the Special Road and Bridge Fund has declined. Also, $202,598 is still due to the Special Road and Bridge Fund from the General Revenue Fund for excess administrative transfers and incorrect payment of payroll taxes from prior years. The county has not developed a repayment plan and has made no payments toward this inter-fund liability since August 2006. Because of the poor financial condition of the General Revenue Fund, the County Commission did not appropriate sufficient monies for emergency purposes in the 2010 General Revenue Fund budget as required by state law.

Disbursements
Several concerns were noted regarding county efforts to establish a quarry and the related disbursements of approximately $250,000 since 2007. There was no evidence an adequate cost/benefit analysis was performed prior to spending money to establish the quarry, and the quarry is still not operational. The county did not obtain an appraisal for land purchased for $31,675 in 2007 to be used as the quarry site. The county entered into an agreement to purchase a rock crusher for $215,000 in 2007, and paid this amount in three installments; however, as of December 2010, the county has not received delivery of the crusher. In addition, the County Commission and County Clerk need to improve disbursement review procedures to ensure all county disbursements are proper and adequately documented.

Payroll and Related Matters
Some employees do not prepare timesheets, some timesheets are not provided to the County Clerk's office, and some timesheet information is based on estimated hours worked. Overtime and compensatory time policies are not adequate and do not appear to comply with the Fair Labor Standards Act of 1938 (FLSA). The county accrues straight time off (compensatory time) to employees who work more than the county's normal 40-hour work period, although the FLSA requires compensatory time to be accrued at time and one-half.

Fuel and Vehicle Use
The county has not established effective monitoring procedures regarding fuel use. Mileage and fuel use logs are not maintained for county vehicles and equipment, and fuel use is not reviewed or reconciled to fuel purchases. The personal commuting use of county trucks by county road and bridge employees is not reported to the Internal Revenue Service.

Capital Assets
As noted in previous audits, procedures and records to account for county property are not adequate. The county has no procedure in place to identify capital asset purchases and dispositions throughout the year. County property records only include road and bridge and Sheriff vehicles and equipment, as well as some Local Emergency Planning Committee equipment. In addition, property is not tagged for specific identification and annual physical inventories are not performed.

Property Tax System
The County Clerk does not maintain an adequate account book or other records summarizing all property tax transactions. In addition, there is inadequate documentation of reconciliations between the property tax additions and abatements approved by the County Commission and the related changes made to the property tax system by the County Collector.

Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

County Collector's Controls and Procedures

The County Collector has not prepared annual settlements of property tax transactions since taking office on March 1, 2007. The County Collector does not adequately reconcile daily and monthly tax abstract totals to monthly settlements, and as a result, the monthly settlements were not always accurate. As of June 30, 2010, $51,813 remained in the former County Collector's bank account which represents monies collected prior to February 28, 2007. The County Collector does not always disburse monies on a timely basis. The County Collector does not compare reconciled bank account balances to liabilities, and at February 28, 2010, the liabilities exceeded the reconciled bank balance by $4,127. The County Collector does not properly assess some delinquent tax fees.

Prosecuting Attorney's Controls and Procedures

The duties of receiving, recording, depositing, and disbursing monies, and reconciling the Prosecuting Attorney's bank account are not adequately segregated. The Prosecuting Attorney's office does not have procedures to ensure all monies received are disbursed. Bank reconciliations are not documented and unidentified amounts have accumulated in the bank account. In addition, deposits are normally made only once a month.

All reports are available on our Web site: auditor.mo.gov

Shannon County
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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Shannon County

We have audited certain operations of Shannon County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones and Associates, Certified Public Accountants, has been engaged to audit the financial statements of Shannon County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Shannon County.

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice Fast, CPA, CGFM, CIA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Candi Copley
Audit Staff:	David Olson
	Michelle Crawford, M.Acct

1. Financial Condition

As noted in our prior audits, the financial condition of the General Revenue Fund has remained weak. In addition, the financial condition of the Special Road and Bridge Fund has declined. The following table reflects the ending cash balances of these funds for the 3 years ended December 31, 2009, as well as the anticipated balances for the year ended December 31, 2010:

	Ending Cash Balance, Year Ended December 31*			
Fund	2010 (Budgeted)	2009 (Actual)	2008 (Actual)	2007 (Actual)
General Revenue	$ 0	40,445	46,485	89,824
Special Road and Bridge	311,722	592,632	656,191	659,514

*Amounts were obtained from the county's budget documents.

Total receipts and disbursements of the General Revenue Fund have remained fairly consistent during the past 3 years. Sales tax receipts had increased and reached a high point in 2007, but decreasing sales tax revenues since 2007 and only slight increases in other revenues have made it difficult for the county to prepare a balanced budget.

Receipts of the Special Road and Bridge Fund have also remained fairly consistent while operating disbursements have steadily increased. Start-up costs of approximately $250,000 for establishing a county quarry (see MAR finding number 2) have contributed to the decrease in the Special Road and Bridge Fund balance.

As similarly discussed in our prior audit, $202,598 is still due to the Special Road and Bridge Fund from the General Revenue Fund for excess administrative transfers and incorrect payment of payroll taxes from the Special Road and Bridge Fund for non-road and bridge employees. Although related recommendations were made in our prior 3 audit reports, the county has not developed a repayment plan and has made no payments toward this inter-fund liability since August 2006. This amount is not reflected in the cash balances shown in the chart above.

Because of the poor financial condition of the General Revenue Fund, the County Commission did not appropriate sufficient monies for emergency purposes in the 2010 General Revenue Fund budget. Although $6,253 was budgeted for the emergency fund in 2010, this amount was insufficient by approximately $24,000. Had the required minimum emergency fund amount been budgeted, the county would not have had a balanced budget for the General Revenue Fund for 2010. The county budgets $100,000 in emergency disbursements from the Special Road and Bridge Fund. County officials indicated this is done because there is normally funding available for emergency purposes in the Special Road and Bridge Fund while emergency funding is not normally available in the General Revenue Fund; however, Special Road and Bridge Fund monies are restricted for road and

bridge purposes and cannot be used for other emergency expenses. Section 50.540.4, RSMo, requires the county to budget for an emergency fund within the General Revenue Fund in an amount equal to at least 3 percent of total estimated receipts.

It is essential the County Commission address the county's financial condition both in the immediate and long-term future. To improve the county's financial condition, the County Commission should reduce spending as much as possible, evaluate controls and management practices to ensure efficient use of county resources, attempt to maximize all sources of revenue, and closely monitor the county's budgets.

Recommendation

The County Commission closely monitor the county's financial condition and take the necessary steps to improve the financial condition of the General Revenue Fund and Special Road and Bridge Fund. The County Commission should perform long-term planning and ensure receipts are maximized and disbursements are closely monitored. Further, the County Commission should establish a plan to repay the General Revenue Fund liability to the Special Road and Bridge Fund, and budget the required emergency fund amounts within the General Revenue Fund.

Auditee's Response

The County Commission provided the following written response:

The county's financial condition has been an ongoing problem. We will continue to monitor General Revenue and Special Road and Bridge revenues and expenditures, and will evaluate the repayment of money owed to the Special Road and Bridge Fund as funds become available. We understand an emergency fund is required by law and will consider budgeting the required amount if funds are available.

2. Disbursements

Policies and procedures over disbursements are in need of improvement.

2.1 Quarry

Several concerns were noted regarding county efforts to establish a quarry and the related disbursements of approximately $250,000 since 2007. There was no evidence an adequate cost/benefit analysis was performed prior to spending money to establish the quarry, and the quarry is still not operational. While there were some general comments in the County Commission minutes that the county would save money by operating its own quarry, the County Commission did not document the anticipated costs and the associated benefits prior to spending county funds to establish the quarry. In addition, the county did not obtain an appraisal for 12 acres of land purchased for $31,675 in 2007 to be used as the quarry site.

The county entered into an agreement in November 2007 to purchase a rock crusher for $215,000. This amount was paid in three installments with the final installment in December 2009; however, as of December 2010, the

county has not received delivery of the crusher. County officials indicated there is no benefit for the crusher to be delivered until the quarry is operational, and delays in receiving permits from the Missouri Department of Natural Resources have been the main reason the quarry is still not operational.

Good business practices require that major projects involving the expenditure of public funds be adequately planned and documented. A cost/benefit analysis would have allowed the County Commission to better justify its decision for spending funds to establish a quarry. Land purchases should be formally and independently appraised to ensure a reasonable price is paid. Entering into a purchase agreement and paying for the rock crusher more than 3 years prior to delivery of the equipment has tied up a significant amount of county funds for which no benefit has yet to be received.

2.2 Disbursement review procedures

The County Commission and County Clerk need to improve disbursement review procedures to ensure all disbursements are proper and adequately documented. Our review noted the following concerns with specific county disbursements:

- Payments of $55,000 (grader payment) and $4,500 (logging truck rental) were documented on handwritten notes prepared by county officials and were not supported by vendor invoices. Additionally, there was no vendor invoice or other documentation for $1,200 paid to a funeral home for autopsy costs.

- Approval for disbursements from the Law Enforcement Restitution Fund (LERF) is not adequately documented. The county made various disbursements from the fund during 2008 and 2009 totaling approximately $52,000; however, the county could not provide documentation of LERF Board approval for the disbursements. The County Clerk indicated payments from the LERF are generally made upon verbal request of the Sheriff or a LERF board member. Section 50.565, RSMo, provides money from the LERF shall only be spent upon the approval of a majority of the board members.

- The county paid the Coroner $1,484 twice for his annual 2008 mileage reimbursement request. According to the County Clerk, the original request was not properly cancelled or filed after payment, causing it to be processed and paid a second time. In addition, the request did not take into account changes in the county's mileage reimbursement rate during 2008 and a portion of the miles were reimbursed at a rate higher than approved by the County Commission resulting in an additional overpayment of approximately $100. The review of the request was not sufficient to detect the incorrect mileage rate. Neither the duplicate payment nor the overpayment were identified by the county prior to our review.

The County Commission is currently working with the County Coroner to obtain reimbursement of the overpayments.

- Invoices for prisoner meals are not reviewed or approved by the Sheriff's office and are not compared to the Sheriff's jail logs to ensure the accuracy of the meal billings. Sheriff's personnel indicated prisoner meal invoices had been sent directly to the Sheriff's office and were compared to jail logs, but at some point prior to 2008 the invoices were sent directly to the County Clerk's office. Our review of meal billings and jail logs for 2008 and 2009 noted some discrepancies between billings and logs.

Adequate review and approval of all county disbursements is necessary to ensure all disbursements are reasonable and comply with state law, and to prevent overpayments or duplicate payments.

Recommendations

The County Commission:

2.1 Perform a cost/benefit analysis prior to the approval of major projects involving the expenditure of county funds. In addition, the County Commission should obtain independent appraisals prior to the purchase of real property and ensure major equipment purchases are not made years in advance of receiving the equipment.

2.2 And County Clerk improve the payment and approval process to ensure all disbursements are supported by vendor invoices approved by the county officeholder who incurred the expense, and cancelled by the County Clerk upon payment.

Auditee's Response

The County Commission provided the following written response:

2.1 The County Commission's responsibility is to maintain county roads. Startup and operating costs for a county quarry were researched, and it was determined that a county quarry was the best plan to maintain roads for the long term. By producing road materials with county employee labor, we will be able to apply a better product on county roads at a more economical cost. During the preliminary stages of planning, state officials indicated obtaining the proper quarry operation permits would take about 3 months; however, the county has just recently obtained a draft of the final permit for public comment. Future county endeavors will include obtaining an independent appraisal for real property purchases, if necessary, and we will improve the procedures of documenting our efforts.

2.2 All LERF expenditures are approved by the LERF Board, and we will ensure minutes of LERF Board meetings include this approval

and are sent to the County Clerk. We will evaluate the county's expenditure process to ensure adequate invoice documentation is obtained and properly cancelled during the payment process. We will offset the overpayment to the County Coroner against future mileage claims.

3. Payroll and Related Matters

As similarly noted in our prior audit report, weaknesses were noted which reduced the effectiveness of county payroll processing and related controls. The county processes payroll disbursements of approximately $925,000 per year.

3.1 Timesheets

Some employees do not prepare timesheets, some timesheets are not provided to the County Clerk's office, and some timesheet information is based on estimated hours worked.

Salaried employees of the Sheriff's office do not prepare timesheets, and road and bridge employee timesheets are not provided to the County Clerk's office. In addition, timesheets were not always signed by employees or reviewed and signed by a supervisor.

Payroll is processed twice a month, and the county policy is to have each department submit timesheets or total hours worked for each employee to the County Clerk's office 2 days in advance of the pay date to enable the payroll to be processed. The time reported for each employee represents actual hours worked from the beginning of the pay period through the date the information is submitted and estimated hours to be worked during the last 2 days of the pay period. No documentation was available to indicate the hours actually worked were subsequently compared to the hours estimated.

Paying county employees for estimated hours may lead to errors, inconsistencies in the calculation of overtime and accumulated leave balances, and the potential for employees to be over/under paid. In addition, detailed timesheets signed by the employee and approved by a supervisor are necessary to document hours actually worked, provide information necessary to monitor overtime, leave, and compensatory time, and are beneficial in demonstrating compliance with county policies and the requirements of the Fair Labor Standards Act of 1938 (FLSA). If the county continues to use estimated hours worked for the last days of the pay period, the county should establish procedures to obtain documentation from the employees' supervisors for any differences between estimated and actual time worked, and fully document any applicable adjustments to the employees' pay or leave records when actual time worked is different from estimated time worked.

3.2 Compensatory time

Overtime and compensatory time policies are not adequate and do not appear to comply with the FLSA. The county accrues straight time off (compensatory time) to employees who work more than the county's normal 40-hour work period. The FLSA requires the county to pay overtime or provide compensatory time at time and one-half to any nonexempt employees who work more than 40 hours during a normal work week.

Additionally, the county considers nonworking time (vacation, sick leave, and compensatory time taken) when calculating employee overtime. As a result, the county may be awarding more compensatory time to employees than required. The FLSA indicates nonworking time should not be used in the calculation of overtime worked and compensatory time earned.

Overtime and compensatory time policies, including procedures to compute overtime and compensatory time in compliance with the FLSA, are necessary to ensure all employee benefits comply with the FLSA and all employees are treated equitably.

Recommendations

The County Commission:

3.1 Require all employees to prepare timesheets which are signed by the employee, approved by a supervisor, and submitted to the County Clerk's office. In addition, the County Commission should develop payroll procedures which require all county employees to be paid based on actual hours worked.

3.2 Adopt overtime and compensatory time policies which comply with the FLSA, and ensure employee overtime and compensatory time calculations do not include nonworking time such as leave and compensatory time used.

Auditee's Response

The County Commission provided the following written response:

3.1 We agree and will develop procedures to ensure timesheets are prepared which agree to payroll records and are submitted to the County Clerk.

3.2 We agree and will review the county's compensatory time policy and amend as necessary.

4. Fuel and Vehicle Use

Several concerns were identified related to fuel and vehicle use.

4.1 Fuel use

The county has not established effective monitoring procedures regarding fuel use. Mileage and fuel use logs are not maintained for county vehicles and equipment, and fuel use is not reviewed or reconciled to fuel purchases.

The Road and Bridge department and Sheriff's department incur the majority of county fuel costs. During the 2 years ended December 31, 2009, the county incurred fuel costs of approximately $267,000 for the Road and Bridge Department and approximately $23,000 for the Sheriff's department.

The Road and Bridge department maintains bulk fuel tanks at five locations: one at each of the two road sheds and three at employees' residences. County personnel indicated the tanks at the employees' residences are not metered, and the meter at one road shed tank is not working. While the county has attempted to maintain some logs of fuel pumped at the road sheds, the records were not always complete and accurate. For example, beginning meter readings did not always match the previous ending readings, and some meter readings were left blank on the logs. In addition, the county does not maintain adequate bulk fuel inventory records or attempt to reconcile fuel used to fuel purchased. As a result, theft and misuse of fuel could go undetected.

The Sheriff's department purchases fuel from gas stations, and dispatchers record each fuel purchase. However, odometer readings are not provided to or recorded by the dispatcher. Thus, fuel purchases are not compared to vehicle mileage readings to help determine the reasonableness of fuel use.

Maintenance and review of vehicle and equipment mileage and fuel use logs and bulk fuel inventory records, and comparison of log information and inventory records to fuel purchases, are necessary to ensure vehicles and equipment are properly utilized, to prevent paying vendors for improper billing amounts, and to decrease the risk of theft or misuse of fuel occurring without detection. Logs should provide sufficient details so the county can effectively monitor vehicle and equipment use and fuel costs.

4.2 Commuting mileage

The personal commuting use of county trucks by county road and bridge employees is not reported to the Internal Revenue Service (IRS). The county's 13 road and bridge employees use county vehicles to commute between their homes and work sites. County officials indicated that because of the large geographic area of the county, road and bridge worksites in many instances are closer to the employees' homes than to the two county road sheds. Because vehicle logs are not maintained, the county cannot distinguish between personal commuting and county business-related mileage, and personal mileage is not reported on employee W-2 forms.

The IRS reporting guidelines indicate personal and commuting mileage are reportable fringe benefits and require the full value of the provided vehicle to be reported if the employer does not require the submission of detailed logs that document business and personal use. Because procedures have not been established to ensure IRS regulations are followed, the county may be subject to penalties and/or fines for failure to report all taxable benefits.

Recommendations

The County Commission:

4.1 Require mileage and fuel use logs for all vehicles and equipment and review the logs for reasonableness. In addition, bulk fuel inventory records should be maintained, fuel use should be reconciled to fuel purchases, and any significant discrepancies should be investigated.

4.2 Comply with IRS guidelines for reporting fringe benefits related to commuting miles and require mileage logs which distinguish between business and commuting use.

Auditee's Response

The County Commission provided the following written response:

4.1 We believe our current procedures allow for adequate review of fuel use by county employees and have determined the installation of fuel meters and the additional time for recordkeeping would not be cost effective.

4.2 Due to the size of the county, it is more economical to allow county road employees to drive a county vehicle from their residence to the work sites. We will review IRS guidelines and implement a county policy for employees commuting to the work site.

The Sheriff provided the following response:

4.1 We are now keeping mileage logs for all vehicles.

5. Capital Assets

As noted in previous audits, procedures and records to account for county property are not adequate. The county has no procedure in place to identify capital asset purchases and dispositions throughout the year. County property records only include road and bridge and Sheriff vehicles and equipment, as well as some Local Emergency Planning Committee equipment. In addition, property is not tagged for specific identification and annual physical inventories are not performed.

Adequate capital asset records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Procedures to track capital asset purchases and dispositions throughout the year and compare to physical inventory results would enhance the county's ability to account for capital assets and potentially identify unrecorded additions and dispositions, identify obsolete assets, and deter and detect theft of assets. Proper tagging of county property items and specific identification of property locations are necessary to reduce the possibility of improper personal use of county property. Section 49.093, RSMo, provides that the officer or their designee of each county department is responsible for performing annual inspections

and inventories of county property used by their department and for submitting an inventory report to the County Clerk.

Recommendation

The County Commission and the County Clerk work with other county officials to ensure complete and accurate inventory records are maintained and annual physical inventories are conducted, and implement procedures for tracking capital asset purchases and dispositions throughout the year. In addition, all capital assets should be tagged and identified as county property.

Auditee's Response

The County Commission and County Clerk provided the following written response:

We agree and will attempt to work with the other county officials to create an adequate asset listing and request the annual submission of asset records from county officials.

6. Property Tax System

As similarly noted in our prior audit reports, controls and procedures over the property tax system need improvement.

6.1 Account book

The County Clerk does not maintain an adequate account book or other records summarizing all property tax transactions. The County Clerk maintains a spreadsheet which includes beginning tax book totals, monthly collections, and monthly totals for additions and abatements, but does not include protested taxes or delinquent balances. In addition, the County Collector has not prepared annual settlements of property tax transactions (see MAR finding number 7), and the County Clerk and County Commission do not perform procedures to verify the accuracy of the County Collector's monthly settlements.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records which summarize all tax charges and credits should be maintained by the County Clerk. Such records could be used by the County Clerk and the County Commission to verify the County Collector's monthly and annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

6.2 Additions and abatements

There is inadequate documentation of reconciliations between the property tax additions and abatements approved by the County Commission and the related changes made to the property tax system by the County Collector. Additions and abatements are prepared by the County Assessor and approved by the County Clerk as they occur, and subsequently approved by the County Commission at the next commission meeting. The County Collector makes changes to the computerized tax books for all additions and abatements. The County Clerk prepares a summary of additions and

abatements and indicated she reconciles this summary to the changes made by the County Collector; however, a summary of changes made is not generated from the property tax computer system, so there is no documentation to show that the summary records prepared by the County Clerk are in agreement with changes to the property tax system. As a result, additions and abatements, which constitute changes to the amount of taxes the County Collector is charged with collecting, are not properly monitored and errors or irregularities could go undetected.

If it is not feasible for the County Clerk to make changes directly to the property tax system, the county should generate reports of all changes made to the computerized property tax system and the County Clerk should verify all changes are complete and accurate. Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission.

Recommendations

The County Clerk:

6.1 Maintain an account book of all property tax transactions with the County Collector. Additionally, the County Commission and County Clerk should perform a thorough review of the County Collector's monthly and annual settlements.

6.2 Develop procedures to ensure all additions and abatements are posted to the computerized property tax books.

Auditee's Response

The County Clerk provided the following written response:

6.1 The County Clerk attempted to prepare an account book since the prior audit but did not have enough information to reconcile the account book to delinquent tax totals. The county is currently upgrading the county's computerized property tax system which will allow the County Clerk access to the county's property tax records and allow for reconciliations to the County Collector's monthly and annual settlements.

6.2 The County Clerk attempted to correct this situation since the prior audit. The system upgrades currently in progress should allow us to fully implement this recommendation.

7. County Collector's Controls and Procedures

Several weaknesses exist in the County Collector's procedures. The County Collector's office processed property tax receipts of $4.7 million for the 2 years ended February 28, 2010, and the weaknesses in the County Collector's procedures do not provide adequate assurance that all property tax receipts and disbursements are accounted for properly.

7.1 Annual settlements

The County Collector has not prepared annual settlements of property tax transactions since taking office on March 1, 2007. In addition, the former County Collector did not file an annual settlement for her last year in office. By not preparing annual settlements, the County Collector has not provided the County Commission or the taxpayers with a complete accounting of property tax transactions.

Section 139.160, RSMo, requires the County Collector to annually settle with the County Commission the accounts of all monies received from taxes and other sources. To help ensure the validity of tax book charges, collections, and credits, and for the County Clerk and County Commission to properly verify these amounts, it is imperative the County Collector file annual settlements on a timely basis.

7.2 Monthly settlements

The County Collector does not adequately reconcile daily and monthly tax abstract totals to monthly settlements, and as a result, the monthly settlements were not always accurate. The County Collector obtains information from the daily and monthly abstract totals generated by the computerized property tax system and manually inputs this information into a separate computer spreadsheet. This spreadsheet then generates the monthly settlements which contain the tax and fee amounts distributed to the various taxing authorities. Our review noted the spreadsheets used for preparing monthly settlements contained some inaccurate formulas. In addition, amounts from the tax abstracts were not always input correctly into the monthly settlement spreadsheets. While the extent of these problems was not determined, these monthly spreadsheet errors have resulted in inaccurate distributions to some taxing authorities.

Reconciliations between abstract totals and monthly settlements are necessary to ensure monthly settlements and distributions are accurate, and to enable the County Collector to prepare accurate annual settlements.

7.3 Former County Collector's bank account

As of June 30, 2010, $51,813 remained in the former County Collector's bank account which represents monies collected prior to February 28, 2007. The current County Collector indicated the balance in this account has not been identified to specific collections and she has requested the former County Collector to distribute these monies and close the account; however, the former County Collector has failed to take action on this matter and the bank has notified the county that the account can only be closed under the authority of the former County Collector. To ensure the property taxes collected by the former County Collector are properly distributed, the County Collector should continue efforts to work with the former County Collector to distribute these monies and close the account. Consulting with legal counsel may be necessary should such efforts be unsuccessful and the bank continues to require authorization of the former County Collector.

7.4 Distributions

The County Collector does not always disburse monies on a timely basis. For example, collections in December 2009 were not disbursed until February 2010, and collections in January 2010 were not disbursed until April 2010. The County Collector indicated the workload of the office is the main cause for delays in distributing tax collections.

Section 139.210, RSMo. requires all collections to be distributed to the political subdivisions by the fifteenth day of the following month. In addition, timely and proper distribution of property tax collections to the political subdivisions is important because the political subdivisions rely on property tax revenues to fund operations.

7.5 Bank accounts and liabilities

The County Collector does not compare reconciled bank account balances to liabilities. Based on a review of the County Collector's records, we identified liabilities totaling $155,896 at February 28, 2010, which consisted of February tax collections and undistributed surtax and interest. The liabilities exceeded the reconciled bank balance of $151,769 by $4,127. While the County Collector could not determine the reasons for the difference between liabilities and the reconciled bank balance, errors in the monthly settlements and potential erroneous distributions (see section 7.2) could have contributed to the differences.

To ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available for the payment of all amounts due, liabilities should be identified monthly and reconciled to cash balances. Prompt follow up on discrepancies is necessary to identify and resolve errors.

7.6 Delinquent tax fees

The County Collector does not properly assess some delinquent tax fees. State laws require fees totaling 7 percent of all delinquent taxes and interest be assessed and collected for each delinquent tax payment; however, the County Collector does not assess the 7 percent fee on the amount of delinquent interest. The County Collector computes the 7 percent fee manually on each delinquent tax payment, and she indicated she was not aware that this fee should be computed on delinquent interest. Based on the County Collector's records of total delinquent interest collected during the 2 years ended February 28, 2010, the county could have collected as much as $5,600 in additional delinquent tax fees (which are distributed to various county funds).

To ensure county revenues are maximized, the County Collector should ensure the 7 percent fee on delinquent taxes is computed and assessed in accordance with Section 52.290, RSMo.

Similar conditions previously reported

Similar conditions to points 7.4 and 7.5 were noted in our prior audit report.

Recommendations

The County Collector:

7.1 Prepare and file annual settlements as required by state law.

7.2 Reconcile daily tax abstract information to the monthly settlements and correct the formulas in the monthly settlement spreadsheets. The County Collector should review prior monthly settlements and correct any significant tax distribution errors.

7.3 Continue efforts to work with the former County Collector to distribute the monies in the old bank account and consult with legal counsel as appropriate.

7.4. Distribute monthly tax collections in a timely manner in accordance with state law.

7.5 Prepare monthly lists of liabilities, reconcile the lists to the reconciled bank balances, investigate any unreconciled differences, and make appropriate adjustments to correct any deficiencies noted.

7.6 Ensure fees are properly assessed on all delinquent tax payments in accordance with state law.

Auditee's Response

The County Collector provided the following written response:

7.1 I agree. Current property tax system upgrades will aide in the preparation and filing of annual settlements.

7.2 I agree. Current property tax system upgrades will allow for the accurate completion of monthly settlements. Prior monthly settlements will be reviewed and corrected as needed.

7.3 I agree and will work with the former County Collector and County Commission to distribute monies as appropriate.

7.4 I agree and will distribute monthly tax collections in a timely manner.

7.5 I agree. Current property tax system upgrades will allow the computerized system to generate more accurate reports that can be reconciled to current liabilities.

7.6 I agree. Current property tax system upgrades will allow the correct assessment of fees on delinquent tax payments.

8. Prosecuting Attorney's Controls and Procedures

Weaknesses exist in accounting controls and procedures in the Prosecuting Attorney's office. The Prosecuting Attorney's office collected approximately $40,000 and $35,000 during the years ended December 31, 2009 and 2008, respectively.

8.1 Segregation of duties

The duties of receiving, recording, depositing, and disbursing monies, and reconciling the Prosecuting Attorney's bank account are not adequately segregated. One clerk performs all of these duties, and a documented supervisory review of the accounting records is not performed. As a result, there is little assurance all transactions are accounted for properly and accounting records are complete and accurate.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, the Prosecuting Attorney should implement a documented independent or supervisory review to ensure the bank records are in agreement with the accounting records.

8.2 Bank reconciliations

As similarly noted in our prior audit, the Prosecuting Attorney's office does not have procedures to ensure all monies received are disbursed. Bank reconciliations are not documented and unidentified amounts have accumulated in the bank account. Office personnel indicated all monies received are disbursed at the end of the month and the bank account should zero out. However, at December 31, 2009, the bank account had a balance of $1,345 which was unidentified, and the unidentified amount has fluctuated over time. Our prior audit noted an unidentified balance of $217 at December 31, 2005.

Procedures to ensure all receipts are properly deposited and disbursed and the preparation of monthly bank reconciliations are necessary to ensure the accounting records are in balance and to identify errors in a timely manner. Unidentified monies should be disposed of in accordance with state law.

8.3 Deposits

Receipts are not always deposited timely. Deposits are normally made only once a month. Additionally, monies are sometimes disbursed prior to deposit of the corresponding receipts. For example, receipts collected from November 19 through December 8, 2009, totaling $590 were not deposited until December 16, 2009. The Prosecuting Attorney's office transmitted the November 2009 bad check fees to the County Treasurer on December 1, 2009, prior to the deposit of all November receipts. Unidentified monies (see section 8.2) prevented the bank account from being overdrawn.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, deposits should be made timely, and monies should not be disbursed prior to deposit.

Similar conditions previously reported

Similar conditions to points 8.2 and 8.3 were noted in our prior audit report.

Recommendations

The Prosecuting Attorney:

8.1 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.

8.2 Adopt procedures to ensure all amounts received are deposited and disbursed. In addition, monthly bank reconciliations should be prepared to ensure the bank account zeroes out, and any differences between the accounting records and bank reconciliations should be investigated and resolved. Unidentified monies should be disposed in accordance with state law.

8.3 Deposit receipts on a timely basis and ensure all monies are deposited prior to disbursement.

Auditee's Response

The Prosecuting Attorney provided the following written response:

8.1 I will implement appropriate review procedures since adequate segregation of duties is not possible.

8.2 Procedures for monthly bank reconciliations will be implemented. I will review and determine how to distribute unidentified monies in the appropriate manner.

8.3 Monies will be deposited at least once a week or more frequently if necessary.

Shannon County
Organization and Statistical Information

Shannon County is a county-organized, third-class county. The county seat is Eminence.

Shannon County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 28 full-time employees and 5 part-time employees on December 31, 2009.

In addition, county operations include the Senate Bill 40 Board and the Senior Citizens Service Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
Tony Orchard, Presiding Commissioner	$	22,064
Dale Counts, Associate Commissioner		20,064
Herman Kelly, Associate Commissioner		20,064
Melany Williams, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Shelly McAfee, County Clerk		30,400
Jodie R. Greear-Brumble, Prosecuting Attorney		37,050
Stephen Blunkall, Sheriff		36,100
Allen L. Akers, County Treasurer		30,400
Tim Denton, County Coroner		8,550
James Orchard, Public Administrator		15,000
Susie Needels, County Collector (2), year ended February 28,	31,092	
Summer J. Crider, County Assessor, year ended August 31,		30,400

(1) Compensation is paid by the state.

(2) Includes $692 of commissions earned for collecting city property taxes.

Susan Montee, JD, CPA

Missouri State Auditor

County Collector
Marion County

January 2011

Report No. 2011-01

auditor.mo.gov

Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

County Collector of Marion County, Missouri

State statute requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. On August 28, 2010, a vacancy occurred in the office of the County Collector of Marion County, Missouri. A successor was appointed and sworn into office effective September 28, 2010. The audit resulted in no findings.

All reports are available on our Web site: auditor.mo.gov

Marion County Collector
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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
County Collector
Marion County, Missouri

Section 52.150, RSMo, requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. On August 28, 2010, a vacancy occurred in the office of the County Collector of Marion County. A successor was appointed and sworn into office effective September 28, 2010.

To satisfy our statutory obligation, we have audited the operations of the County Collector of Marion County. The scope of our audit included, but was not necessarily limited to, the period March 1 to August 28, 2010, and the year ended February 28, 2010. The objectives of our audit were to:

1. Determine the financial condition of the accounts of the office of the County Collector.

2. Evaluate the County Collector's internal controls over significant financial functions.

3. Evaluate the County Collector's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the County Collector, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the County Collector and county's management and was not subjected to the procedures applied in our audit of the County Collector.

Section 52.150, RSMo, requires the County Commission to accept the State Auditor's report and, if necessary, to take certain specific actions if the State Auditor finds any monies owing to the county or the past County Collector. No findings resulted from our audit of the County Collector of Marion County.

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Lori Bryant

Marion County Collector
Organization and Statistical Information

The County Collector bills and collects property taxes for the county and most local governments. Pursuant to Section 52.015, RSMo, the term for which collectors are elected expires on the first Monday in March of the year in which they are required to make their last final settlement for the tax book collected by them. Annual settlements are to be filed with the county commission for the fiscal year ended February 28 (29).

Lee Viorel served as County Collector until August 28, 2010. Mary Ann Viorel was appointed the Marion County Collector and sworn into office on September 28, 2010.

The County Collector received compensation of $34,235 for the period March 1 to August 28, 2010. During the year ended February 28, 2010, the County Collector received compensation of $70,128. Compensation was in accordance with statutory provisions.